



Regional Cooperation Council



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**ECONOMIC BENEFITS
OF GENDER EQUALITY
AND WOMEN EMPOWERMENT
IN THE WESTERN BALKANS SIX**

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Contents

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* This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence

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Acronyms and abbreviations

AL	Albania
ALMPs	Active labour market policies
BA	Bosnia and Herzegovina
Covid-19	Coronavirus Disease 2019
EIGE	European Institute for Gender Equality
EU	European Union
GDP	Gross Domestic Product
ILO	International Labour Organisation
OECD	Organisation for Economic Co-operation and Development
ME	Montenegro
MK	Republic of North Macedonia
PISA	Programme for International Student Assessment
PPS	Purchasing power standard
RS	Serbia
WB6	Western Balkans six
WEF	World Economic Forum
WEI	Women Empowerment Index
XK	Kosovo*

Executive summary

The purpose of this study is to shed light on the labour market situation of women, assess the economic benefits of women empowerment in the WB6 economies and recommendations for the way forward. Using gender disaggregated data, a comprehensive analysis of the current situation of gender equality and women empowerment in the WB was performed. The economic benefits of gender equality measures were estimated. The economic empowerment of women was measured using a women empowerment index. The study also contains stocktaking and assessment of key policy areas and measures to reduce gender inequality in WB6 and promote economic empowerment of women.

Gender equality and women empowerment: The current situation

Access to employment and the quality of working conditions are key factors that impact equal access to economic resources and support reductions in gender inequality. Female labour force participation has increased to an average of 54% in the WB6 economies (in 2019). However, the WB6 economies still lag behind the EU both in terms of labour force participation and gender employment gaps. In 2019, the WB6 labour force participation and gender employment gaps averaged 23 pp and 17 pp, respectively. These were around 10 pp and 5 pp wider than in the EU that year. *Work*

There is clear evidence of **horizontal segregation in the labour market** and the existing influence of gender stereotypes on women's occupational and sectoral choices in both the EU and WB6 economies. This horizontal gender segregation is less pronounced when looking at high-skilled occupations, with around 55% of professionals being women in both the EU and WB6 economies. While also in line with the EU average, in the WB6 economies, **gender differences in entrepreneurship remain**. Men are twice as likely to be self-employed with employees.

In the area of money, gender inequality is measured by **access to financial resources** and based on the economic situation. There is much variation in gender pay gaps by occupation. **Gender pay gap gaps can be as slim as 2% among clerical support workers or as wide as 30% for craft and related trades workers**. On average, women in WB6 economies earned 16% less than their male peers in 2014. Gender gaps in poverty risk are marginal, but with more than one in five people earning below 60% of median income over the period 2017-18, the overall poverty risk in the WB6 economies is larger than in the EU. *Money*

Knowledge is a driver for social change and can be a tool for female empowerment, ultimately reducing gender inequality. This report found negligible and below EU average gender gaps in the rates of early leavers from education in the WB6 economies. **In tertiary education, 56% of enrolled WB6 students were female over the period 2015-18**. This proportion remains high in some STEM subjects, where the WB6 economies outperform the EU average. However, the lower the educational level attained, the larger the female disadvantage in the labour market. The share of lower educational qualifications is large among middle-aged and older women. For those with *Knowledge*

at most an upper secondary education, employment gaps are 9 pp wider in the WB6 economies than in the EU.

Time in care The unequal participation of women and men in formal education and work is also a result of the **differences in the time women and men devote to caring for others**, which is often related to limited access or availability of other caring options. The share of women in the WB6 who are economically inactive due to family or caring responsibilities has been falling over the last five years. However, the share of **women working as unpaid family workers** in the WB region is, on average, six times higher than in the EU.

Power It is important to achieve **gender equality in decision-making and economic and political spheres** because of both the **symbolic and educational nature** of this achievement, which can shape social norms and opinions. Most WB6 economies have **improved considerably in female representation in mid-to-senior level management positions over 2015-19**. However, the WB6 economies remain far from gender parity with a 2019 female mid-to-senior level management position share of 29%. This is 5 pp below the EU average. In politics, in both the EU and WB6, women account for just one-third of the membership of parliaments and assemblies.

Access to services **Good health** is a major resource for social, economic and personal development and thus a **pre-condition for economic prosperity**. In this area, improvements have been made in facilitating access to medical and dental care, with a **decreasing number of women citing unmet medical needs** in the WB6 economies. However, women remain 4 pp less likely to have their dental needs met than men, and overall medical care access is 1.6 pp below the EU average.

Future prospects of empowerment of women

Covid-19 The **impacts of the Covid-19 pandemic** have been felt in the WB6 economies as much as in the rest of Europe. Before the pandemic, a catching-up process for women was underway, with gender gaps narrowing by 2.4 pp between Q2 of 2019 and 2020, across the WB6 economies. However, more women leaving the workforce to take on caring responsibilities in the pandemic stalled this improvement. **Between the first two quarters of 2020 female employment fell by 1 pp**. Employment increased strongly for women in high-skilled occupations (such as managers), but those working in services or in low-skilled occupations lost out.

Automation Recent (pre-pandemic) improvements in gender equality in the labour market are also put at risk by **automation of jobs** which risks displacing low-skilled occupations in particular. The number of at-risk occupations is expected to increase over the period 2018–30. 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. At the same time, women are well represented in sectors such as health-care and social assistance, with low automation potential. Jobs in these sectors could offset the displacement of female workers but, at the same time, increase gender segregation.

Potential economic benefits The removal of **gender inequalities in the labour market has been shown to boost economic growth and generate lasting benefits into the future**. The relationship between the participation of women in the labour market and economic development is U-shaped, with the WB6 economies currently located somewhere in the middle of that 'U', with lower participation rates than other

middle-income economies. This study finds that **WB6 economies could raise their GDP per capita by 1.5% by 2035 if they undertake rapid action compared to current situation to reduce the gender gap in participation rates**. If the implementation of additional gender equality measures compared to current situation is slower, then, on average, the raise in WB6 GDP per capita is by 0.7% by 2035. Measures that only lead to closing the gender pay gap would raise the GDP per capita by 0.04%-0.13% by 2035 compared to the absence of such measures.

Women Empowerment Index

The analysis of a new Women Empowerment Index **as a measurement of women economic empowerment** in the WB6 and EU economies finds consistent high performance among Northern European economies over the period 2017-19. Among the WB6 economies, Albania performs the best and has also improved the most, rising ten ranks in the period 2017-19. Over the same period, the last two places in the Index ranking were occupied by Bosnia and Herzegovina, and Kosovo*. Higher women empowerment scores tend to go along with higher female educational attainment, and lower female inactivity due to caring responsibilities. However, in both these regards, WB6 performance that is comparable to some EU economies has yet to be reflected in accompanying gains by the WEI. A high GDP per capita is not equal to high women's economic empowerment but, here, there is also an association between the two, supporting the idea that the goals may be compatible.

Policy recommendations

There are several reasons for gender inequalities in the labour market and employment barriers for women. Moreover, many women face multiple inequalities and discrimination across many aspects of life. As such, action is needed across a wide range of policy areas to address inequalities and discrimination.

Overcoming gender stereotypes in society and the economy requires a sustainable and comprehensive strategy that commits the necessary investment to reduce gender inequalities and support economic growth in the long run. All WB6 economies have made efforts in coordinating different policy actions and setting up relevant institutions. It is important to continue on this path. In particular, efforts need to be continued and intensified to **strengthen the coordination among ministries and stakeholders at all territorial levels** and to implement **gender-responsive budgeting**; again, at all territorial levels. Continuously developing a comprehensive strategy requires **regular monitoring of the implementation of measures and policies** as well as collecting, analysing and publishing gender-disaggregated data.

Overcoming gender stereotypes and discrimination in the labour market requires a well-developed legal framework for anti-discrimination and effective implementation of that framework. It is also key for improving career progression and raising the share of women in middle and senior management. In addition to **raising awareness about all forms of gender discrimination** linked to access to employment and the workplace, efforts must be made to **provide women with support and legal advice** to report on cases of discrimination, **strengthen mechanisms for reporting and detecting cases** at workplace level, as well as to monitor the implementation of the legal framework.

A comprehensive policy approach is essential to effectively tackle the complexity of gender inequalities

Implementing a well-developed legal framework for anti-discrimination improves working conditions and career prospects for women

Expanding the availability of affordable and quality childcare and elderly care, and increased working time flexibility for parents are crucial for reducing gender employment gaps

Policies to **reconcile work and family life** are key to increasing the labour market participation rate and employment rate of women as well as to support their career progression. Policies need to tackle quality and affordable childcare in urban and rural areas for children of all ages, including after-school education and care. This requires **substantial investment** in public provision of **childcare** centres and support for high-quality private childcare centres. New mechanisms will be needed to ensure quality childcare provision, in particular in those economies with low attendance rates of children in early education and care. Improving coverage and attendance of disadvantaged groups and those in rural areas is highly relevant in all WB6 economies. Quality childcare needs to be built on gender-sensitive pedagogical concepts and be inclusive with regard to vulnerable groups such as minority communities.

In addition, it is key that gender roles are tackled by setting frameworks for **paternity leave and encouraging fathers to eventually take it up**. With a view to alleviating the burden of caring for older family members, which typically prevent women more often than men from participating in the labour market, it is recommended to expand the provision of quality elderly care in both day and residential settings.

While access to full-time work is generally regarded as empowering women economically, a low incidence of part-time work may be linked to employment barriers. Introducing **flexible working time and work organisation** arrangements would increase the labour market participation of women.

Lengthening working lives of women reduces the gender employment gap and helps to avoid old-age poverty

Lengthening working lives of women is important to ensure decent pensions, especially as women are also more likely to move in and out of the workforce over the course of their lives. It is therefore recommended to implement pension reforms to **narrow the retirement age gap** and increase incentives to remain employed while promoting the implementation of age-management approaches. Longer working lives for women can also be supported by measures to help avoid (undesired) extended career breaks, **promoting stable employment relationships**, improving **labour market access when re-entering the labour market** after a career break; and promoting labour market access and targeting active labour market policies at older women.

Raising the educational level of women in all age groups and from all socio-economic groups is necessary to improve their employment prospects and increase their wages

To improve the chances of being employed in the formal economy, to reduce unemployment and to narrow the gender pay gap, it is important to **raise the educational level of women of all ages and from all socio-economic groups**. It is therefore recommended to continue efforts to provide support to pupils and their parents to **avoid school drop-outs** and, in particular, substantially promote access to education for girls and women from Roma and Egyptian communities. Providing **scholarships** to girls and young women is a good way to create opportunities for raising education levels for those from disadvantaged groups.

Despite improvements in recent years, the gender employment gap is still very large for the low-skilled and the medium-skilled. Therefore, it is key to continue and intensify efforts to implement **remedial education and upskilling programmes for middle-aged and older women**, since many have only a primary-level education.

Occupational choice is most important for increasing employment prospects, reducing unemployment and inactivity, and increasing wages of women. It is therefore essential to develop and implement **vocational guidance and orientation** (and from an early age) in order to **attract more young women into STEM study fields** and, more generally, into male-dominated occupations (e.g. to become technicians, engineers and IT professionals). Conversely, steps must also be taken to attract young men into female-dominated occupations (e.g. in the areas of education and health). **Revising curricula** and improving the quality of teaching will help to increase skills in mathematics and digital skills for both girls and boys, and to overcome gender stereotypes.

In order to reduce the gap in entrepreneurship, and benefit from the entrepreneurial potential of women, it is recommended to scale up programmes to support women's entrepreneurship. These programmes should **improve women's access to financial resources** (including access to micro-credit), provide **entrepreneurship training and follow-up support** to companies recently created by women (to sustain entrepreneurial efforts).

It is also advisable to encourage and support women in rural areas to make investments to improve productivity and diversify products and supply chains. Setting up a coordinating unit or one-stop-shop to promote female entrepreneurship and **provide gender-sensitive training to financial institutions** will also increase the effectiveness of entrepreneurship programmes. Improving access to capital also includes **improving and enforcing women's property rights**. Collecting gender-disaggregated data from relevant institutions on property rights, company ownership, composition of management boards and access to financial resources would add transparency on policy progress and help steer future measures.

Public Employment Services, through their placement activities, counselling and implementation of active labour market policies, can play an important role in reducing unemployment and increasing employability. These services can also play an important role in promoting the transition from informal employment and underemployment into formal jobs. In order for the Public Employment Services to take over this role effectively it is recommended to **strengthen institutional capacities of the Public Employment Service** and **increase budgets for active labour market policies**. In addition to intensifying and extending counselling, job-search training, employment incentives and upskilling measures, it is recommended to scale up start-up programmes for unemployed women, and provide entrepreneurship training and follow-up support.

Promoting geographical mobility of women by supporting expenses for transportation is another way to reduce employment barriers for women, especially in rural areas. **Improving cooperation with social services at the local level**, including childcare and elderly care services, will also help women overcome employment barriers. Public Employment Services should also undertake efforts to **raise awareness and advise employers** about how to eliminate discriminatory behaviour in the recruitment process. Finally, it is essential to collect and publish gender-disaggregated data on participants by type of active labour market policies, to evaluate active labour market policies, and measure outcomes and impacts by gender.

Widening occupational choices for women in in-demand professions improves labour market outcomes and reduces skills shortages

Promoting women entrepreneurship contributes to job creation and innovations

Improved access to employment services, and active labour market policies help to reduce unemployment among women

1 Introduction

The purpose of this research is to shed light on the labour market situation of women in the Western Balkans six (WB6) and examine the economic benefits of gender equality and women empowerment.

The study takes a mixed-methods research approach. Desk research and data/statistical analysis are used to assess progress over time in the WB6 economies. This quantitative analysis examines recent historical trends in gender equality indicators but also how women fared in the early months of the Covid-19 pandemic (for which data are now emerging). In cases in which gender gap indicators are not specifically published by the relevant statistical offices, these indicators are instead calculated following the formulas presented in Appendix A of this report. Literature reviews were carried out for the automation assessment and policy stocktake.

The economic benefits of greater gender equality are estimated using a scenario-based approach drawing on results from earlier CE analysis for EIGE (2017). The Women Empowerment Index is constructed as a composite indicator that measures the economic empowerment of women in WB6 and EU economies. This has been developed in line with principles set out in the OECD/EC JRC (2008) handbook on constructing composite indicators.

A literature review and consultation process have been conducted to assess the state of play and progress made in policies to increase the economic empowerment of women in the WB6. Policy recommendations were also formulated on this basis. This consultation process has taken place in written form, by asking key stakeholders in each WB6 economy (mainly relevant ministries, agencies, national statistical offices) to comment on the findings and policy recommendations.

1.1 Structure of the report

The remainder of this study is structured as follows. Chapter 2 provides a statistical overview of the situation in the WB6 economies, including an assessment of progress over time, in relation to gender equality and women empowerment. Chapter 3 provides an analysis of the Covid-19 pandemic to date, an assessment of the potential impacts of automation on women's labour market prospects, and the results from two sets of scenarios of the potential economic benefits of gender equality measures. Chapter 4 presents the Women Empowerment Index developed especially for this study. Finally, Chapter 5 presents conclusions and recommendations.

The study includes two appendices. Appendix A covers technical details of the quantitative analysis (the gender gap calculations and the Women Empowerment Index). Appendix B contains individual economy fiches that summarise the main gender equality indicators, the policy review and policy recommendations for each WB6 economy.

2 Gender equality and women empowerment: the current situation

2.1 Introduction

This chapter provides a statistical overview of the situation and progress over the period 2010-19 or 2015-19, depending on the data availability, in relation to gender equality and women empowerment in the WB6 economies. Data availability varies across the WB6, and over time. Where possible, the analysis considers the last five years, looking further back if the data allow.

Gender equality and women empowerment affect all areas of life. In structure, the analysis broadly follows the EIGE Gender Equality Index (EIGE, 2020a), considering gender equality across a range of domains, with a particular focus on labour market domain. In this way, gender equality is examined building on existing work and accepted indicators. Where data permit, this approach also allows making comparisons with performance in the EU.

This section provides an initial background in population and GDP, before considering the areas of work, money, knowledge time and care activities, power and access to services.

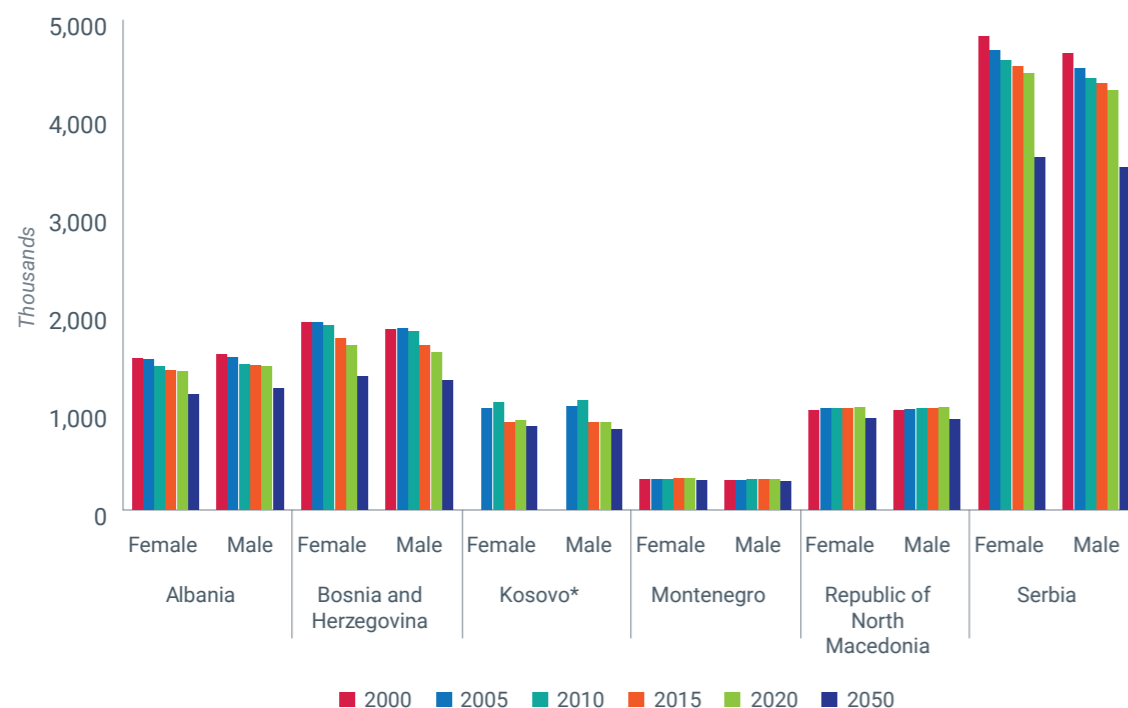
Demographics and economic growth

Ageing is one of the megatrends that affects developed economies through the reduction of the labour force and its effects on health and social care systems, public finances, and pension entitlements. Figure 2.1 shows that the WB6 economies have exhibited this declining trend in the population, with both genders similarly affected over time. While the populations of Montenegro and the Republic of North Macedonia remained relatively stable in the last two decades, Serbia's population is already in decline. All the WB6 economies are expected to see a considerable decline in their total population by 2050. For the WB6 economies, the old-age dependency ratio¹ rises from an average of 24 in 2020 to 32 and 43 in 2030 and 2050, respectively. Of the WB6 economies by 2050, Bosnia and Herzegovina is projected to have the highest old-age dependency ratio, at 52, while Montenegro will have the lowest, at 39.

WB6 economies exhibit declining population trends

¹ The old-age dependency ratio 65+/(15-64) is calculated as the ratio of population aged 65+ per 100 population aged 15-64.

Figure 2.1: Historical and projected population by gender, 2000-50



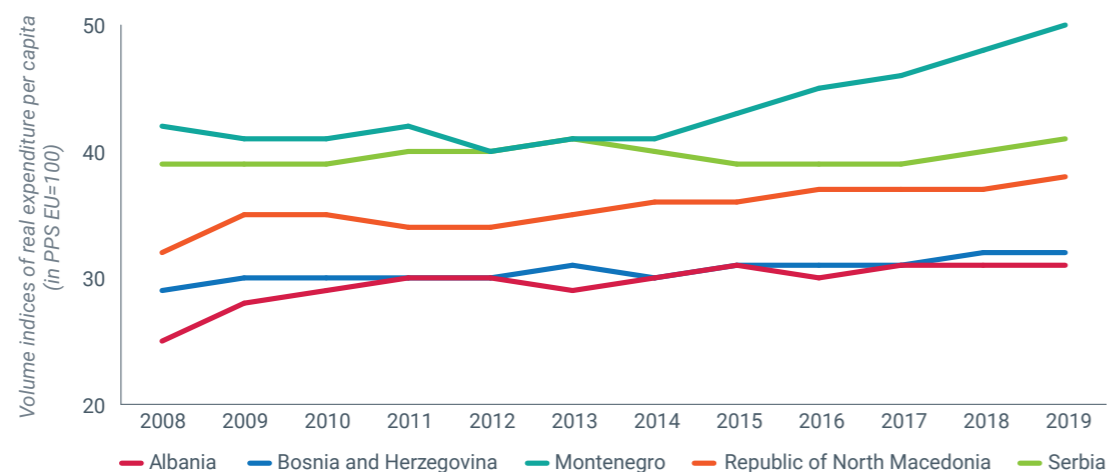
Note(s): Incomplete time-series for Kosovo*: the data for 2005 are for 2006, while the data for 2015 are for 2014.

Source(s): United Nations, Department of Economic and Social Affairs, Population Division (2019), medium fertility assumptions; Kosovo* National Statistical Agency(2020f) (updated 21/02/2018), Eurostat (Eurostat, 2016a). Accessed: December 2020.

WB6 economies remain some way below the EU GDP per capita

In terms of GDP per capita, the WB6 economies remain some way below the EU average (see Figure 2.2). In the last decade, Albania, Bosnia and Herzegovina, and Serbia remained at a stable distance from the EU average (30-40% of the EU average). Montenegro and the Republic of North Macedonia have shown an improvement, mainly in the last five years, in the income per capita compared to the EU average, but remain no more than 50% of the EU average.

Figure 2.2: GDP per capita (in PPS), 2008-19



Note(s): Data for Kosovo* were not available.

Source(s): Eurostat(2020i). Accessed: December 2020.

An EIGE study (2017) showed that, by 2050, improving gender equality indicators such as gender pay gap and labour market participation gap could lead to an increase in (EU) GDP per capita of 0.2% and 5.5%, respectively, compared to otherwise. This represents a significant economic opportunity that may also be available in the WB6 economies.

Section 2.2 analyses the gender equality in employment, unemployment, labour participation and quality of work. Section 2.3 includes a discussion of the gender inequality based on access to financial resources and the economic situation. Education and training as a driver for achieving gender equality in work is discussed in Section 2.4. Time spent by gender in care activity is analysed in Section 2.5. Section 2.6 then provides an overview of women’s participation in public life. The last aspect analysed from gender perspective in Section 2.7 is access to health and services by gender.

Data availability in each indicator differs among WB6 economies.

2.2 Work

... Key points ...

- While female labour force participation has increased in the WB6 economies, participation remains relatively low, averaging 52% of population aged 20-64 (48% of the working-age population) over the period 2010-19. There is a persistent and wide gender gap of 24 pp (12 pp higher than the EU average).
- The WB6 record a persistent gender employment gap of over 15 pp whereas, in the EU, the gap is narrower (10 pp).
- Women in the WB6 are less likely than women in the EU to be employees and more likely to be unpaid family members.
- Women account for relatively higher shares of employment in non-market services (and compared to the EU). By occupation, the share of women in high-skilled occupations is comparable to that of the EU.
- Female unemployment in the WB6 economies tends to be higher than male unemployment although Albania and the Republic of North Macedonia are notable for having periods in which male unemployment exceeds female unemployment.

In the area of work, different measures are used to analyse the degree to which women and men have benefitted from equal access to employment and appropriate working conditions.

Gender participation in the labour market is analysed using labour force participation (activity) and employment rates, and subsequently computing the gender difference. The labour force participation rate expresses the labour force as a percentage of the working-age population. In contrast, the employment rate expresses the number of people employed as a percentage of the working age population. Both indicators are expressed in percentage terms for the population aged 20-64, while the gender difference is expressed in percentage points.

Segregation and quality of work is analysed using three indicators. The first details employment rates broken down by broad sectors. The second indicator measures the quality of work, i.e. disaggregating employment status and by the incidence of part-time employment. Employment status is employment as employees, self-employed workers with employees, own-account workers, and unpaid family workers. The third indicator represents the percentage of employment that is part time, based on a common definition of less than 35 actual weekly hours worked.

Where data are available, there appears to be large informal economies in the WB6. In addition to unpaid family workers, informal worker also include self-employment in unregistered businesses and wage-earning workers without a written contract. In 2019, the share of women in informal employment in Albania, in Bosnia and Herzegovina and in Serbia was 8%, 21% and 11%, respectively, out of total non-agricultural employment (World Bank, 2020).

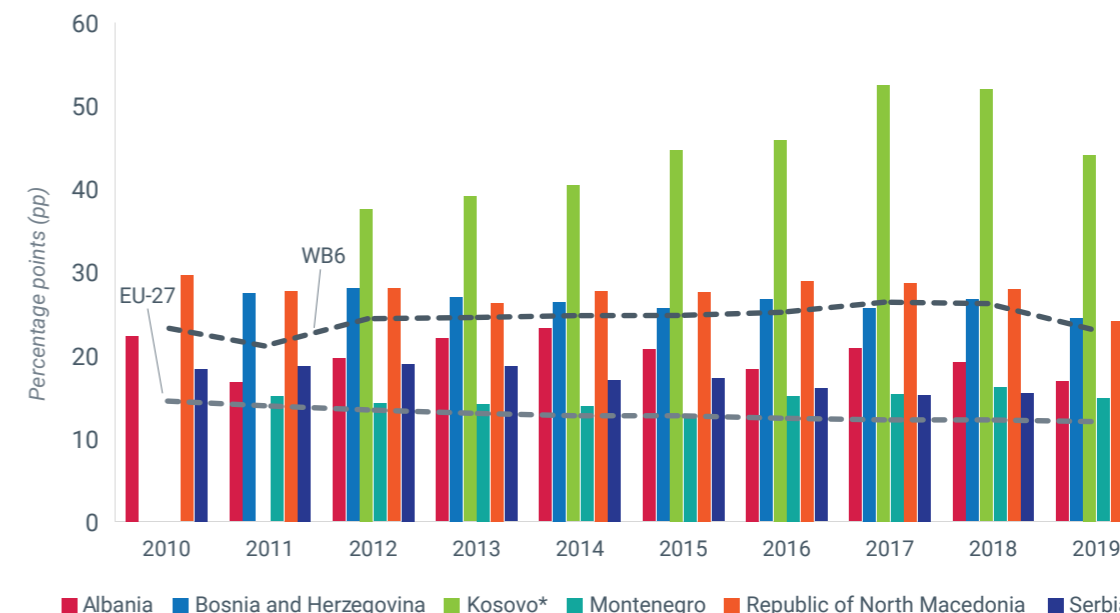
Gender participation When it comes to participation in the labour market by gender, all members of the WB6 are significantly lagging behind the EU average in activity and employment rates. Some progress has however been observed since 2010.

Little change in the gender participation gap over time In the WB6, a significant gender gap exists in activity rates between men and women. On average, over the period 2010-19, 77% of men aged 20-64 in the labour force were employed or were looking for a job, compared to 52% of women. There has been some improvement in female labour force participation in most regions, particularly in Montenegro, Albania, and Serbia. But stronger growth in male participation rates has meant that the gender participation gap remained stable, and wide, at around 24 percentage points (pp) over the period 2010-19. This is wider than the EU average of 12 pp over the same period, and which has, in contrast, followed a slight downward trend. The Republic of North Macedonia has one of the widest gender gaps in female labour participation compared to the EU except Malta, whose gender gap averaged 24 pp over the period 2014-19.

Montenegro has the smallest gender participation gap among the WB6 Of the six economies in the region, Montenegro shows the smallest difference between male and female labour force participation and comes closest to the EU average.

Kosovo* represents an outlier among the WB6 economies, with the lowest overall participation rates for both genders. In 2019, just 23% of women in Kosovo* were economically active (in the labour force), compared to around 67% of men. The gender participation gap, measured as the percentage point difference between men and women is also largest amongst the WB6, averaging 47 pp in the last five years.

Figure 2.3: Gender participation gap, 20-64 age group (in pp)



Note(s): Incomplete time-series for Bosnia and Herzegovina (missing 2010), Kosovo* (missing data 2010-11), and Montenegro (missing 2010). Source(s): Eurostat (2020a); Agency for Statistics of Bosnia and Herzegovina (2020); ILO (2020h). Accessed in 2020.

As with participation rates, in the WB6 a significant gender gap exists in the employment rate. Kosovo* remains an outlier and thus is excluded in the average calculated for the WB region. The WB6 average female employment rate was 52% in 2019, which compares to 67% in the EU. The WB6 female employment rate is thus 15 pp lower than it is in the EU.

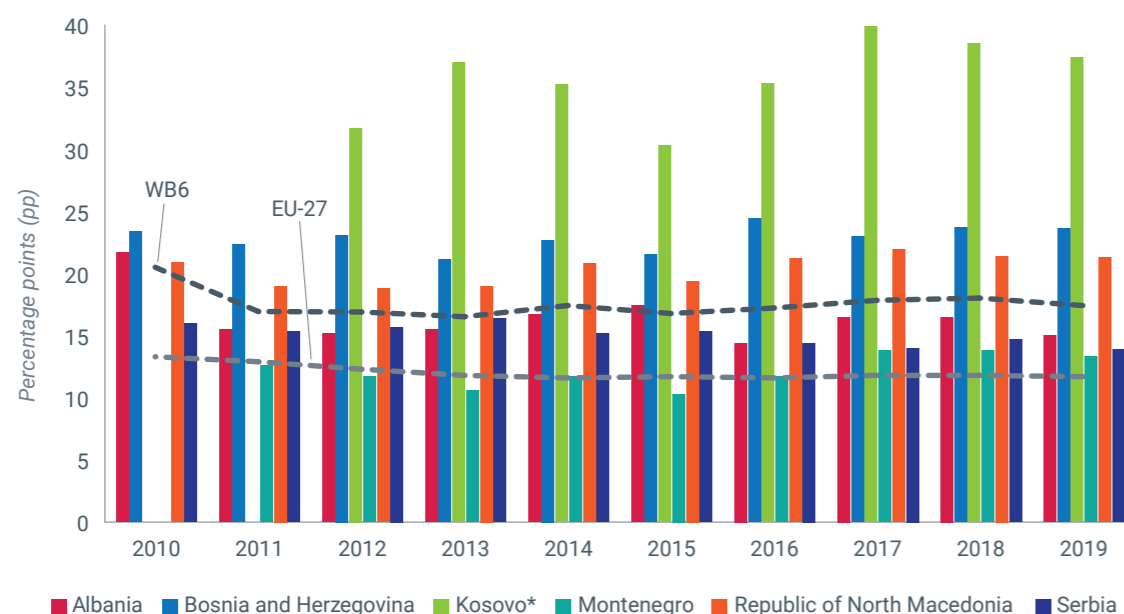
WB6 under-performance relative to EU in employment rates

Out of the WB6, in the period 2014-19, Albania has consistently outperformed among the WB6 economies in female employment. Serbia has demonstrated the largest improvements since 2010, with female employment rates increasing by 18 pp.

Overall, employment rates for women have improved between 2010 and 2019 for the region as a whole, but the employment gap itself has remained relatively constant, only narrowing recently due to the exclusion of Kosovo* in the computation of the WB6 average. This points to slower employment growth for women than for men in most years. Only Montenegro's gender employment gap managed to be below the EU average in three (2014-16) out of the past five years, albeit with a continued large gap of 13.3 pp.

Improvement in female employment but little change in gender employment gaps

Figure 2.4: Employment rate gap, 20-64 age group (in pp)



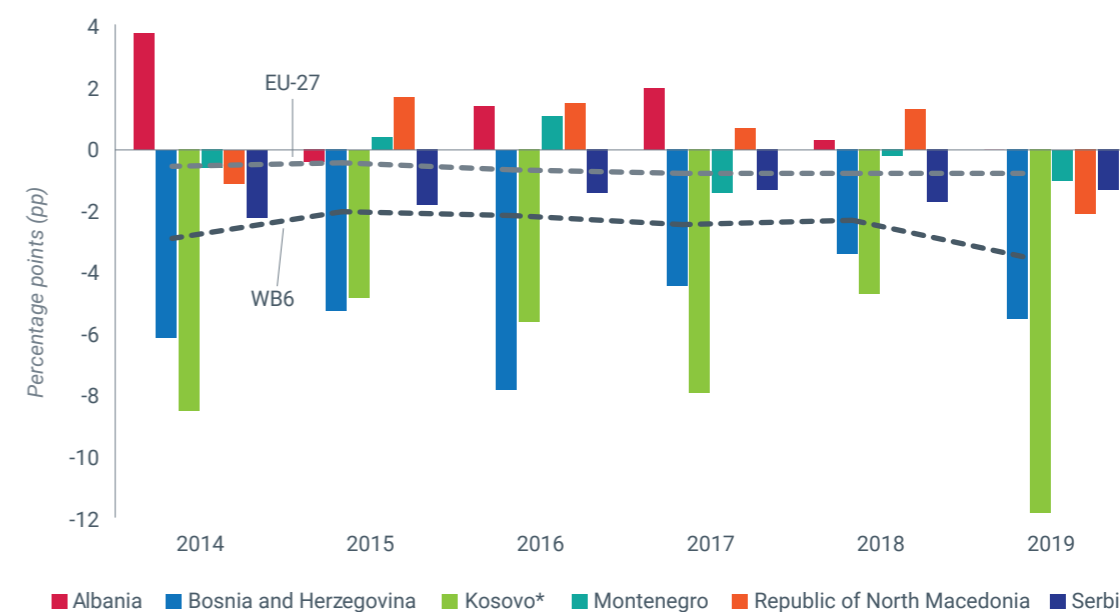
Note(s): Incomplete time-series for Kosovo* (missing data for 2010-11), and Montenegro (missing data for 2010).

Source(s): Eurostat (2020g); Instat Albania (2020d); Agency for Statistics of Bosnia and Herzegovina (2020); Kosovo* Agency of Statistics (2020e). Accessed in November and December 2020.

Kosovo* has the lowest employment rates amongst the WB6. In employment, women aged 20-64 in Kosovo* are lagging further behind men anywhere else in the WB region, with little improvement over time. A roughly stable 14% of women in the labour force were employed over the period 2014-18, compared to 48% of men in 2014, which then rose to 53% in 2019. As a consequence, the gender employment rate gap is also the largest, at 38 pp in 2019.

The WB6 gender unemployment gap is four times the EU average As with participation and employment rates, unemployment rates in the WB6 also show evidence of gender gaps. The gender unemployment gap shows that the unemployment rate for women was 2 pp higher than for men over the period 2014-19. This was still four times the EU average unemployment rate gap over the same period (0.5 pp) and has been increasing in the WB region. A detailed analysis by educational attainment can be found in Section 2.4.

Figure 2.5: Unemployment rate gap, 20-64 age group (in pp)



Note(s): A negative figure in this chart indicates that the female unemployment rate was higher than the male unemployment rate. A positive gap in turn indicates that male unemployment rates were higher than female rates.

Unemployment gap for Kosovo* is based on unemployment rates of 15-64 year olds. Source(s): Eurostat (2020u); Kosovo* Agency of Statistics (2020d); Agency for Statistics of Bosnia and Herzegovina (2020); Instat Albania (2020e). Accessed in November and December 2020.

In 2019, female unemployment was highest in Kosovo* (34%), Bosnia and Herzegovina (20%), and the Republic of North Macedonia (19%). The corresponding gender gaps were 12 pp and 6 pp for the first two of those in that year. Albania stands out as the only WB6 economy to have consistently higher male unemployment than female unemployment over the period 2014-19. This gender unemployment gap has been decreasing and measured less than 1 pp in 2019.

Higher male than female unemployment in Albania over 2014-19

Segregation of work can be horizontal or vertical. Horizontal segregation is defined as the concentration of women or men in different types of occupations or sectors, while vertical segregation refers to the under-representation of members of each sex in top career and leading positions (EIGE, 2020a). The former is analysed in this section, while the latter is analysed in Section 2.6.

Segregation and quality of work

In the WB region, the sectoral breakdown of employment by gender is broadly in line with the EU average. Over the past five years, the sectoral segregation of employed men and women has remained unchanged. Economic sectors which are predominantly male fall under the broad economic activity of 'industry'. Such sectors include Construction, Mining and Quarrying, Electricity, Gas and Water Supply, and Manufacturing. In both the WB region and the EU, over 90% of employees in Construction are male. This result is as expected, as these economic activities are manual labour intensive.

Sectoral segregation of employment by gender has remained unchanged

In both the EU and WB6, there is clear evidence of horizontal segregation in the labour market and the existing influence of gender stereotypes on women's occupational and sectoral choices. Female representation is highest in non-market services which includes caring, education, and public administration activities. However, the gender split in such services is actually more pro-

Female dominance in care, education, and public administration activities

nounced in the EU, where nearly 70% of employees are female, compared to 56% in the WB region (EIGE, 2017). In Albania and Montenegro, the gender gap in manufacturing sector employment is narrowest in the region – respectively 58% and 47% of manufacturing employees are female – compared to 10% in Kosovo*. This result is driven by the high concentration of females in the textile and footwear industry in the WB region – an insignificant sector in the EU economies (Friedrich Ebert Stiftung, 2016).

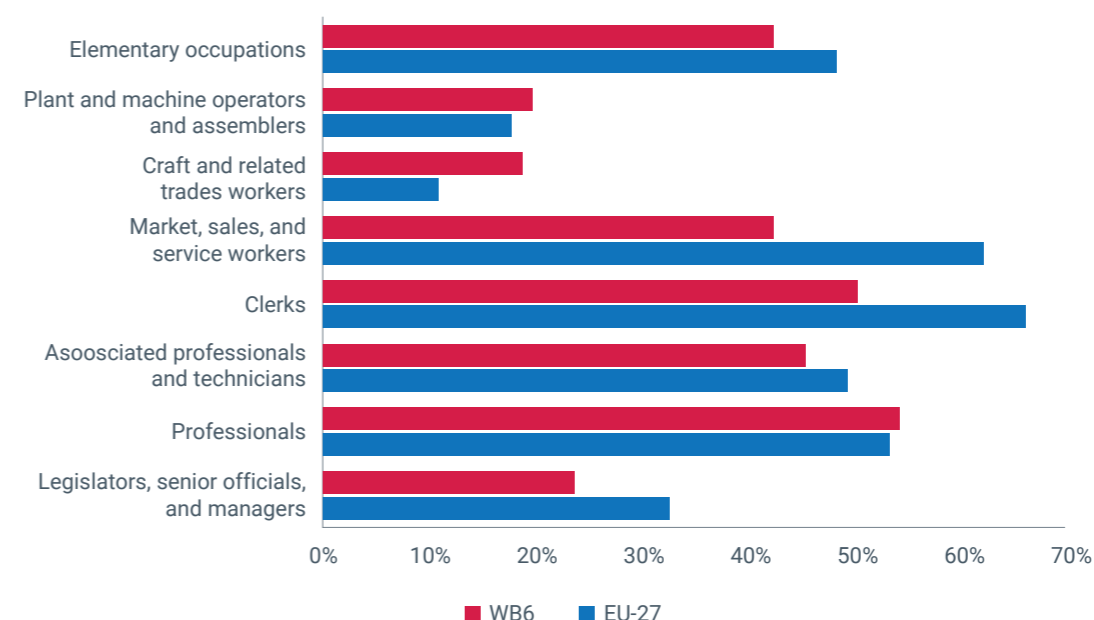
Table 2.1: Share of men employed by broad sector in the EU and WB6, 2015-19

	EU-27					WB6				
	2015	2016	2017	2018	2019	2015	2016	2017	2018	2019
Agriculture	65%	67%	66%	67%	67%	59%	60%	59%	60%	60%
Construction	91%	91%	91%	91%	90%	92%	93%	93%	94%	94%
Manufacturing	70%	70%	70%	70%	70%	62%	63%	62%	61%	61%
Mining and quarrying; Electricity, gas and water supply	80%	80%	80%	79%	78%	82%	83%	83%	83%	83%
Public Administration, Community, Social and other Services and Activities	33%	32%	32%	32%	32%	44%	44%	44%	44%	44%
Trade, Transportation, Accommodation and Food, and Business and Administrative Services	55%	55%	55%	55%	55%	58%	58%	57%	58%	57%

Source(s): Eurostat (2020d); ILO (2020b), Kosovo* Agency of Statistics (2020a). Accessed in November and December 2020.

Gender parity is achieved in the employment share in professional and clerical occupations in WB6 The horizontal gender segregation identified at sectoral level is less pronounced when looking at highly skilled occupational choices. Over the period 2014-19, in the WB region, the highest female shares of total employment are recorded in high skilled occupations (see Figure 2.6). As illustrated in Section 2.4 (Knowledge), this outcome stems from higher female educational attainment. Occupations with high shares of women include professionals (55%), clerks (51%), and associated professionals and technicians (46%). These occupations are present mostly into the latter two sectors in Figure 2.6 – which can be seen to have nearly an even gender split in the WB region. As illustrated in Section 2.3, the continued existence of gender pay gaps signals strong female disadvantage in these occupations, despite their high presence.

Figure 2.6: Female share of employment by occupation (%), 2014-19



Note(s): Incomplete time series for Kosovo* (missing data for 2019). Source(s): Eurostat (2020f); ILO (2020d); Kosovo* Agency of Statistics (2020c) . Accessed in December 2020.

Comparisons with the EU are favourable for the WB region. The share of females in professionals, associated professionals and technicians are in line with the EU. In both regions, women are especially underrepresented in manual labour-intensive occupations such as plant and machine operators and assemblers, as well as craft and related trades workers where they made up one-fifth and one-tenth of total employment in those occupations over the period 2014-19. This finding is in line within the figures in Table 2.1 that indicate manufacturing and construction as sectors with around 60% to 90% of male employees.

Among employees in the WB6 economies, a lower share of women was employed in temporary positions than men over the period 2015-19. In 2019, the average gender gap in the region reached 4.5 pp – an increase from 3 pp in 2015. This is unlike the EU average, where women are disproportionately more affected by temporary employment than men, with 15.6% of female employees working on a temporary basis (1 pp less than men). This compares to 22% of female employees working on a temporary basis for the WB region.

There is actually a positive gender gap in temporary employment.

In 2019, nearly a third of all female and 36% of male employees worked on a temporary basis in Montenegro, representing both the largest female share and the widest gender gap in the WB region. The lowest temporary employment shares for both genders are recorded in Albania, signalling possibly stronger employment conditions. In 2019, around 10% of men worked in temporary employment: double the female share.

The largest positive gender gap in temporary employment is in Montenegro.

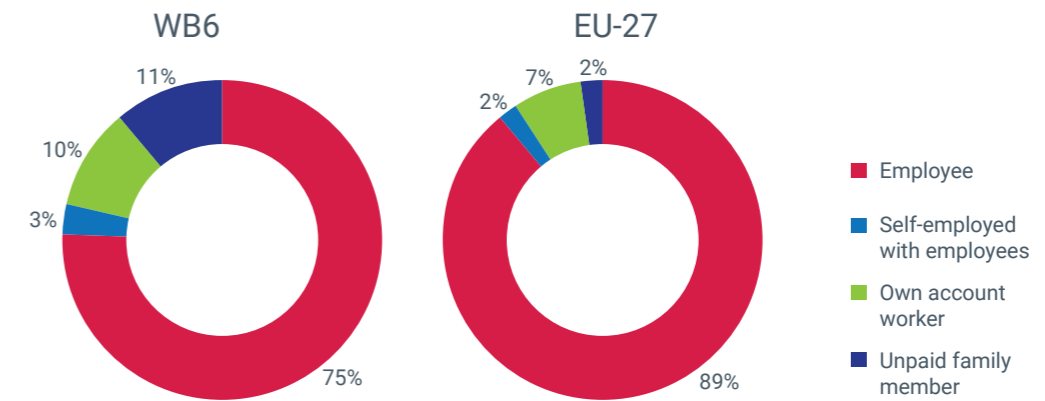
Figure 2.7: Share of temporary employment* by gender (%)



Note(s): *Differences in the definition of temporary employment may exist across economies. Source(s): Eurostat (2020t); ILO (2020j). Accessed in November and December 2020.

There are better paid employment opportunities in EU than in WB6 Comparing results of gender inequality by employment status between the WB6 and EU paints a telling picture. Both men and women in the WB region are less likely than their EU counterparts to work as employees –10 pp more for men and 15 pp more for women. Moreover, the share of women working as unpaid family workers in the WB region is, on average, six times higher than in the EU. This might be based on better social care systems in the EU economies that allow more women to seek paid employment as well as a higher share of employment in the agricultural sector due to seasonal/temporary work.

Figure 2.8: Employment status of women (average for 2014-19)



Source(s): Eurostat (2020f); ILO (2020c); Kosovo* Agency of Statistics (2020g). Accessed in November and December 2020.

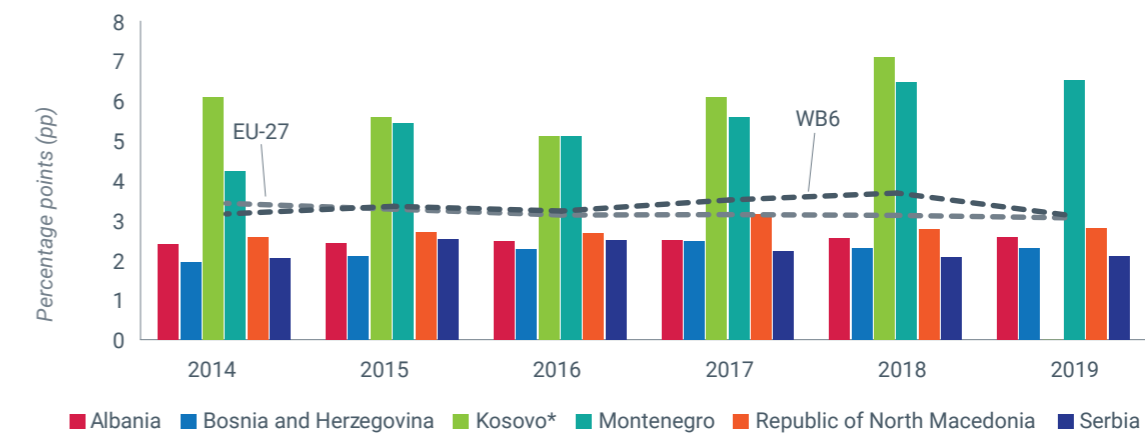
In the WB region, the majority of women work as employees or unpaid family workers, albeit the employment share in the latter status has been following a downward trend in the past ten years (2010-19). However, on average women in the WB region are still more often own-account workers² than in the EU. This can be explained by sector and gender differences between the EU and the WB region. In the WB6, women work in services sectors more often, as highlighted earlier in this section.

The WB6 has a higher percentage of unpaid family workers than in the EU

The prevalence of self-employment for women is lower than that for men. On average, employed men are twice as likely to be self-employed with employees or own-account workers than women. This reveals gender differences in entrepreneurship. The gap in the WB region is, however, in line with the EU, averaging 3.5 pp over 2014-19. The largest gender gaps exist in Montenegro and Kosovo*, and which have been increasing since 2016, to 6.5 pp and 7 pp, respectively, in 2018.

There were fewer female than male entrepreneurs – but the gender gap is in line with EU

Figure 2.9: Gender gap in self-employment with employees, 2014-19



Note(s): Incomplete time-series for Kosovo* (missing data for 2019). Source(s): Eurostat (2020g); ILO (2020c); Kosovo* Agency of Statistics (2020g). Accessed in November and December 2020.

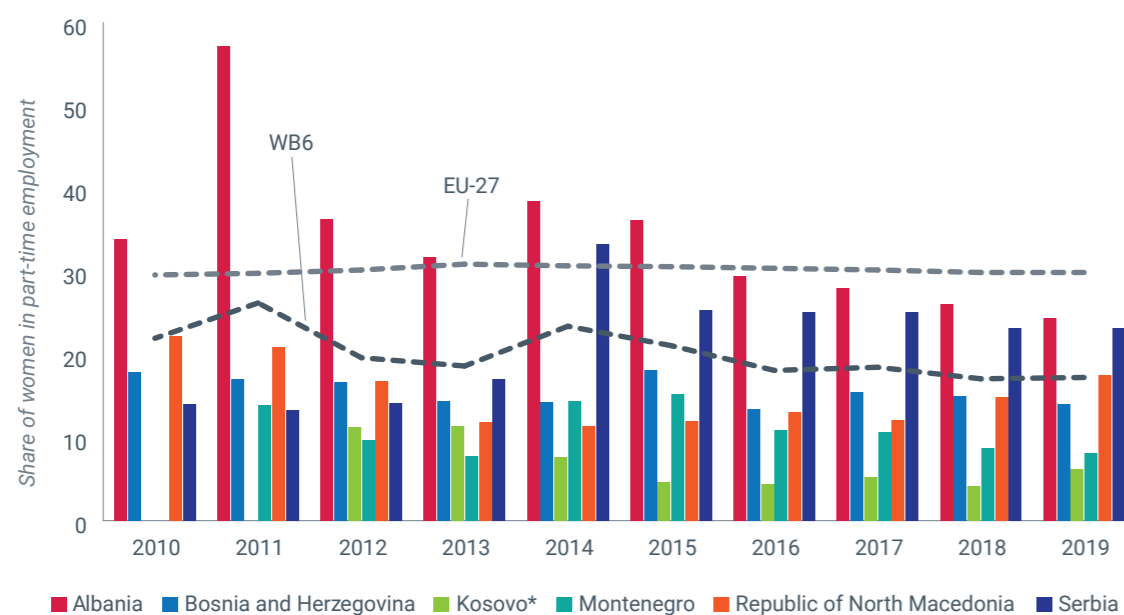
² An own-account worker is defined as a worker who, working on their own account or with one or more partners, holds the type of job defined as a self-employed job, and have not engaged on a continuous basis any employees to work for them during the reference period.

In the WB region, Albania stands out as having the highest share of employed women and men working as unpaid family workers. Both genders saw a gradual decline in this share, of around 5 pp: to 37% of women and 20% of men in 2019. Together with increasing employment rates for men and women, this is a positive sign for the Albanian labour market but has not yet helped to narrow the gender employment gap. Conversely, Montenegro records some of the highest employment as employees and lowest shares of unpaid family workers for both genders, over the period 2014-19. More women than men worked as employees (13 pp), but women were still twice as likely to be unpaid family workers.

Women are more likely than men to work part-time Women in the WB region are less likely than in the EU, on average, to work part-time, but remain more likely than their WB6 male counterparts. In contrast, part-time employment of men in the WB6 economies is higher than the EU average, suggesting a weaker labour market. Over the period 2010-19 a consistent 30% of women and 9% of men in employment in the EU have been working part-time, compared with 18% and 14%, respectively, in the WB6.

Albania has seen significant improvements in employment quality for women In 2011, Albania recorded the highest female part-time employment among the WB6, at 57%, but improvements in labour market access for women by 2019 shrunk it to half, due to rising female participation and full-time employment rates. Kosovo* has the lowest female employment and participation rate of all WB6 economies. The fact that Kosovo* also registers the lowest incidence of female part-time employment (6% in 2019) suggests that women are usually in full-time employment. At the same time, the part-time employment rate is extremely low in Kosovo*: the lack of part-time employment opportunities could be hindering women with caring responsibilities to take paid employment. Note that, since 2014, the share of men in employment working part-time was higher than that of full-time employed women in Kosovo*.

Figure 2.10: Incidence of part-time employment of women (%), 2010-19



Note(s): Incomplete time-series for Kosovo* (missing data for 2010-11) and Montenegro (missing data for 2010). Source(s): Eurostat (2020p); ILO (2020g); wiiw (2020). Accessed in November and December 2020.

2.3 Money

Key points

- Pay gaps in the WB6 economies are wide, averaging 16% in 2014.
- There is, however, much variation by occupation from as little as 2% among clerical support workers to almost 30% among craft and related trades workers.
- The gender gap in the risk of poverty in the WB6 economies is relatively narrow, but remains high, with more than one in five people earning below 60% of median income over the period 2017-18.

In the area of money, gender inequality is measured by access to financial resources and based on the economic situation. In terms of financial resources, female and male employees' monthly earnings by occupation are investigated and the gender earnings difference computed³. The difference in economic situation of women and men is captured using the indicator of risk of poverty⁴.

For the full set of WB6 economies, there is only data for 2014, while data for 2018 is available only for two economies.

In 2014, in terms of financial resources, similar to the EU, the WB region is far from gender parity in earnings. Using mean nominal monthly earnings of employees by sex and occupation from the ILO (2020i), and computing the percentage difference between male and female earnings by occupation, the average pay gap is 16% in the WB region as a whole.

The WB6's average gender pay gap was 16% in 2014

Clear occupational differences in earnings exist. In 2014, skilled manual occupations had the widest gender difference in earnings. The gender pay gap is highest in craft and related trades occupations, where women earn 27% less than men on average. This is related to few women working in high-paid industries, as illustrated earlier. Contributing factors could include possible differences in labour productivity (Gui-Diby, Pasali and Rodriguez-Wong, 2017) and weaker bargaining power of women. In high-skilled occupations, the pay gap narrows but remains to the detriment of women, with women employed in the medium-skilled occupation of clerical support earning only 2% less than men.

The smallest gender pay gap was in clerical support occupations

³ The difference is expressed in the purchasing power standard (PPS), which accounts for the differences in price levels between WB6 economies. The earnings of employees relate to the gross remuneration in cash and in-kind paid to employees for time worked.

⁴ Risk of poverty is defined as the share of persons with an equivalised disposable income below the risk-of-poverty threshold, which is set at 60% of the national median equivalised disposable income (after social transfers).

Table 2.2: Gender earnings gap for WB region, 2014

	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%

Note(s): Data for Albania and Kosovo* unavailable for 2014.
Source(s): ILO (2020i). Accessed in November and December 2020.

For Serbia, and Bosnia and Herzegovina, data are available for 2018, while for Kosovo* data are available for 2017. Bosnia and Herzegovina has managed to reduce its gender earnings gap in all but the high-skilled occupations (professionals and managers). Serbia's gender earnings gap has generally improved with the notable exception of medium-skilled occupations, though women's earnings remain 15% below men's, on average. Similar to Serbia, Kosovo* reported an average gender pay gap of 15% in 2017, thereby outperforming Bosnia and Herzegovina. In Kosovo*, the pay gender gap spans from -6% in agricultural occupations (women earning more than men) to +44% (women earning less than men) in craft and related trades (Kosovo* Agency for Gender Equality, 2020).

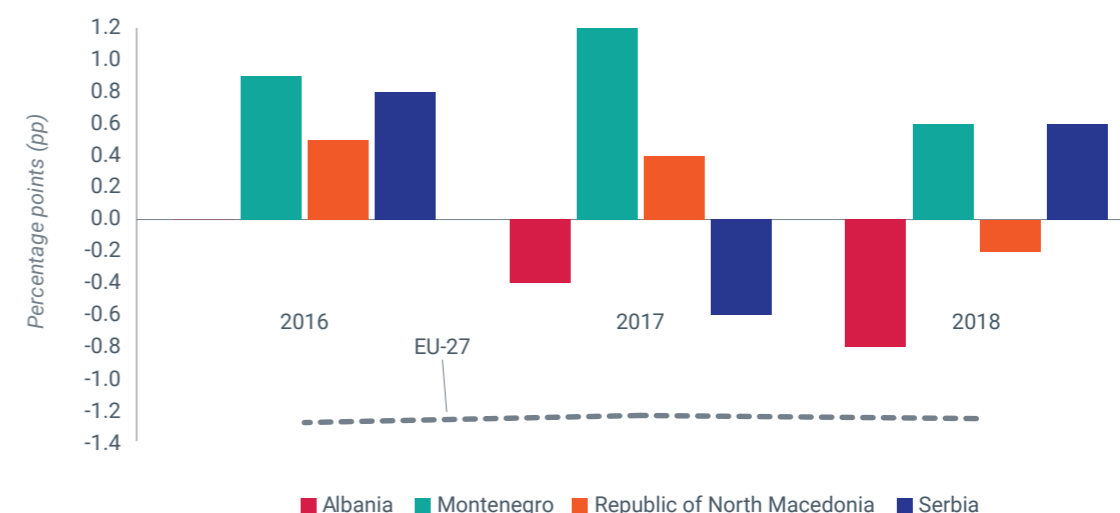
Overall, it is necessary to interpret this gender pay gap with caution. The data are not adjusted for hours worked⁵, and are also susceptible to outliers as mean not median earnings had to be used due to data availability. This way, the earnings gap will be wider the more women work less than full time due to, for example, caring responsibilities.

Smaller gender poverty risk gap in WB6 than in EU, but higher overall risk

In the EU, over the period 2015-19, an average of 17% of people were earning less than 60% of the national median equivalised disposable income. This rate was slightly higher for women, of whom 17.6% were at risk of poverty over the same period. For the WB region, the risk of poverty is higher for both genders and the gender gap is also marginal (less than 1 pp in most years). In the years for which data are available for four out of the WB6 economies (2017-18), an average of 23.6% of the population earned below 60% of median income. Montenegro stands out, as a higher proportion of men were at risk of poverty compared to women in 2017 and 2018 but the gender differences in exposure remain small.

⁵ The incidence of part-time is comparatively low in WB6, except in Albania. The analysis of the part-time incidence by sector could bring further information.

Figure 2.11: Gender gap in at-poverty risk, 2016-18



Note(s): Data for Bosnia and Herzegovina, and Kosovo* unavailable. Incomplete time series for Albania (missing data for 2016). A positive gap in this case indicates that more men than women are at risk of poverty. Source(s): Eurostat (2020b); Instat Albania (2018). Accessed in November and December 2020.

2.4 Knowledge

... Key points ...

- 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. However, this average for the WB6 belies great variability in the region.
- With the exception of Bosnia and Herzegovina, gender gaps in digital skills are relatively narrow in the WB6 economies but, overall, the level of digital skills in the region is some way below that in the EU.
- In tertiary education, women account for a higher proportion of students than men. These proportions often remain high in STEM subjects. However, wider and persistent gender gaps in the WB6 economies at lower levels of qualifications remains a cause for concern.

Education and training throughout the course of their life provide women and men with the knowledge and skills needed to enable successful participation in society, through secure and high-quality jobs. As such, knowledge is a driver for social change and can be a tool for female empowerment, ultimately reducing gender inequality.

In this section, gender inequalities in education participation, educational attainment and resulting labour market consequences, as well as gender segregation in tertiary education are discussed. The former is measured by the percentage of female early leavers and the percentage of

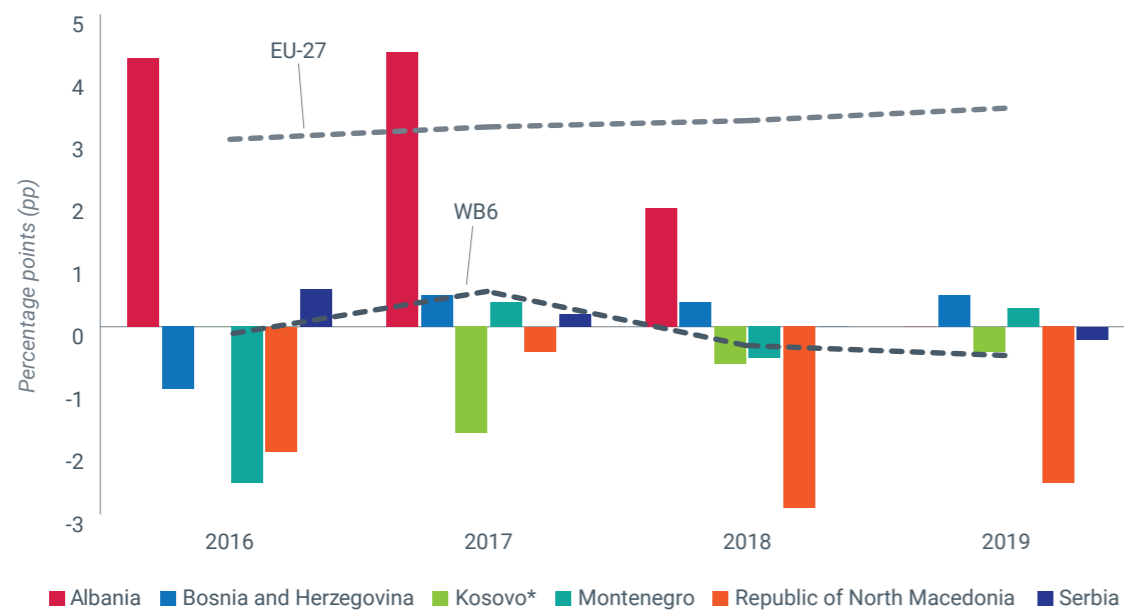
female tertiary students and their employment rates⁶. Gender segregation in the area of knowledge is measured by the percentage of women and men by field of study.

Participation in education

There are fewer, and smaller, gender gaps among early leavers from education 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 favourably to 12.9% of men and 8.9% of women being early leavers from education, on average, in the EU. The magnitude of the gender gap in early leavers remains smaller in the WB6 than in the EU, where women are more likely to remain in education than men.

Gender gaps exist particularly in Albania, which exhibits the highest percentage of early leavers amongst the WB6 economies and has more male than female early leavers (18.3% versus 16.4% in 2018). In the Republic of North Macedonia, the result is reversed, with the majority of early leavers being female (2.4 pp more in 2019).

Figure 2.12: Gender gap in early leavers (in pp), 2015-19



Note(s): Incomplete time series for Kosovo* (missing data for 2016). Incomplete time series for Albania (missing data for 2019). Source(s): Eurostat (2020c). Accessed in November and December 2020.

More women than men are enrolled in tertiary education While the percentages of men and women leaving education are very close in the WB6, when it comes to tertiary education the gender gap is favourable to women. Over the period 2015-18, across the WB6 economies for which data are available (Kosovo*, Montenegro, the Republic of North Macedonia, and Serbia), a constant share of students enrolled in tertiary education (56%) were female – this is in line with a 54% average for the EU over the same period (Eurostat 2020). The gender gap is slightly wider for postgraduate studies, driven by over 60% of postgraduate students in Serbia being female, but since 2015 the number of male Master’s and PhD students has been rising in the region.

⁶ Early leavers are defined as 18-24 year olds with at most lower secondary education who are not involved in any education or training

Following the International Standard Classification of Education (ISCED) system, an investigation into employment by educational attainment shows that the higher the attained educational level, the higher the employment rate, and the lower the unemployment and inactivity rates for both genders. However, gender gaps are still observable.

Employment rates are highest for men and women with tertiary education (tertiary education corresponds to ISCED levels 5-8). In the EU, the gender gap in employment rates is largest amongst women and men educated to a maximum of lower secondary school level (ISCED levels 0-2). Whereas, in the WB region it is widest for those with medium educational attainment (ISCED levels 3-4).

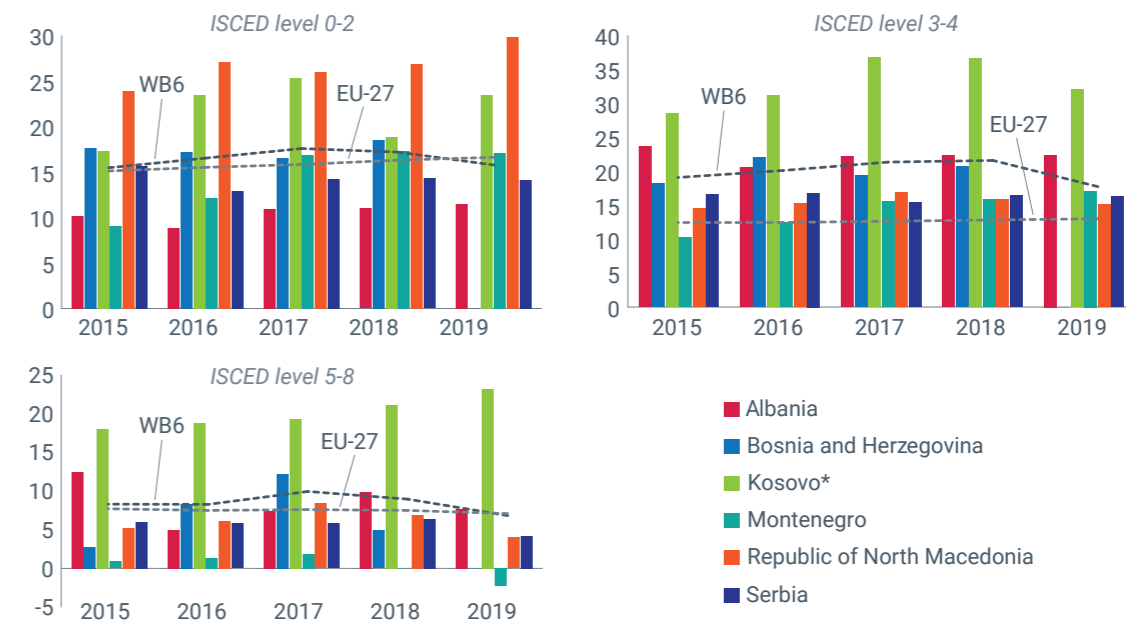
In the EU and the WB region, lower education levels correspond to larger gender gaps in employment rates

In the EU over the period 2015-19, gender gaps in employment are evident at all levels of educational attainment but are narrower at higher levels of education:

- low educational attainment: the employment rate for men is 16 pp higher than for women;
- at most upper secondary education (ISCED level 3-4): 12 pp higher for men; and
- tertiary education: 7 pp higher for men.

For low- and high-educated people, the gender gap in the WB6 economies is roughly in line with the EU. However, for those with at most an upper secondary education, the employment gap is 9 pp wider in the WB6 economies than in the EU.

Figure 2.13: Gender gap in employment by educational attainment (in pp), 2015-19



Note(s): Incomplete time series for Bosnia and Herzegovina (missing data for 2019). Source(s): Eurostat (2020g); Instat Albania(2020b); Kosovo* Agency of Statistics (2020b); wiw (2020). Accessed in December 2020.

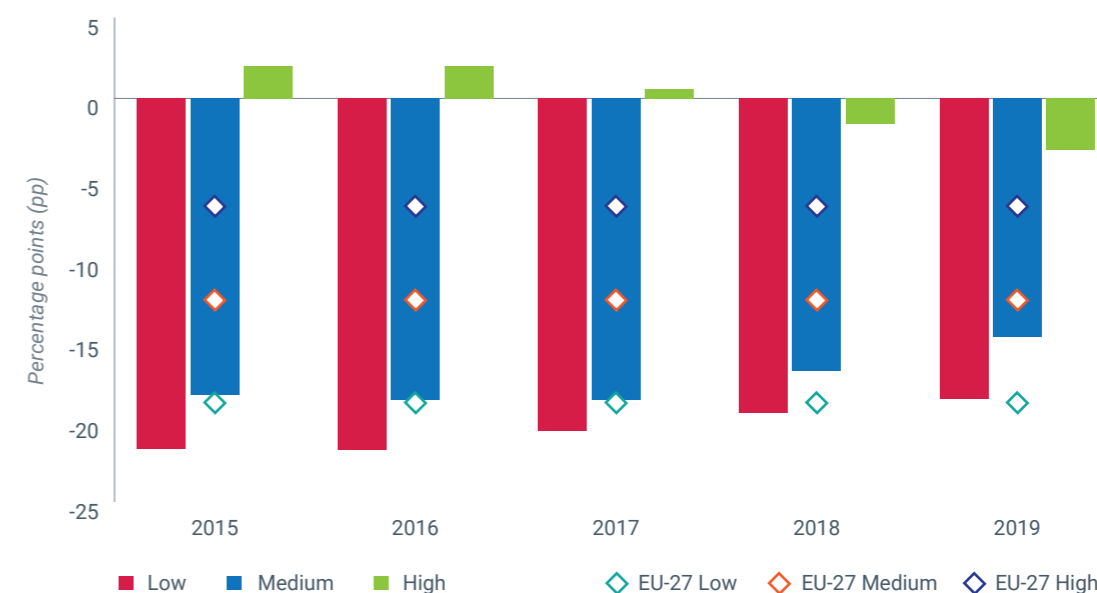
The gender employment gap is slowly closing in WB region While the gender employment gap has stagnated at all educational levels in the EU, in the WB region a narrowing of the gap has occurred over the period 2015-19 across all educational levels – this is due to the exclusion of Kosovo* from the computation of the regional average. Low-educated women in the Republic of North Macedonia stand the worst chances of employment compared to their male counterparts (amongst the WB6 the gender gap is widest), while the gender gap in Albania is lowest in the region and stood at 11.5 pp in 2019. Regarding medium educational attainment outcomes, female employment outcomes have been closest to those of males in Montenegro over the period 2015-19. But the gender gap has been increasing, to 17.1 pp in 2019; a rise of 7 pp since 2015. Gender parity in employment rates of the most educated was achieved in Montenegro in 2018.

As with the EU, the gender gap in the WB6 is smallest amongst the highly educated: those people with tertiary education of undergraduate to doctoral degrees (ISCED levels 5-8). In Kosovo*, the gap between male and female employment rates is widest, standing at 23 pp in 2019. On the other hand, Montenegro and the Republic of North Macedonia have recorded the smallest gaps. The former achieved gender parity in 2018 followed by a positive gender gap in 2019: the female employment rate in this cohort was 2 pp higher than for males.

Unemployment rates by education indicate a gender gap favouring women Women's higher educational attainment, as illustrated earlier in this section, is reflected in a gender gap favourable to women when it comes to unemployment rates by educational attainment. In the WB region, unemployment rates used to be highest for both genders amongst the medium-skilled, but in 2019 this has shifted to the least educated people. The gender gap for the two most skilled groups has been positive for women, meaning that over the period 2015-19 the incidence of unemployment amongst those with tertiary education was 4 pp lower and amongst those with secondary education 3 pp lower for women than for men with the same qualifications. However, unemployment rates for those educated with secondary qualifications remain roughly twice as high as the EU average – reflecting weaker labour markets in the WB region.

Near gender parity in unemployment rates for intermediate qualified women in Serbia in 2019 In 2019, in Albania, unemployment rates were lowest for the least-educated women (ISCED levels 0-2), whilst in Serbia unemployment rates were lowest among intermediate qualified women and those with tertiary education. In the same year, gender gaps were closest to parity in Serbia for the lowest and highest qualified (0.8 pp and -1.1 pp respectively), and narrowest in the Republic of North Macedonia for those with intermediate qualifications (-0.6 pp).

Figure 2.14: Gender gap in inactivity rates by educational attainment in WB6 and EU, 2015-19



Note(s): Incomplete time series for Montenegro (missing data 2015-17, 2019) and Kosovo* (missing data 2015-18). Educational levels are classed using the International Standard Classification of Education (ISCED 2011). Source(s): (Eurostat, 2020); (ILO, 2020f) Accessed in December 2020.

In general, for the WB6 as a region and the EU, the lower the educational level attained, the more women rather than men are inactive, i.e. the larger the female disadvantage. The jumps in inactivity rates between the lowest and medium educational levels are substantial, and average 30 pp in the WB region. The additional gain for attaining education at the highest level (moving from ISCED11 levels 3-4 to levels 5-8) pays off more for women than men when it comes to inactivity rates. In 2019, the difference in inactivity rates between education levels 3-4 and 5-8 averaged 7 pp for men and 19 pp for women in the WB region.

The magnitude of the difference in male and female inactivity rates is smaller in the EU than in the WB region at education levels below tertiary education (ISCED11 0-4). Highly educated men and women are least likely to be inactive. The gender gap among those with the highest qualifications was historically positive over 2015-17 for the WB region, suggesting female outperformance relative to men as female inactivity rates were lower than male inactivity rates. The gender gap has been narrowing however, and finally led to a negative gender gap in 2019 (-3.2 pp). Thus, in the WB region in 2019, the share of highly educated women who were economically inactive was higher than men's share. Over 2015-19, the gender gap in inactivity rates has remained unchanged across the three educational levels in the EU. Contrarily, in the WB region more low- and medium-educated women seem to be entering the labour force than their male counterparts, as inactivity rates have been falling and the gender gap has been slowly decreasing over the period 2015-19.

Reaching a higher educational level pays off more for women than men in terms of inactivity rates

The lower the educational attainment, the larger the gender gap in inactivity rates, to the detriment of women

Educational segregation

Republic of North Macedonia's and Serbia's share of female STEM students is higher than the EU's... More women than men are enrolled in tertiary education. However, their share by field of study differs. Among EU and two of the WB6 economies, an approximately even gender split was achieved in social sciences and humanities fields of study. This is in line with the findings illustrated in Section 2.2, as (non-market) services sectors have been female-dominated over the period 2015-19. In 2018, gender segregation was particularly strong in STEM subjects. In Information and Communication Technologies (ICT) courses, as well as in engineering, manufacturing, and construction, men were over-represented. This is again in line with data on employment by sector (see Section 2.2). In 2019, these shares corresponded to just 29% of Montenegrin and 22% of Serbian ICT specialists being female (Eurostat 2019). In the EU, roughly one-fifth of students in ICT courses were female. To the extent that the share of women in STEM jobs is similar, we might not expect any medium-term improvements in the gender composition of the workforce by sector/specialisation.

In the Republic of North Macedonia and Serbia, where the female share of employment in the trade, transportation, accommodation and food, and business and administrative services sectors was highest amongst the WB6 economies (43% and 47% in 2019 respectively), the gender gap was slightly smaller: approximately 30% of students were women. This could reflect gender stereotypes and different expectations of women and men in society.

... especially in the natural sciences, mathematics, and statistics Noteworthy, when disaggregating STEM subjects into sub-fields, the Republic of North Macedonia and Serbia have higher shares of female students in natural sciences, mathematics, and statistics subjects than the EU. The Republic of North Macedonia has established a solid female dominance in this field, increasing its share of 65% of female STEM students from 2015 further, with a difference of 21 pp to the EU average by 2018. The performance in terms of female enrolment in the STEM field results from a combination of two aspects. First, ICT companies in the economy are playing a substantial role in promoting the enrolment of women in technological fields of study. Second, many people in the science fields are actually training for teachers, an occupation where women are overrepresented (RCC, 2020).

Albania ranked among the top five out of 114 economies in 2017, achieving near gender parity (49%) in the share of female STEM graduates (World Bank, 2019). Albania and Bosnia and Herzegovina perform similarly, the latter has 53% of STEM students being female. In Albania a significant gap in engineering remains, however. Only 5% of girls have a degree in engineering. A 2020 report by the RCC highlights possible stereotypes perceiving STEM as a masculine field incompatible with the women's home responsibilities (RCC, 2020). For Serbia, this figure stands at 40%. Data from several universities in Kosovo* from 2017/18 also indicate a gender gap in the field of study. Women are more likely than men to be enrolled in tertiary education, however fields of study with the highest female share were in the social sciences (Education (93%), Philology (81%), and Philosophy (69%)), whilst men were most represented in the field of Mechanical Engineering (79%). However, the share of women in ICT fields of study has been rising recently (RCC, 2020).

Comparison with EU economies shows the clear outperformance of the WB region compared to peers such as Slovenia (30%), Spain (30%), and Germany (27%) (World Bank, 2019). However, gender parity is still lacking, and women are expected to benefit less from the opportunities re-

sulting from the digitalisation and robotisation of the economies than men. This is due to deeply rooted prevailing social norms and attitudes that lower the female incidence in STEM fields of study and related jobs. Progress in the divide of labour and care within the household is slow to take place (RCC, 2020).

Table 2.3: Share of women enrolled in tertiary education by field of study, 2018

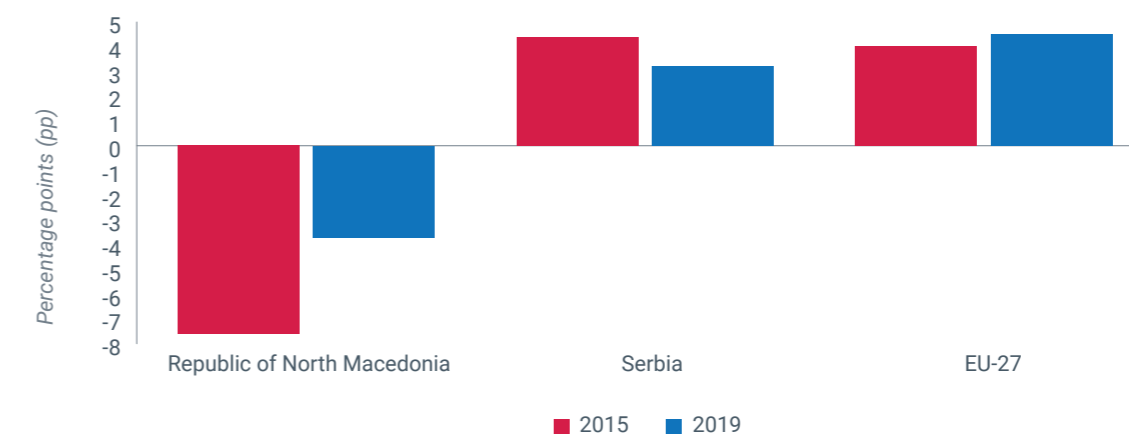
	EU-27	Republic of North Macedonia	Serbia
Education	78%	69%	78%
Arts and humanities	64%	65%	66%
Social sciences, journalism and information	64%	60%	66%
Business, administration and law	55%	55%	61%
Natural sciences, mathematics and statistics	49%	70%	66%
Information and Communication Technologies (ICTs)	18%	31%	27%
Engineering, manufacturing and construction	26%	44%	38%
Agriculture, forestry, fisheries and veterinary	50%	36%	49%
Health and welfare	72%	71%	72%
Services	47%	44%	50%

Note(s): The darker the shade, the higher the share of women enrolled in tertiary education in that field of study. Data for Montenegro, Albania, Bosnia and Herzegovina, and Kosovo* unavailable. Source(s): Eurostat (2020s). Accessed in December 2020.

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. In the Republic of North Macedonia, the gender gap is positive, meaning female graduates showed slightly higher employment rates than their male counterparts. The data show high female employment outcomes in 2015 (7.6 pp). Serbia, on the other hand, records a negative (to the detriment of women) graduate gender employment gap of similar magnitude to the EU (4.4 pp in 2015), albeit unlike the EU, Serbia managed to reduce it by 1.2 pp by 2019.

Employment rates for female graduates in North Macedonia and Serbia are higher than their male counterparts

Figure 2.15: Gender gap in employment of graduates, 2015 and 2019



Note(s): 2015 and 2019 data for Montenegro, Albania, Bosnia and Herzegovina, and Kosovo* unavailable. Source(s): Eurostat (2020k). Accessed in December 2020.

Girls underperform boys in PISA mathematics results in Montenegro and Kosovo* A comparison of PISA results for mathematics performance for the WB6 economies between 2015 and 2018 shows that girls outperform boys in the Republic of North Macedonia and Albania in both years – widening the gender gap in the former. In Montenegro and Kosovo*, girls underperform, but, in Kosovo*, girls have been catching up to boys. Overall girls and boys in the four WB6 economies mentioned perform below the OECD average. Montenegro comes closest, but girls and boys remain 63 and 68 points below the 2018 OECD average, respectively.

Table 2.4: PISA scores in mathematics by gender, 2015 and 2018

	Boys		Girls		Gender differences	
	2015	2018	2015	2018	2015	2018
Albania	408	433	418	440	10	7
Kosovo*	365	365	356	363	-9	-2
Montenegro	417	433	416	425	-1	-8
Republic of North Macedonia	366	390	373	398	7	8
OECD (37 economies)	494	495	489	493	-5	2

Note(s): Data unavailable for Bosnia and Herzegovina, and Serbia.
Source(s): OECD (2020a). Accessed in December 2020.

A further gender gap in the area of knowledge exists when it comes to above basic digital skills. In a changing economic environment where digitalisation is advancing, the possession of digital skills becomes important if workers want to take advantage of these new economic possibilities. Digital skills are thus key to the economic empowerment of women.

Small digital skills gender gaps in the WB6 Table 2.4 illustrates that, in 2019, the four WB6 economies for which data are available all report lower levels of digital skills than the EU, for both genders. In the Republic of North Macedonia, gender parity in the possession of digital skills exists, while Serbia recorded a male skill advantage of a small margin. On the other hand, in Bosnia and Herzegovina, a gender skill gap of 4 pp existed in 2019 – in line with the EU gap.

Table 2.5: Share of individuals with above basic digital skills by gender, 2019

	Male	Female
Bosnia and Herzegovina	10%	6%
Kosovo*	14%	15%
Republic of North Macedonia	15%	15%
Serbia	21%	19%
EU	33%	29%

Note(s): Data unavailable for Montenegro, and Albania.
Source(s): Eurostat (2020o). Accessed in December 2020.

2.5 Time in care activities

... Key points ...

- High shares of women not in work in the WB6 economies cite family and caring responsibilities as reasons for not working, i.e. to provide unpaid care.
- In the WB6, the share of women in the population who are inactive due to family or caring responsibilities has been falling over the last five years, but remains higher than the EU average.

The unequal participation of women and men in formal education and work is also a result of the differences in the time women and men devote to caring for others. In the EU, the Work-Life Balance Directive adopted in June 2019 was introduced to increase the participation of women in the labour market and the take-up of family-related leave (parental and carers' leave) and introduced the right to request flexible working arrangements. This initiative is driven by the stable share of women in the EU population over time that are inactive due to family or caring responsibilities (15.9% in 2019). An improvement in employment policy such of this Directive can help to lift the barrier that prevents these women entering the labour market.

In the WB6, the share of women in the population who are inactive due to family or caring responsibilities has been falling over the last five years but remains higher than the EU average. Of the WB6, Serbia is the closest to the EU average with 17.4% of women inactive due to family or caring responsibilities in 2019. The Republic of North Macedonia is the furthest away from the EU average (and thus has the highest rate among the WB6) with 46.4% of women inactive due to family or caring responsibilities in 2019. The Republic of North Macedonia has also seen a 5 pp decrease in this share in 2015-19 period. Montenegro has a 25.5% share of inactive women due to family or caring responsibilities, and among those women few are inactive due to looking after children or incapacitated adults (1.6% in 2019 compared to 8% in the EU) and many are inactive due to other family or personal responsibilities (38% in 2019 compared to 7.9% in the EU).

Unpaid care work consists of direct, personal and relational care activities, such as feeding a baby or nursing an ill partner; and indirect care activities, such as cooking and cleaning (ILO-International Labour Office, 2018). Figure 2.16 shows that family or caring responsibilities are the main reason for inactivity among women. While in Serbia fewer women are inactive due to this reason than in the EU, in the Republic of North Macedonia, almost all women cite family/caring responsibilities as a reason for not working.

While Eurostat does not publish relevant data for Kosovo* or Albania, other research finds that:

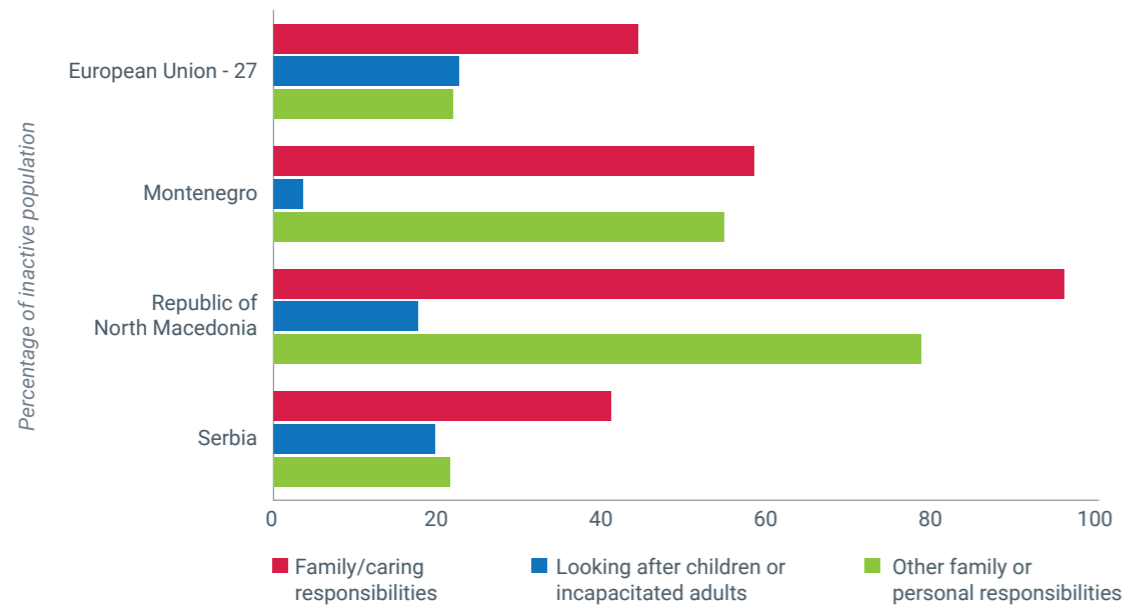
- in Kosovo*, over 50% of women report personal or family obligations as the primary reason for their inactivity on the labour market (Koettl-Brodmann and Hempel, 2018)
- in Albania, these obligations are the primary reason for around 30% of women (Atoyan and Rahman, 2017)

Caring responsibilities are an important employment barrier for women

Decreased share of inactive female in the population with family of caring responsibilities

Unpaid care work

Figure 2.16: Share of inactive women with family or caring responsibilities, 2019



Note(s): Data for Albania, Bosnia and Herzegovina, and Kosovo* unavailable. Source(s): Eurostat (2020m). Accessed in December 2020.

Availability of childcare and old-age care On the one hand, tradition and culture in the WB region is likely to pose obstacles to women's participation in the labour market (Atoyan and Rahman, 2017). The available evidence suggests that access to care services (perhaps to alleviate the extensive responsibilities of women highlighted above) is a significant obstacle for women.

In Bosnia and Herzegovina, the major obstacle to female employment is the low availability of childcare and elderly care (WB and wiiw, 2020). In Kosovo*, nearly half of employees rely primarily on family members' unpaid labour for childcare and 14% of women report the lack of childcare as a main obstacle to their employment (Kosovo* Women's Network, 2016). In 2019, the share of children aged less than 3 years in formal childcare was 13% in the Republic of North Macedonia and 17.2% in Serbia. In both economies, this share has increased in the last five years, by 7 pp and 3 pp in Republic of North Macedonia and Serbia, respectively. The Covid-19 pandemic might, however, hinder further improvement as women face increased caring responsibilities due to lockdown decisions.

2.6 Power

... Key points ...

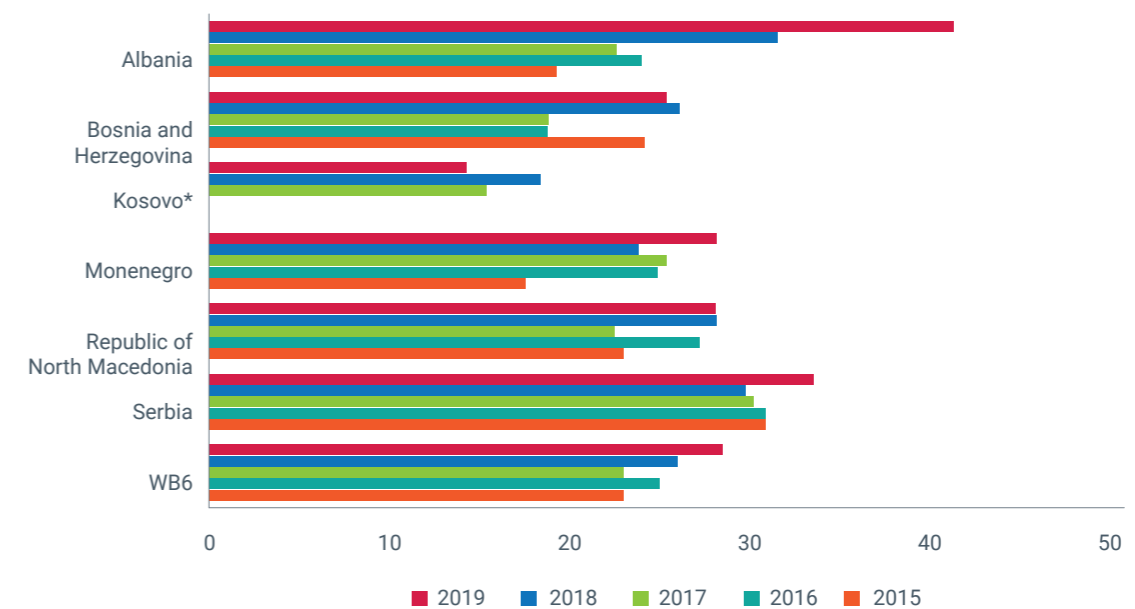
- Female representation in mid- and senior-level management has been increasing in the WB6 economies, but remains below the EU average.
- Women remain under-represented in politics, accounting for less than one-third of the membership of parliaments and assemblies.
- The share is similar for key decision-making bodies in central banks.

Gender imbalances in decision-making in the economic and political sphere have persisted for years at a global level. However, it is important to achieve gender equality in such public environments because of the symbolic and educational nature of this achievement, which can shape social norms and opinions. Female empowerment in the economic domain is measured by the share of women in middle and senior management positions. In addition, female representation in politics is analysed by an indicator of the share of women in national parliaments and regional/local assemblies.

All WB6 economies except for Serbia have shown considerable improvement in female representation in mid-to-senior-level positions over 2015-19. However, this representation still falls far below gender parity, with only 29% of managers being female in 2019. The region also falls short of the EU average, which saw women's share in management of 33% in the same year. Albania has seen the strongest increase in female representation, more than doubling from 19% in 2015 to 41% in 2019. In the same year, Bosnia and Herzegovina remained below the WB6 average, with only a quarter of management staff being female. Kosovo* is the lowest performing economy, with 18% of management staff being female in 2018.

29% of staff in middle and senior management were female in 2018 in WB6

Figure 2.17: Share of women in middle and senior management (%)



Note(s): Incomplete time series for Kosovo* (missing data for 2015-16). Source(s): ILO (2020e). Accessed in December 2020.

Additionally, few women have the power to shape the economic future of their respective economy. The WB region manages to consistently outperform the EU average since 2018, though a substantial gender gap persists. In 2020, 30.6% of members of key decision-making bodies in central banks were female in the WB region. Albania and Bosnia and Herzegovina achieved gender parity in 2020. This is noteworthy especially in Bosnia and Herzegovina, which saw only 25% of middle to senior management in private firms being female – suggesting slightly better chances of female empowerment in the public sector. In Kosovo*, no women were working in key decision-making bodies inside the central bank in the same year.

Few women have the power to shape national monetary policy

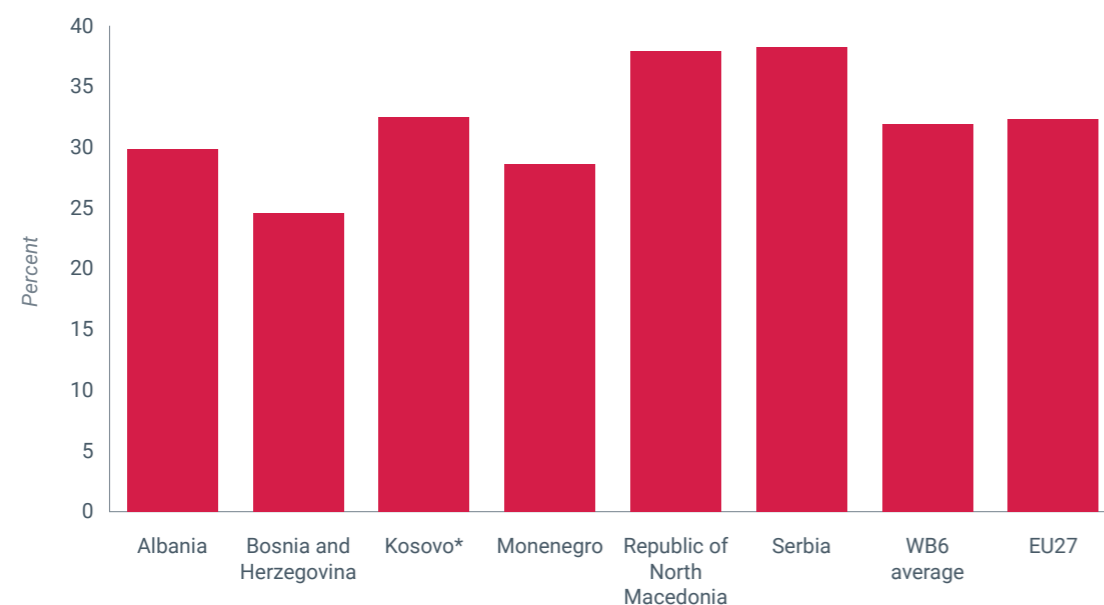
Table 2.6: Female representation in key decision-making bodies with- in national central banks

	2018	2019	2020
Albania	44.4%	44.4%	50%
Bosnia and Herzegovina	50.0%	50.0%	50.0%
Kosovo*	0.0%	0.0%	0.0%
Montenegro	12.5%	14.3%	16.7%
Republic of North Macedonia	28.6%	33.3%	33.3%
Serbia	22.2%	33.3%	33.3%
EU	20.4%	24.3%	24.6%
WB6	26.3%	29.2%	30.6%

Source(s): EIGE (2020b). Accessed in December 2020.

Around one-third of women in politics are female Similar to female representation in central banks, in the political domain, women still make up less than 50% of members of parliaments and assemblies in 2020. In the WB region and the EU, an average of 32% of members were female, an increase in each of more than 2 pp from 2018. With less than one-third of people engaged in political decision-making being female, women empowerment has still a long way to go.

Figure 2.18: Representation of women in national parliaments/ assemblies in 2020



Note(s): Data unavailable for Kosovo*. Source(s): EIGE (2020c). Accessed in December 2020.

2.7 Access to services

... Key points ...

- Unmet medical needs are more prevalent in the WB6 economies than in the EU and women are more likely to have unmet medical needs.
- These shares have tended to fall over time in most WB6 economies, but gender gaps persist.
- There is also a gender gap in access to dental healthcare.

The importance of equal access to healthcare cannot be understated as good health is a major resource for social, economic and personal development and thus an important aspect of quality of life. Health is a precondition for economic prosperity. Therefore, gender access to healthcare is analysed using two different measures. First, the evidence on the share of people who self-report unmet medical or dental needs is reviewed based on the 2016 European Income and Living Conditions Survey (Eurostat, 2020n)⁷. Second, using data from the 2016 European Quality of Life Survey (Eurofound, 2016), the gender differences in those reporting unmet dental care needs due to affordability constraints are assessed.

When it comes to access to healthcare services, over the period 2014-18, on average, in Montenegro, the Republic of North Macedonia, and Serbia, 3.8% of men and 4.8% of women reported unmet medical needs (based on the European Income and Living Conditions Survey). This is approximately 1.6 pp above the average in the EU Member States for both genders.

Montenegro and the Republic of North Macedonia have shown considerable improvement in overall access to healthcare. Since 2014, Montenegro has reduced its share of women reporting unmet medical needs by two-thirds by 2018. The Republic of North Macedonia has recorded gender parity in healthcare access in 2017, but a gap has since opened up as access has improved for men but remained unchanged for women. However, in Serbia, both genders reported increasing difficulty in access to healthcare over 2016-18, though the gender gap has narrowed to 0.6 pp.

Improvements in access to healthcare in Montenegro and the Republic of North Macedonia

⁷ In this survey, three reasons are given as to why the person did not seek or did not have the treatment they thought they would require. They are reasons of cost, distance to healthcare facility, and time constraints. Data are expressed as percentages within the population aged 16 and older.

Figure 2.19: Share of people with self-reported unmet medical needs



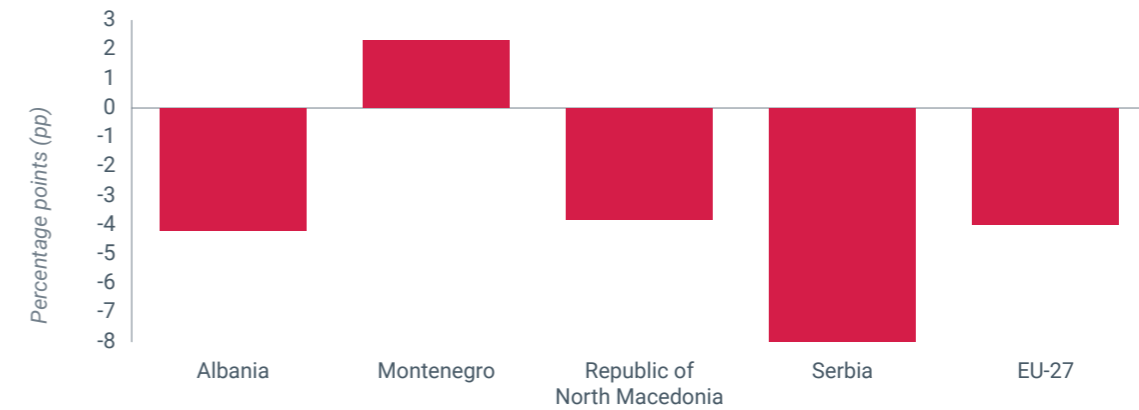
Note(s): Data unavailable for Albania, Bosnia and Herzegovina, and Kosovo*. Source(s): Eurostat (2020r). Accessed in December 2020.

Very low affordability of dental care in the WB region As well as unmet medical needs, considerable dental care access problems stemming from affordability constraints exist for both genders, while gender inequality also persists. Access to dental care is the lowest in Albania, where 75-80% of men and women faced difficulties in dental care provision.

Women are more often affected by unaffordable dental care than men in the WB6 With the exception of Montenegro, where 50% of men compared to 47% of women reported unmet dental care needs in 2016, in the three WB6 economies for which data are available, the gender gap is negative. In 2016, the share of women in Albania and the Republic of North Macedonia who experienced dental care access problems was around 4 pp higher than of men, this gap is in

line with the EU average. Differences in the levels to the EU average are substantial for those two economies, standing at a staggering 41 pp for the former and 6 pp for the latter. Serbia has the furthest to go when it comes to gender parity in dental care access: 8 pp more women reported unmet needs compared to men.

Figure 2.20: Gender difference in access to dental healthcare (in pp), 2016



Note(s): Data unavailable for Bosnia and Herzegovina, and Kosovo*. Source(s): Eurofound (2016). Accessed in December 2020.

3 Future prospects for women empowerment

3.1 Introduction

This chapter provides an analysis of the possible changes brought about by Covid-19 (Section 3.2) and automation (Section 3.3) on gender equality and women empowerment in the WB6 economies. Section 3.4 then provides an estimation of the possible impact on economic growth in the WB6 economies as a result of increasing women’s participation in the workforce and closing the pay gap between women and men.

3.2 Covid-19 impacts on women empowerment

... Key points ...

- Between 2019Q2 and 2020Q2, gender gaps in employment have been narrowing across the WB region and the EU.
- Higher negative impacts on female employment were observed in 2020Q2 than in 2020Q1, likely due to women leaving the workforce to take on caring responsibilities.
- The Republic of North Macedonia achieves gender parity in (high) unemployment rates in Q2 2020.
- EU employment by occupation was hit more severely than in WB6 due to lockdown measures.
- Female employment impacts differ across occupations and economies. Often, women in high-skilled occupations, such as managers, experienced a strong increase in employment, whilst those in services workers and low-skill occupations lost out.

Based on the analysis presented in the previous chapter, women in the WB6 economies are predominantly represented in the services sectors. Over the period 2010-19, gender gaps in employment and pay persisted. Due to measures to prevent the widespread of the virus, in 2020 the global economy is expected to contract by 7.6%⁸, with WB6 economies contracting between -2.5% (Serbia) and -12% (Montenegro) (IMF, 2020). Given the economic implications of the Covid-19 pandemic for the WB6 economies in 2020, this section presents the analysis of the effects of the pandemic on gender gaps in the labour market in the WB region and the EU.

Employment rates fell more for men than women due to Covid-19 At the beginning of the Covid-19 pandemic in Europe, i.e. at the end of the first quarter of 2020 (2020Q1), employment rates in the EU and WB6 economies were slightly higher for both genders compared to the same quarter in the previous year. Gender gaps narrowed during this period. In the second quarter of 2020 (2020Q2) compared to the same period in 2019, the impact of the Covid-19 pandemic became visible. In the WB6 economies, employment rates fell on average

⁸ They figures represent the percentage change in Gross domestic product, constant prices.

by 3.2 pp for men and 0.9 pp for women. The decline in employment rates between the first two quarters of 2020 stood at 1.7 pp for men, and 1.6 pp for women.

Between 2019Q2 and 2020Q2, gender gaps in employment have been narrowing across the WB region and the EU. In Montenegro, male employment rates between 2019Q2 and 2020Q2 fell by 5 pp more than female employment rates. Insofar as this positive trend continues into third quarter, it brings women one step further to parity in employment rates.

However, employment rates overall remain low compared to the EU. Additionally, the fact that employment rates for women fell less than for men is not a positive outcome as more women are dropping out of the labour force (for example, in Serbia the number of women exiting the labour force was twice the number of males).

*Gender gaps in employment rates have narrowed between Q2s 2019-20...
... and fewer women in the labour force*

Table 3.1: 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
Kosovo*	43.0	13.3	45.9	13.7	44.0	14.1	36.2	12.1	-8 pp	-6 pp
Montenegro	61.0	48.0	64.5	49.3	59.6	49.1	56.4	46.0	-5 pp	±0 pp
Republic of North Macedonia	63.2	44.4	64.9	43.6	64.9	46.1	63.3	45.4	-3 pp	-1 pp
Serbia	64.0	53.4	67.5	54.3	66.1	55.3	66.6	53.7	±0 pp	+2 pp
EU	72.9	62.4	73.8	63.2	73.2	62.8	72.1	61.7	±0 pp	±0 pp
WB6 (excl. Kosovo* and Bosnia and Herzegovina)	63.9	49.8	66.3	50.5	64.8	51.2	63.1	49.6	-2 pp	±0 pp

Note: The quarterly data for Bosnia and Herzegovina were not available for 2019, so it was excluded from the analysis.
Source(s): Eurostat (2020h); Instat Albania (2020d); Kosovo* Agency of Statistics (2020e), Regional Cooperation Council (2021). Accessed in December 2020.

Similar to employment rates, unemployment rates slightly increased for men, to 13.2%, while they fell by 1.7 pp for women to an average of 13.3% in the WB region (excluding Kosovo*, and Bosnia and Herzegovina). This has led to a narrowing of the gender gap in the unemployment rate by 2 pp overall, with the lowest gap in the Republic of North Macedonia in 2020Q2 (though, admittedly, these unemployment rates are the highest of any in the WB6 economies). A decrease in the unemployment rate gaps between the first two quarters of 2020 exists, with Serbia even experiencing a reduction in unemployment for both genders. This might be explained by the definition of this indicator since during the pandemic, those who might otherwise have been unemployed may have stopped looking for work.

The Republic of North Macedonia achieves gender parity in (high) unemployment rates in Q2 2020

Table 3.2: Covid-19 impact on unemployment 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	12.8	12.3	12.1	11.8	11.5	12.4	12.6	12.4	0pp	-1pp
Kosovo*	25.4	31.6	22.8	32.7	23.0	30.6	25.7	31.4	-4pp	-2pp
Montenegro	13.8	16.9	13.4	16.3	15.8	17.6	15.6	15.9	-3pp	-2pp
Republic of North Macedonia	18.7	17.0	15.7	20.5	16.8	15.8	17.0	16.9	-5pp	1pp
Serbia	12.8	12.6	10.2	11.5	9.9	10.6	7.4	8.0	-1pp	0pp
EU	7.0	7.7	6.5	7.0	6.5	7.2	6.8	6.8	-1pp	-1pp
WB6 (excl. Kosovo* and Bosnia and Herzegovina)	14.5	14.7	12.9	15.0	13.5	14.1	13.2	13.3	-2pp	0pp

Note: The quarterly data for Bosnia and Herzegovina were not available for 2019, so it was excluded from the analysis.
 Source(s): Eurostat (2020w); Instat Albania (2020e); Kosovo* Agency of Statistics (2020d), Regional Cooperation Council (2021). Accessed in December 2020.

Larger impact on female employment by occupation due to Covid-19 The disaggregation of female employment figures by occupation reveals the unequal effect the Covid-19 pandemic has had by gender. A comparison of employment rates between 2019Q1 and 2020Q1 suggests that the gender gap was closing. This points towards a general catching up process for women that was underway before the pandemic hit these economies. On the basis of data available, Covid-19 may have risks arresting this improvement and may lead to the situation deteriorating once more.

EU employment by occupation was hit more severely than in WB6 due to lockdown measures In 2020Q2, during lockdown measures, a comparison of female employment with 2019Q2 levels reveals a harder impact across occupations in the EU than in the WB6 economies. This is due to earlier, tighter, and longer lockdown measures that were implemented in the EU economies. Low-skilled occupations were especially affected, after already suffering a drop in employment of 8% between 2019 and 2020. In addition, women in medium-skilled occupations such as clerical and sales positions saw their employment in these occupations decline.

Decline in employment of skilled agricultural, forestry and fishery workers In Montenegro, over the period 2019Q2-2020Q2, employment of women in managerial positions increased by 45%, but they still represent only one-third of employment in this occupation. In Montenegro, female craft and related trade workers also saw strong employment growth (19%) between the two quarters while male employment in this occupation shrunk by 22%. Despite the need for consumer staples at any point during the economic cycle, employment of female agricultural workers fell across Montenegro, the Republic of North Macedonia, Serbia, and the EU. This was most strongly the case in the Republic of North Macedonia, where employment was reduced by one-third – double the decrease in male employment. This was due to travel restrictions on seasonal workers.

Table 3.3: Female employment growth by occupation, 2020Q2 vs 2019Q2

	Montenegro	Republic of North Macedonia	Serbia	EU
Managers	45%	7%	4%	-2%
Professionals	-17%	15%	4%	5%
Technicians and associate professionals	-1%	18%	-10%	1%
Clerical support workers	-14%	22%	4%	-1%
Service and sales workers	-4%	-5%	-2%	-8%
Skilled agricultural, forestry and fishery workers	-10%	-33%	-2%	-3%
Craft and related trade workers	19%	-19%	-2%	-3%
Plant and machine operators and assemblers	N/A	1%	1%	-8%
Elementary occupations	-7%	7%	-15%	-11%

Note(s): Data unavailable for Albania, Bosnia and Herzegovina, and Kosovo*. Cells were colour coded by strength of growth.
 Source(s): Eurostat (2020w). Accessed in December 2020.

Between the first two quarters of 2020 female employment in each occupational group shrunk more in Montenegro and Serbia than in the EU. However, the different structures of the EU and WB6 economies reflect the magnitude of employment decreases by occupation. The EU recorded its largest drops in female employment in services and low-skilled jobs such as elementary and plant and machine operating/assembling occupations where female employment decreased by between 2% and 4% (see Table 3.4).

In some occupations, women were more affected than men, but this did not occur across all occupations and it varies across economies. Female services workers were more affected than their male colleagues in the Republic of North Macedonia, whilst in Montenegro and Serbia women working as elementary workers were more affected by the Covid-19 pandemic. In high-skilled occupations such as managers, women experienced a strong increase in employment in Montenegro and the Republic of North Macedonia, growing by 14% and 51% respectively between the first two quarters of 2020 (compared to no growth in the EU). The growth rates are higher than for males, but this could be due to lower numbers of women overall. Conversely, women professionals, another high-skilled occupation, were negatively affected in Montenegro and Serbia. In VET occupations, such as technicians and associate professionals, women lost their jobs between the first two quarters of 2020 in Serbia and the EU. Skilled female agricultural workers in Montenegro appear to have benefitted during the crisis, regaining some of the lost employment from 2019 as mentioned earlier, but overall growing 10 pp more than their male counterparts. Due to travel restrictions, services occupations bore the brunt: female employment decreased between Q1 and Q2 of 2020, falling by 14%: 9 pp more than male employment in that occupation.

There were larger drops in female employment in Montenegro and Serbia than in the EU

Female employment impacts differ across occupations and economies

Table 3.4: Female employment growth by occupation, 2020Q2 vs 2020Q1

	Montenegro	Republic of North Macedonia	Serbia	EU
Managers	14%	51%	-1%	0%
Professionals	-12%	1%	-2%	0%
Technicians and associate professionals	4%	1%	-8%	-2%
Clerical support workers	-20%	7%	-4%	-1%
Service and sales workers	-1%	-14%	0%	-4%
Skilled agricultural, forestry and fishery workers	23%	-9%	-2%	8%
Craft and related trade workers	-10%	7%	-6%	-1%
Plant and machine operators and assemblers	N/A	-1%	-1%	-2%
Elementary occupations	-19%	1%	-5%	-4%

Note(s): Data unavailable for Albania, Bosnia and Herzegovina, and Kosovo*. Cells colour indicates the maximum (red) and the minimum (blue) growth rates. Source(s): Eurostat (2020w), Kosovo* Agency of Statistics (2020c). Accessed in December 2020.

2020 saw a drop in female employment in the accommodation and food services industry in EU Sectors where female employment was most affected by the Covid-19 crisis vary across economies. However, as in the case of occupations, the large differences in economic structure between the EU and WB6 economies result in different sectors bearing the brunt of the Covid-19 pandemic. Lockdown restrictions in the EU meant that female employment shrunk most in the accommodation and food services sector (-20%) between the second quarters of 2019 and 2020.

2020 also saw a drop in female employment in construction and agriculture in three WB6 economies In Montenegro, between 2019Q2 and 2020Q2, female employment fell mostly in services sectors. This is as expected because these sectors are most vulnerable to lockdown restrictions. The sharpest drop of 41% was recorded in the ICT sector, followed by a 15% decrease in the human health and social work activities sectors. In contrast, male employment in those sectors rose by 14% and 47% respectively. The decline in female employment in these sectors might be due to the withdrawal of women from the labour market due to caring activities (Madgavkar et al., 2020). On the other hand, significant gains were made by women employed in professional, scientific, and technical activities (58%), and the transportation and storage sector (42%). Female employment in services in the Republic of North Macedonia was not affected by the pandemic. In the Republic of North Macedonia, the largest decreases were recorded in construction and agriculture, both of which were highlighted in an ILO report as ones in which women were most vulnerable to Covid-19's sectoral impacts (ILO, 2020a). The third-most affected sector was the accommodation sector (-13%). A similar picture arises in Serbia, where the primary sector and construction were most affected, while female employment in accommodation services remained stable despite the reduction in other economies.

Higher impacts were observed in 2020Q2 than in 2020Q1 In the first two quarters of 2020, sectors that recorded heavy female employment losses were the ICT sector in Montenegro (-42%), the transportation and storage sector in Serbia (-38%), as well as administrative and support services in Montenegro and Serbia (-29% and -44% respectively). In each of these sectors, the incidence of employment decreases was higher for women than for

men. This is likely due to women taking on more caring responsibilities as schools closed (March 2020 for Montenegro, the Republic of North Macedonia, and Serbia) (OECD, 2020c, 2020d). In contrast, the largest employment losses in the EU were in the accommodation and food services industry, driven by the lockdown measures.

Table 3.5: Growth in female employment by sector, 2020Q2 vs 2020Q1

	Montenegro	Republic of North Macedonia	Serbia	EU
Agriculture, forestry, and fishing	39%	-4%	-5%	7%
Manufacturing	-17%	0%	-4%	-1%
Construction	NA	25%	-45%	-2%
Wholesale and retail trade, repair of motor vehicles and motorcycles	6%	-9%	-5%	-2%
Transportation and storage	8%	-38%	-1%	-1%
Accommodation and food service activities	1%	-26%	19%	-12%
Information and communication	-42%	55%	20%	5%
Financial and insurance activities	0%	6%	-25%	-3%
Professional, scientific, and technical activities	-7%	35%	-3%	1%
Administrative and support service activities	-29%	29%	-44%	-3%
Public administration and defence; compulsory social security	-16%	10%	1%	0%
Education	-9%	-3%	2%	-2%
Human health and social work activities	5%	-1%	-3%	0%
Arts, entertainment, and recreation	11%	-4%	4%	-1%
Other service activities	-5%	3%	4%	-3%

Note(s): Data unavailable for Albania, Bosnia and Herzegovina, and Kosovo*. Sectors where fewer than two economies reported figures are excluded. Cells with red indicate highest growth in the share of female employment, while cells with blue indicate lowest growth in the share of female employment (per column). Source(s): Eurostat (2020e). Accessed in December 2020.

Any decreases in employment for either gender have to be interpreted in light of the structure of the WB6 economies. Given varying degrees of informality across sectors, the actual employment impact might be higher than official numbers suggest (ILO, 2020a).

3.3 Impact of automation and the future of work

... **Key points** ...

- The number of occupations with most of their job profiles at risk of automation is expected to increase over the period 2018–30, putting at risk recent improvements in gender equality in the labour market.

- Research has shown that most safe job profiles are in high-skilled occupations like legislators, and managers. Most 'at risk' job profiles are found in clerks, craft and related trades workers, and elementary occupations.
- 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 employment in occupations with high automation potential due to routine cognitive work. At the same time, women are well represented in sectors such as healthcare and social assistance, with low automation potential. Jobs in these sectors could offset the displacement of female workers.
- The progress toward gender parity in work could be impeded should gender equality measures fail to consider underlying labour market trends such as automation.

The Covid-19 pandemic is not the only risk to gender equality. The Covid-19 pandemic puts at risk the recent improvements in gender equality in the labour market since women are disproportionately represented in industries that are expected to decline the most (Madgavkar et al., 2020). However, this pandemic is not the only risk to gender equality. The automation of jobs risks displacing many workers, especially those in low-skilled jobs. Since the publication of the study of Frey and Osborne (2017), many studies have attempted to estimate the risks of automation on employment.

Job profiles at risk of automation Suta et al (2021) mapped job profiles at risk of automation in the Republic of North Macedonia. The mapping of job profiles was done based on the list of occupations from Josten and Lordan (2020) which was translated into detailed ISCO-08 occupations. Jobs (an occupation in a sector) were labelled as follows:

- 'Safe' if the number of four-digit job profiles that are non-automatable within the two-digit occupation is higher than the number of four-digit job profiles that are automatable;
- 'At risk' if the number of four-digit job profiles that are non-automatable within the two-digit occupation is less than the number of four-digit job profiles that are automatable;
- 'Balanced' if the number of four-digit job profiles that are non-automatable within the two-digit occupation equals the number of four-digit job profiles that are automatable.

Suta et al (2021) found that most safe job profiles are in high-skilled occupations like legislators, senior officials, managers, and professionals. Most 'at risk' job profiles are found in clerks, skilled agricultural workers, craft and related trades workers, plant and machine operators and assemblers, and elementary occupations.

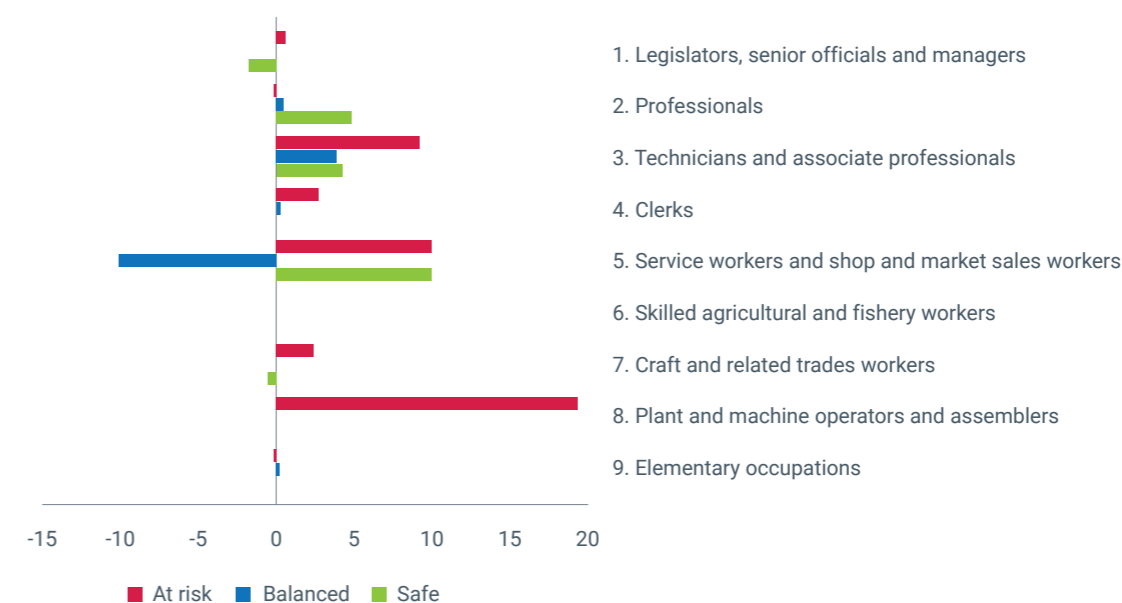
Professionals are 'safe', while elementary occupations are 'at risk' In Section 2.2, the analysis of the employment by gender and occupation in the WB6 economies was presented. In Montenegro, women dominate employment in the broad occupations of professionals and clerks. Professionals occupation is safe from automation while the clerk occupation is at risk. In Albania, women have a higher share of employment in professionals than men, and most jobs profiles in this broad occupation are considered safe from automation. However,

women are also well-represented in elementary occupations (47% of employment in 2019), and most jobs profiles in this broad occupation are 'at risk' of automation. In Bosnia and Herzegovina, and Serbia, women dominate the employment in the broad occupations of professional, marketing, sales, and service workers, and clerks. The women in the first two broad occupations are less likely to be affected by automation, while women in clerical occupations are more likely to be displaced by automation.

Figure 3.1 shows future job prospects based on the 2018 Cedefop Skills Forecast (Cedefop, 2020) by occupation and by risk of automation. The number of occupations with most of their job profiles at risk of automation is expected to increase over the period 2018–30 in the Republic of North Macedonia. Service and sales staff, operators and assemblers and workers in elementary occupations are occupations with a high share of total employment. Based on the 2018 Cedefop Skills Forecast (Cedefop, 2020), some of these occupations are expected to continue to expand in the future. Furthermore, professionals and associate professionals seem to have good prospects in terms of job profiles which are either 'safe' or 'balanced', and in the Republic of North Macedonia, these two broad occupations represent a high share of current employment. Women are well represented in these two occupations, but also in 'at risk' job profiles such as operators and assemblers and elementary occupations.

The number of occupations with most of their job profiles at risk of automation is expected to increase over the period 2018–30 in the Republic of North Macedonia

Figure 3.1: Employment change (absolute numbers) by occupation and risk of automation, the Republic of North Macedonia, 2018–30



Source(s): taken from Suta et al (2021).

The McKinsey Global Institute (2019) found that women and men face a similar scale of potential job losses and gains, but in different occupations or sectors. In the emerging economies, women have a high share of employment in many occupations with high automation potential due to routine cognitive work, such as clerical support or service worker roles. These occupations account for 52% of potential female job displacements worldwide. At the same time, women are well represented in sectors such as healthcare and social assistance, with low automation potential. Jobs in these sectors could offset the displacement of female workers.

Women are well represented in occupations with high and low automation potential

Gender equality measure should take into account the changes in the labour market due to these new technologies. Otherwise, the progress toward gender parity in work which is already slow could face a growing gap or women could be left further behind.

3.4 Economic benefits

... Key points ...

- A positive relationship between female labour participation and GDP per capita exists. This is visible among WB6 economies, which, on average, have higher GDP per capita and also higher female participation rates.
- Removing gender inequalities in the labour market boosts economic growth in the medium-term and the economic effects persist into the long-term.
- The effect of reducing gender pay gaps is also positive but smaller, and the increase in GDP per capita flattens after 15 years.
- Closing both gender participation and gender pay gaps are worthwhile for equality reasons and both outcomes also lead to economic stimulus.

This section describes two sets of scenarios that were developed to estimate the economic impacts of gender equality measures. These scenarios are compared to a baseline case that shows the continuation of current trends.

The first set of scenarios looks at the economic impacts of increased female labour participation. The scenarios are based on the implementation of gender equality measures that lead to increases in female participation by 2035. The second set of scenarios quantifies the possible economic effects of closing the gender pay gap in the WB6 economies.

Economic benefits of female labour participation

The relationship between the participation of women in the labour market and economic development is U-shaped (Atoyán and Rahman, 2017). Female labour force participation rates are high in low-income economies because women need to work in family enterprises or the informal sector. With economic development, female participation decreases initially, due to both social barriers and competition from men. It increases again thereafter, with continued improvement in education for women being linked with high economic development.

In the EU (in the right-hand side of the 'U'), the gender gap in labour force participation is lower than in the WB6 economies (as presented in Section 2.2). A cross-regional comparison for 2015 shows that the WB6 economies lie somewhere in the middle of the 'U', with lower participation rates than other middle-income economies⁹ (Atoyán and Rahman, 2017).

Increased female labour participation is associated with increased GDP per capita

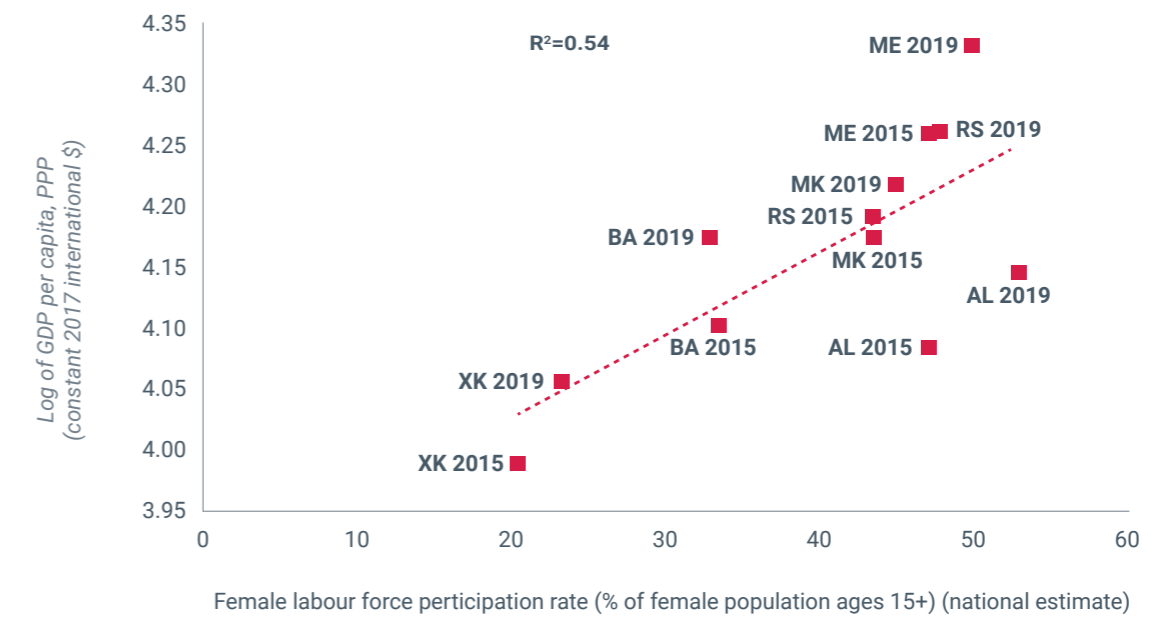
Figure 3.2 shows the positive relationship between female labour participation and GDP per capita in both 2015 and 2019. Among WB6 economies, on average, the economies that have higher GDP per capita also have higher female participation rates. High and sustainable economic

⁹ World Bank definition.

growth leads to more employment opportunities for women in the economy, with other complementary macroeconomic and structural policies required to maintain the gains in female labour participation and employment over time (Atoyán and Rahman, 2017). The causality is true also in the opposite direction, i.e. higher female participation increases growth (see later in this section).

In Bosnia and Herzegovina, the increase in GDP per capita from 2015 to 2019 was not associated with much change in female participation. Bosnia and Herzegovina also has the closest gender participation gap to the EU average. Albania has a higher female participation rate than Bosnia and Herzegovina, and Montenegro, but lower GDP per capita than both economies.

Figure 3.2: Female labour participation vs. economic development, 2015 and 2019



Source(s): World Bank WDI database (2020).

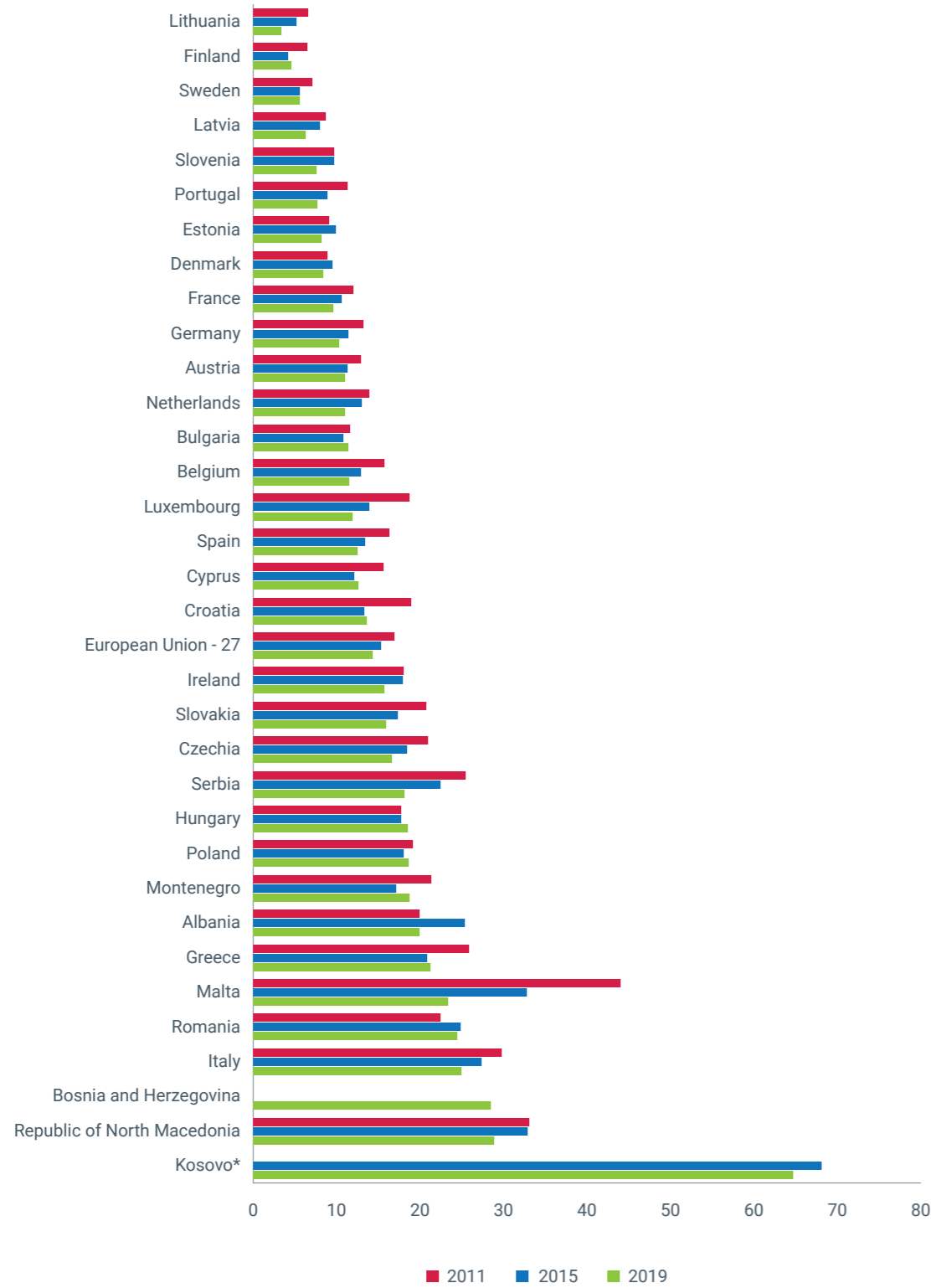
As a prelude to the economic analysis of improved gender equality, an analysis is performed on how the gender gap in labour force participation varies across EU Member States and WB6 economies. Following the EIGE report (EIGE, 2017), the gender gaps in participation rates of men and women are calculated as:

$$Gap_{Part} = \left(1 - \frac{P_{rate}_w}{P_{rate}_m} \right)$$

where P_{rate}_w is the activity rate of women aged 20 to 64 and P_{rate}_m is the activity rate of men from the same age group, based on Labour Force Survey data.

Figure 3.3 shows the gender gaps in participation rates among EU and WB6 economies. In 2019, one of the lowest gender gaps in participation rates among EU economies was in Lithuania (3.4%), where the female participation rate was 96.6% of the equivalent male rate. In 2019, one of the lowest gender gaps in participation rates among WB6 economies was in Serbia, where the female participation rate was 82% of the male rate.

Figure 3.3: Gender gaps in activity rates (female rates as a % of male rates)



Note(s): Incomplete series for Bosnia and Herzegovina, and Kosovo*
 The economies were ordered using the gender gap in 2019.
 Source(s): Eurostat (2020a); Kosovo* Agency of Statistics (2020c); Instat Albania (2020e); Agency for Statistics of Bosnia and Herzegovina (2020).

In the last decade, among the EU economies, the largest improvement in the gender participation gap was in Malta (a 21 pp reduction between 2011 and 2019). However, some economies, such as Romania, saw a widening of the gender participation gap (2 pp in the case of Romania). Among WB6 economies for which there are data covering the last decade, an improvement has been observed, with Serbia registering the largest improvement, although less than in Malta. Montenegro is the only WB6 economy which achieved its smallest gap in 2015, before the participation gap increased once more, due to a much faster increase in male participation rates than for females. For all other WB6 economies (for which data are available for all three years), 2019 saw the narrowest gender participation gap.

Among WB6 economies, an improvement in gender participation has been observed

Higher participation rates increase labour supply. This has two effects. In the short run, there is likely to be an immediate increase in unemployment because it will take time for labour demand to respond to the increase in the supply. It will be necessary for wage rates to adjust downwards for this to happen, which could boost employment and industry competitiveness. At a macroeconomic level, a larger workforce increases potential output, or productive capacity, which will also affect firms' pricing behaviour. In the long run, higher rates of economic growth lead to higher employment levels, negating the initial increase in unemployment.

Higher participation rates lead to better economic outcomes

The potential economic gains from gender equality in the WB6 economies are informed by the assessment of EU economies in the EIGE study on the Economic Benefits of Gender Equality in the European Union (EIGE, 2017). Using the original estimation results from the EIGE study, the economic impacts are estimated by first deriving a GDP effect per unit change in the gender gap. These estimates are then applied to the potential changes in participation rate gaps in the WB6 economies.

The estimates of future changes in the gender gap in participation rates presented in Table 3.6 are based on assumptions to 2035 about the effectiveness of gender equality measures. The first step is to estimate the future baseline gender gaps in participation rates in 2035 by projecting historical data forward (15 years), reflecting past policy trends and assuming some further policy changes in the future (to the extent that they are reflected in the historical data). The second step produces estimates of the potential decrease in gender gaps in participation rates as a result of additional gender equality measures (which cannot be predicted based on historical data). It must be acknowledged that implementing additional gender equality measures may be difficult in practice and this current exercise focuses on the potential impacts if such measures were successfully implemented. Based on the EIGE report (EIGE, 2017), the approach produces sets of scenarios, each assuming a different rate of implementing additional gender equality measures by 2035 compared to the baseline:

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.

Estimating the current trend The current trend describes the gender gap in participation rates by 2035 assuming that the size of the labour force (total number of employed and unemployed people) and the overall population develop according to projecting historical data forward.

More specifically, the current trend estimates were calculated as follows:

- The participation rates of men and women aged 20 to 64 in the labour market in the period 2010-19 were extracted from Eurostat (2020a); Kosovo* Agency of Statistics (2020b); Instat Albania (2020b); Agency for Statistics of Bosnia and Herzegovina (2020).
- The total gender gap in participation rates for the period 2010-19 was calculated according to the formula presented earlier in the section.
- The improvement in the gender gap in participation rates in the last five years is assumed to continue to 2035. For example, if the gender gap in participation rates decreased by 5 pp in the last five years (2015-19), then a maximum of 15pp decrease can be expected by 2035 (2020-35).
- The male participation rates remain unchanged in the period 2019-30. This is a strong assumption for the WB6 economies as there is room for improvement in male participation. This assumption is, however, in line with the one made for EU economies in the EIGE report. This way, the labour force increase will be based on women and it is thus easier to capture the economic benefit of women's participation. Moreover, higher male participation would also boost economic outcomes.

Table 3.6: Baseline (continuation of historical trends) (%)

	2015	2016	2017	2018	2019	Change 2015-19 (pp)	2035 estimate
Albania	25.3	22.2	24.7	22.6	19.9	- 5.4	9.1
Bosnia and Herzegovina	35.6	37.1	36.0	37.2	34.2	- 1.4	30.1
Kosovo*	68.7	68.7	69.9	71.5	65.5	- 3.1	59.3
Montenegro	17.1	19.7	19.9	20.5	18.7	-1.0*	15.7
Republic of North Macedonia	32.9	34.5	34.0	33.1	28.9	- 4.0	20.8
Serbia	22.4	20.5	19.3	19.2	18.1	- 4.3	7.4
WB6	26.7	26.7	26.7	26.4	23.7	-3.0	16.6

Notes: WB6 average excludes Kosovo* as an outlier that strongly influences the overall average.

* Value for Montenegro was calculated based on 2016-19.

Source(s): Cambridge Econometrics estimates based on Eurostat (2020a); Kosovo* Agency of Statistics (2020c); Instat Albania (2020e); Agency for Statistics of Bosnia and Herzegovina (2020).

In the period 2015-19 in the WB region, the gender participation gap narrowed by 3 pp. In the case of WB6 economies, except Montenegro, the gender participation gap closed in the period 2015-19, by around 5pp in Albania as the maximum and by 1 pp in Bosnia and Herzegovina as the minimum. Montenegro closed its gender gap by 1 pp in the period 2016-19, while achieving its lowest value in 2017. By assuming a linear trend downwards, the WB6 economies will reduce the gender participation gap by 7.1 pp on average, but a considerable gender gap of 16.6% remains.

There is heterogeneity within the six economies. By 2035 Albania will reduce the gender participation gap by around 11 pp reaching a 9% gender gap, while Bosnia and Herzegovina will reduce the gender participation gap by 4.2 pp, reaching a 30% gender gap. Table 3.6 shows that only Albania and Serbia were on a trend downwards in the period 2015-19. For Bosnia and Herzegovina, Kosovo* and the Republic of North Macedonia, up-and-down trends were observed in the period 2015-19, but in 2019 the gender gaps were below their 2015 levels.

In Table 3.6, in contrast to other WB6 economies, the gender participation gap in Montenegro was on an upward trend in the period 2015-19 and the 2019 value is above that of 2015, which is also the lowest gender participation gap in the period 2011-19.

For the WB6 economies, two scenarios are considered to describe the possible progress in narrowing the gender gap in labour market participation by 2035. The slow progress scenario assumes that the future gender equality measures put in place will decrease the gender gap by 0-13 pp than on current trends (called the baseline). The rapid progress scenario assumes that the future gender equality measures put in place will decrease the gender gap by 0-20 pp more than on current trends. These two assumptions for the reduction in the gaps in WB6 economies are in line with assumptions made in the EIGE report for EU economies with high gender gaps in participation rates. Figure 3.3 shows that in economies such as Malta with high gender inequality, the gain from implementing additional gender equality measures is higher than in economies where gender inequality is already low.

Rapid/ slow progress scenario assumptions

Table 3.7 shows how the assumed decreases in the gender gap in participation rates compares against estimates based on current trends (the baseline). On average, in the WB region, the gender participation gap is expected to drop by 11pp and 15 pp under the slow and rapid progress scenario respectively. Without additional gender equality measures, the gender participation gap is expected to decline by 27%. Among the WB6 economies, Albania is expected to have the narrowest gap. In Albania, where female participation is currently 20% lower than male rates, by 2035 this gap will be reduced to 7% in a slow progress scenario and to 5% in a rapid progress scenario. This is an improvement on the 9% projected in the baseline with no additional action. In Bosnia and Herzegovina, where female participation is currently 34% lower than male rates, by 2035 this gap will be reduced to 30% in the baseline, to 23% in a slow progress scenario and to 15% in a rapid progress scenario.

Table 3.7: Estimates of the gender gap in participation rates in different scenarios (%)

	2019	Baseline 2035	Slow progress by 2035	Rapid progress by 2035
Albania	19.9	9.1	6.8	4.6
Bosnia and Herzegovina	34.2	30.1	22.6	15.0
Kosovo*	65.5	59.3	53.3	44.4
Montenegro	18.7	15.7	11.8	7.8
Republic of North Macedonia	28.9	20.8	15.6	10.4
Serbia	18.1	7.4	5.5	3.7
WB6	23.7	16.6	12.5	8.3

Notes: WB6 average excludes Kosovo* as an outlier that strongly influences the overall average.

Source(s): Cambridge Econometrics estimates.

Removing gender inequalities in the labour market boosts economic growth 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. The growth rates of GDP per capita as a result of an increase in the female labour force participation rates in the EU from the EIGE study were used in this study. In 15 years (2015-30), the EU is expected to improve in GDP per capita by between 0.8% (slow scenario) and 1.5% (rapid scenario) as a result of reducing the gap by up to 13pp and 20pp, respectively (EIGE, 2017). Table 3.8 shows the potential increase in GDP per capita by 2035 in the WB6 economies as a result of increased female labour participation in the period 2020-35 (15 years). The results in terms of GDP per capita are driven **only by the rate of implementation of gender equality measures**, and are on top of any other economic measure already included in the baseline.

The higher the increase in female labour participation, the greater the impact on GDP per capita An increase in labour participation of women of 2.5% (slow scenario) and 5% (rapid scenario) compared to the baseline can lead to an increase in GDP per capita of 0.4% and 0.8%, respectively, in Albania compared to otherwise by 2035. The higher the increase in female labour participation (i.e. the lower the final gender gap), the greater the impact on GDP per capita. For example, in the rapid scenario, the increase of 21.5% in labour participation in Bosnia and Herzegovina compared to the baseline could lead to an increase of 3.3% in GDP per capita by 2035. Kosovo* has the widest gap in participation to close; therefore, the economic benefits of closing it by 2035 are between 2.1% and 5.6%. For the WB6 economies, on average, an increase in female participation by 5% under a slow progress scenario and 10% under a rapid progress scenario will raise GDP per capita by 0.7% and 1.5%, respectively, by 2035 compared to the baseline.

Table 3.8: The effect of closing the gender participation gap on GDP per capita

	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
Republic of 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

Notes: WB6 average excludes Kosovo* as an outlier that strongly influences the overall average. **Source(s):** Cambridge Econometrics estimates.

The above results are based on the assumptions that male participation rates remain stable by 2035 and that the WB6 economies will react to the change in labour participation rates similarly to the EU economies. As shown by EIGE (2017), there are potential impacts beyond 2035 since there are strong lagged effects, with many of the benefits accruing only after 2035. For example, improvement in EU GDP per capita as a result of improvement in EU female labour participation rises from 0.8%-1.5% in 2030 to 3.2%-5.5% in 2050.

The gender pay gap is defined as the difference between the average gross hourly earnings of men and the equivalent earnings for women, expressed as a percentage of the average gross hourly earnings of men without correcting for national differences in individual characteristics of employed men and women (Eurostat, 2016b). Therefore, the smaller the pay gap the better is the performance in this indicator.

The gender pay gap is likely to result from a variety of factors such as: differences in educational attainments; lower wages in the sectors and occupations in which women are concentrated; differences between female and male participation rates in part-time and full-time work, which are in turn influenced by women's care responsibilities; and discrimination in pay between women and men performing equal work or work of equal value (ILO, 2018).

The future trends in the gender pay gap are the result of additional gender equality measures. For example, the gender pay gap can also be reduced by increasing women's labour market participation and reducing education inequalities in the labour market. Increasing the labour market participation of women may be associated with fewer women taking career breaks and thus leading to improved women's hourly earnings. The higher the educational level, the lower is the educational inequality in employment between men and women and the lower the differences in hourly earnings.

As Figure 3.5 shows, the total gender pay gap varies substantially across economies. In 2018, Luxembourg had the lowest gender pay gap at 1.4% of male hourly earnings. This was considerably lower than the EU average of 14.1%. Estonia had the highest gender pay gap at 21.8% of male hourly earnings. Albania and Serbia are both below the EU average in terms of gender pay gap, with 10.7%¹⁰ and 9.6% of male hourly earnings, respectively. This means that both economies are performing better than the EU average.

In 2014, the gender gaps in Albania, Montenegro, Republic of North Macedonia and Serbia were below the EU average of 15.7% of male hourly earnings, thus performing better in this indicator.

A reduction in gender pay gaps was observed in more than half the EU and WB6 economies in Figure 3.4 over the period 2014-18. In most cases, pay gaps (in hourly earnings) have closed by around three percentage points or less between 2014 and 2018, although a few economies have seen more significant reductions of between four and seven percentage points over the same period. Gender pay gaps increased in 11 economies over this period, most notably in Malta by 2.4 pp. Both in Albania and Serbia, gender pay gaps increased from 2014 to 2018 by less than 1 pp.

The EU's gender pay gap narrowed over the period 2014-18 by 1.6 pp, but women's gross hourly earnings were still on average 14.1% below those of men in the EU in 2018. The gender gap has been on a decreasing trend since 2012, when women's relative gross hourly earnings peaked at an average of 16.4% below those of men.

¹⁰ This figure was taken from Instat Albania (2020c) and it includes more sectors than in the Eurostat definition of gender pay gap in unadjusted form. According to Eurostat (2020j), the gender pay gap in unadjusted form was 6.8% in 2018.

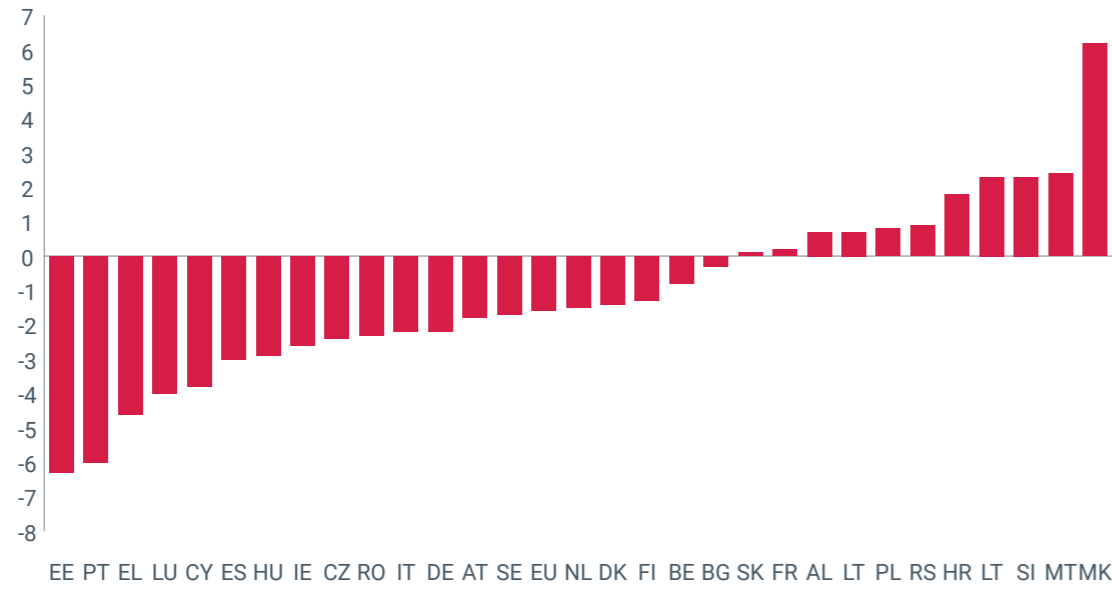
The economic benefit of closing the pay gap on GDP

The gender pay gap varies substantially across economies

A small increase in gender pay gaps in Albania and Serbia over the period 2014-18

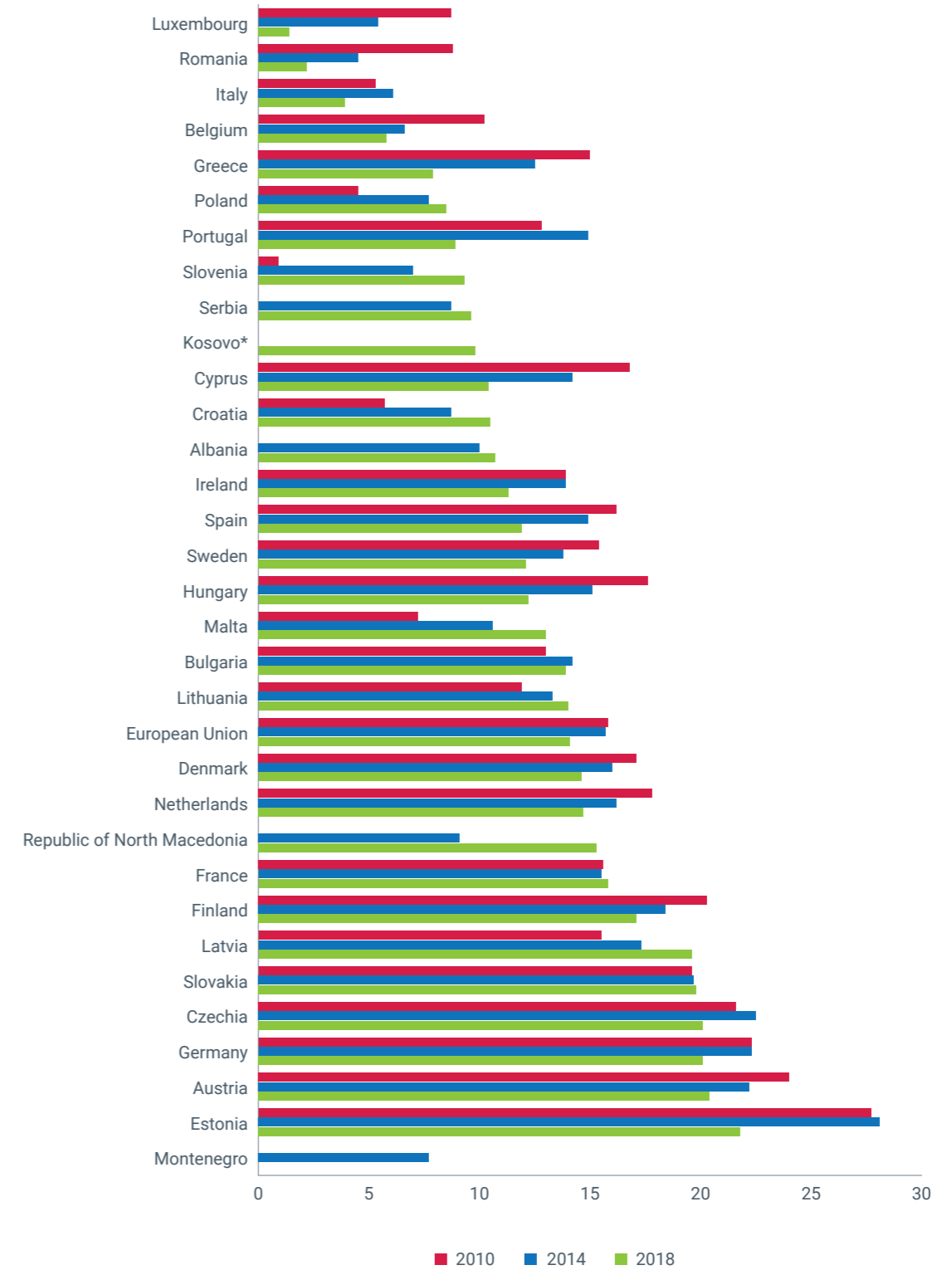
The EU gender pay gap has decreased slightly in recent years but remains considerable

Figure 3.4 Change (pp) in pay gap 2014-18, by economies



Note(s): Missing series for Bosnia and Herzegovina, and Kosovo*. Incomplete series for Montenegro. The different definition of gender pay gap in Albania. Economies are sorted from smallest to largest gender gap.
Source(s): Eurostat (2020j); Instat Albania (2020c)

Figure 3.5 Gender pay gap in unadjusted form (%)



Note(s): Missing series for Bosnia and Herzegovina, and Kosovo*. Incomplete series for Montenegro, Republic of North Macedonia and Serbia. Value for Ireland in 2018 is from 2017. Different definition of gender pay gap in Albania.
The economies were ordered using the gender gap in 2018.
Source(s): Eurostat (2020j); Instat Albania (2020c)

Uncertain economic benefits from reducing the pay gap To reduce the gender pay gap, higher wages need to be paid to women, while male wage rates remain unchanged. In the economy, higher wage rates lead to a reallocation of resources from businesses to households. The net effects of this increase may be either positive or negative, depending on how households spend their additional income, and how businesses react to higher labour costs. An increase in consumption in response to an increase to household incomes seems likely but initial benefits within the economy could be cancelled out if businesses react by increasing prices in response.

Scenarios As mentioned above, there are many factors that influence the existence and size of the gender pay gap. Therefore, it is difficult to identify the link between the pay gap and the single issue of equal pay for equal work. 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 estimates for the future baseline gender pay gaps in 2035 are produced by projecting historical data forward, reflecting past policy trends and assuming some further policy changes in the future. The estimates of the potential decrease in gender pay gaps are driven by additional gender equality measures (additional to the baseline measures). Based on the EIGE (2017), the approach makes two sets of assumptions on the rate of implementing additional gender equality measures by 2035:

- Rapid progress, assuming a higher achievement of gender equality measures.
- Slow progress, assuming a slower achievement of gender equality measures.

Estimating the current trend There is scarce information on WB6 economies' gender pay gap evolution over time. Only for Albania the data series has more than two data points. As shown in Figure 3.4, small increases in gender pay gaps in Albania and Serbia were recorded over the period 2014-18. A reasonable assumption would be that gender equality measures will ensure that, at least, the 2018 gap does not widen by 2035.

Rapid/slow assumptions Given the lack of historical data, the assumptions on the rapid and slow reductions in gender pay gap are based on the EU economies. For the slow scenario, WB6 economies are assumed to reduce their gender pay gap by slightly less than the EU average reduction over 2014-18, i.e. by 1.5 pp by 2035. For the rapid scenario, the WB6 economies are assumed to reduce their gender pay gaps by 4 pp, i.e. the reduction in gender pay gap for Luxembourg which was the best performing EU economy in 2018.

Reducing gender pay gaps leads to a small boost in GDP per capita 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 growth rates of GDP per capita as a result of an increase in the female gross hourly earnings in the EU from the EIGE study are applied. Male gross hourly earnings are assumed not to directly change relative to the baseline scenario and female gross hourly earnings increase so that the pay gap is reduced to the values implied above. Table 3.9 shows the potential increase in GDP per capita by 2035 in the WB6 economies as a result of increased female gross hourly earnings in the period 2020-35.

Since the reduction in pay gap is assumed to be the same for all WB6 economies, the impact on GDP per capita is the same as well. Closing the gender pay gap by 1.5 pp compared to the baseline can lead to an increase in GDP per capita of 0.01% in the WB6 economies by 2035. A reduction of 4 pp in gender pay gap by 2035 could lead to an increase of 0.07% in GDP per capita. These results are in line with EIGE (2017), which shows that the GDP effects of this scenario are much lower than the results of increased female labour market participation, with a 0-0.2% increase in EU GDP per capita over the 2030-50 period.

Table 3.9: The effect of closing the gender pay gap on GDP per capita (%)

	%difference from Baseline Slow progress 2035	%difference from Baseline Rapid progress 2035
Albania	0.04	0.13
Bosnia and Herzegovina	0.04	0.13
Kosovo*	0.04	0.13
Montenegro	0.04	0.13
Republic of North Macedonia	0.04	0.13
Serbia	0.04	0.13
WB6	0.04	0.13

Source(s): Cambridge Econometrics estimates.

As mentioned above, the impact of a reduction in gender pay gap on GDP is lower at least partly because there are offsetting effects between higher incomes and higher labour costs. In the long run, firms increase prices in order to restore their profit margins, which reduces real incomes in the economy and puts downwards pressure on output and GDP from around 2045 onwards.

Closing the gap in labour participation rates brings a higher economic impact than closing the gap on gross hourly earnings. The EIGE report (EIGE, 2017) shows that closing the participation rates gap leads to lasting economic effects into the future, i.e. the economic benefits continue to increase linearly up to 2050. In the case of earnings, closing the gap leads to less economic effect into the future as the increase in the GDP per capita flattens after 15 years.

Overall, closing both gender gaps is worthwhile for equality reasons and both lead to economic stimulus.

4 Women Empowerment Index

4.1 Introduction

The Women Empowerment Index (WEI) measures the performance of WB6 and EU economies in terms of the economic empowerment of women. Economic empowerment of women is essential for the achievement of sustainable development through poverty eradication and inclusive economic growth (UN Women, 2013).

The WEI is based on the same conceptual framework as the PwC Women in Work Index (PwC, 2018). It also follows the same methodological choices in terms of normalisation and aggregation methods, but uses a different weighting scheme for the indicators. Due to data availability and correlation analysis, two indicators differ from the ones used in the Women in Work Index. The methodological approach used to develop the Index is in Appendix A (WEI – technical notes).

The five indicators that make up the WEI are:

1. Share of females in middle and senior management;
2. Female labour force participation rate;
3. Gap between female and male employment rates;
4. Female unemployment rate; and
5. Share of female employees in full-time employment.

All the chosen indicators measure, in some way, economic empowerment of women. Female labour participation is the cornerstone of economic empowerment and depends on many social and economic aspects. Once participating in the labour market, women often face gender discrimination which can lead to fewer employment opportunities than men (i.e. a wider gap between female and male employment rates), to a minority of them being in senior positions (i.e. a lower share of females in middle and senior management), and to being employed in more vulnerable positions (i.e. a lower share of female employees in full-time employment). Higher unemployment of women might also discourage other women from entering the labour market.

The Index presented in this chapter represents a weighted average of the five indicators, leading to a score between 0 and 100, where higher scores indicate greater women empowerment.

This chapter presents and discusses the WEI results (Section 4.2) and how the Index performs in relation to other similar indicators (Section 4.3).

4.2 Women Empowerment Index – results

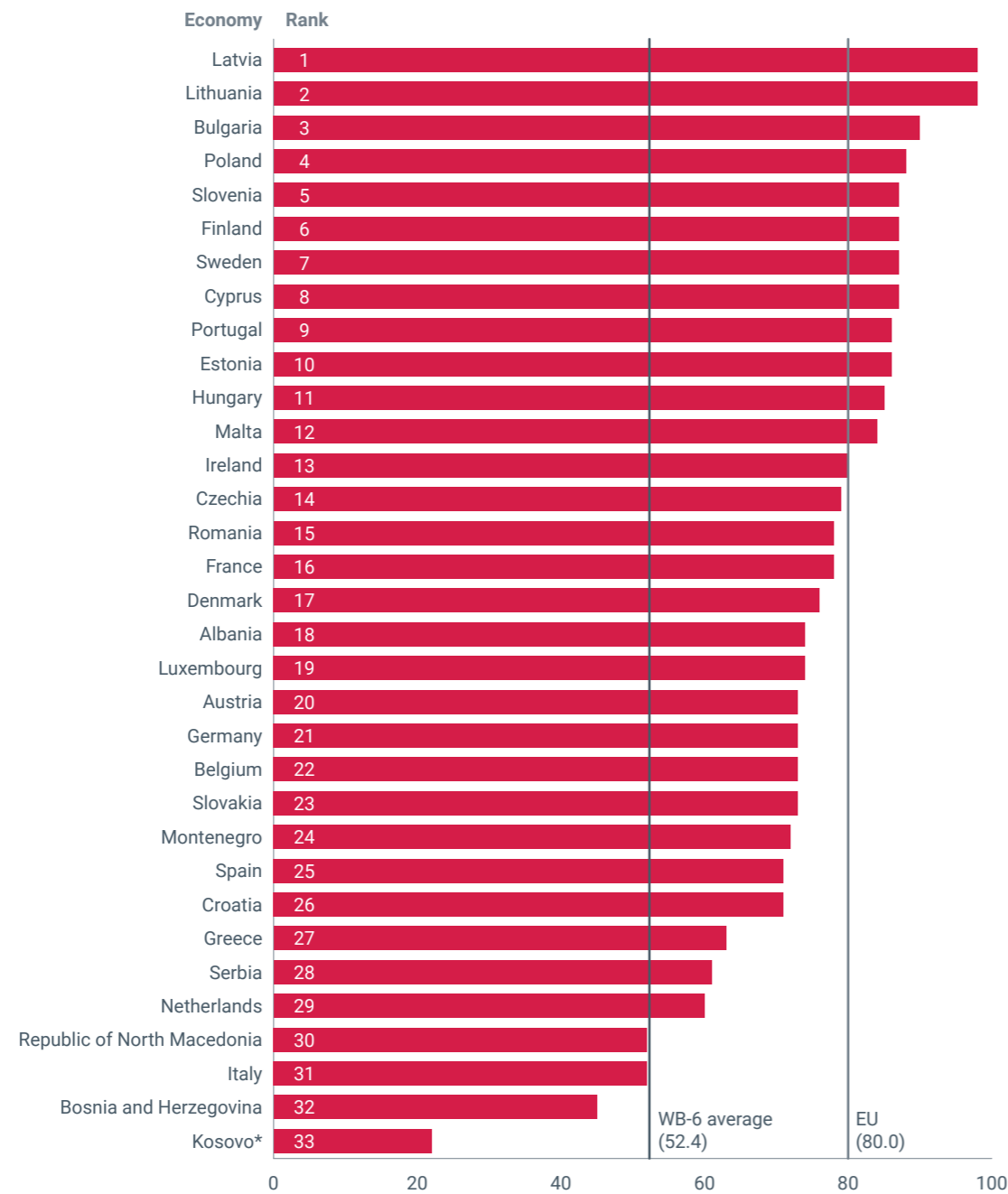
... Key points ...

- The highest levels of women empowerment were recorded in Northern Europe¹¹ economies such as Latvia and Lithuania, with little change in the overall ranking over 2017-19.
- In 2019, Bosnia and Herzegovina, and Kosovo* were ranked last in the Index.
- Among WB6 economies, Albania performed the best and has improved the most over 2017-19, rising from 28th in 2017 to 18th in 2019.
- Higher women empowerment scores go along with higher female educational attainment, and lower female inactivity due to caring responsibilities. A high GDP per capita is not required to empower women but may follow naturally from female empowerment.

In 2019, in the WB6 the WEI average score was 52.4 out of 100 while the EU average score was 80 out of 100. Figure 4.1 shows that two Northern European countries (Latvia and Lithuania) topped the Index, and by some distance, with scores of nearly 100. High overall scores are achieved by having scores above the average in all components of the Index. Other Northern European countries such as Sweden and Denmark had below-average performance in at least one Index indicator.

¹¹ The region Northern Europe is based on the geographic regions defined under the Standard Country or Area Codes for Statistical Use of the United Nations Statistics Division and it includes the following EU economies: Denmark; Estonia; Finland; Ireland; Latvia, Lithuania; and Sweden.

Figure 4.1: Women Empowerment Index – rank and scores, 2019



Source(s): Cambridge Econometrics calculations.

There is wide variation in WEI scores among the WB6 economies

In 2019, in terms of women empowerment indicators, the WB6 economies underperformed relative to many EU economies. There is, however, some variation in the women empowerment scores among the WB6 economies. For example, Albania recorded the highest score in the WEI and thus performed the best out of the six economies, ranking 18th in the overall Index, and above other Southern Europe¹² economies such as Greece, Spain, and Italy. Montenegro followed, ranking 24th with a score of 70.9 out of 100. Women empowerment in 2019 in Bosnia and Herzegovi-

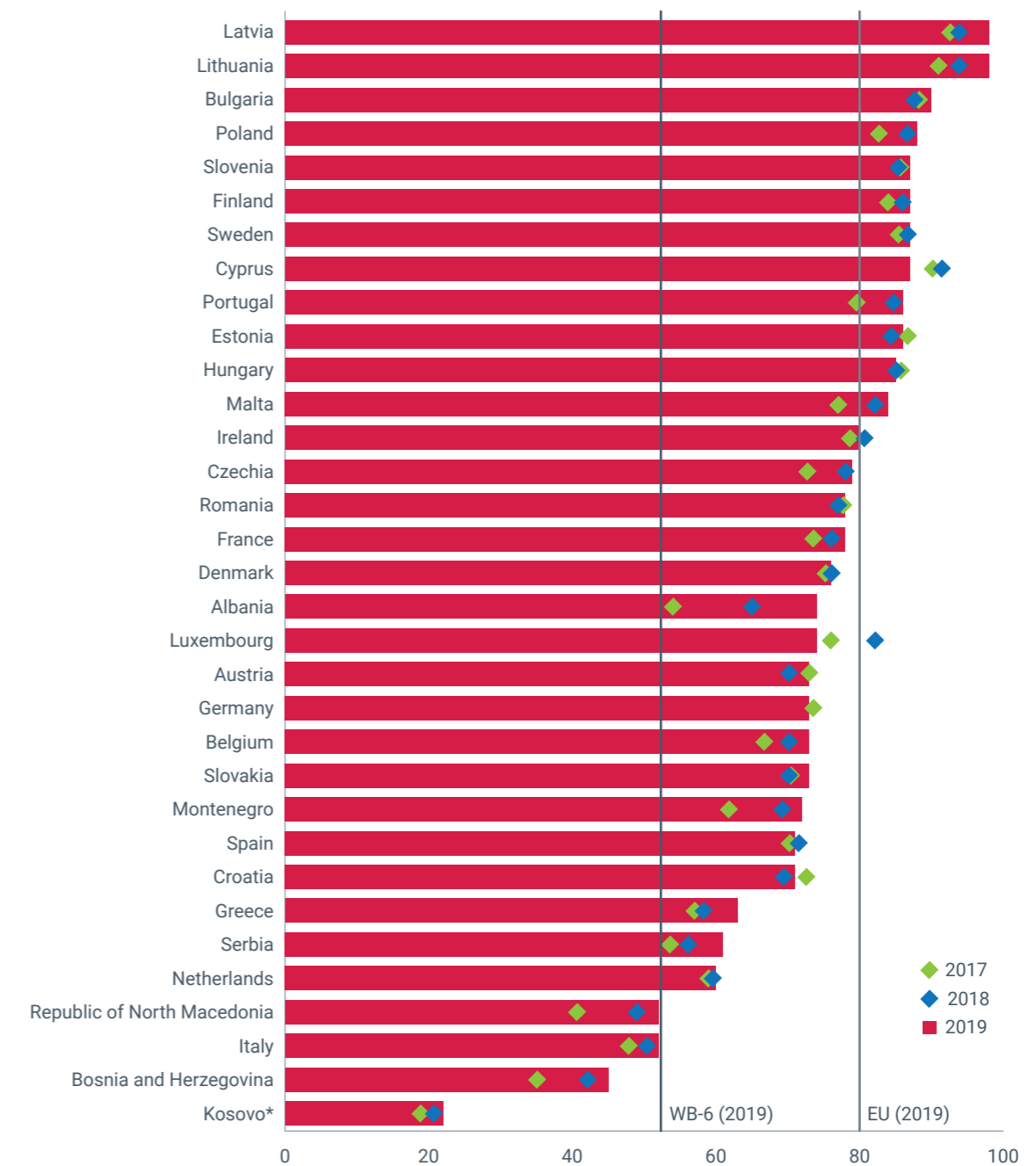
12 The region Southern Europe is based on the geographic regions defined under the Standard Country or Area Codes for Statistical Use of the United Nations Statistics Division and it includes the following EU and WB economies: Albania; Bosnia and Herzegovina; Croatia; Greece; Italy; Malta; Montenegro; Portugal; Serbia; Slovenia; Spain; and the Republic of North Macedonia.

na, and Kosovo* was by far the lowest among the WB6 and EU economies, scoring 45.9 and 27.4, respectively, placing them last in the Index.

Over 2017-19, some variation in the rankings of WB6 and EU economies is observed, though the top two places were consistently occupied by Latvia and Lithuania. In terms of scores, progress has been made by most economies, as Figure 4.2 shows, with increasing scores over time. For economies where scores have decreased over the period, the decrease was small (with the exception of Luxembourg which scored much better in 2018).

There has been some variation in the rankings over time, but progress has been made in most economies

Figure 4.2: Women Empowerment Index, 2017-19



Source(s): Cambridge Econometrics calculations.

Table 4.1: Women Empowerment Index for the WB6, 2019 ranking

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

Note(s): The WB6 economies are ordered based on their 2019 rank in the Women Empowerment Index, not in protocol order, for readability purposes.

Source(s): Cambridge Econometrics calculations.

Among WB6 economies, Albania has improved the most between 2017 and 2019 In the WB6, all economies have improved their scores between 2017 and 2019. Albania stands out for having both the highest score and the greatest improvement in score over the period. Albania increased its score by 20 points, from 55 to 75, by improving its performance across all the component indicators of the Index. In doing so, Albania climbed ten ranks and rose past Montenegro, which had a higher overall score in 2017 (see Table 4.1) and slightly above Luxembourg, Austria, Germany and Belgium (see Figure 4.2). Albania's improvement in the Index shows both the scale of the task for WB6 economies to match EU levels of women empowerment but also that such improvements are possible.

All WB6 economies have improved their scores between 2017 and 2019 Over the period 2017-19, Montenegro, the Republic of North Macedonia, and Serbia improved their ranks by one. Bosnia and Herzegovina, and Kosovo* retained their ranks in the overall Index over 2017-19, remaining in the last two places. Nevertheless, progress has been made in all six economies. The Republic of North Macedonia, and Bosnia and Herzegovina improved their scores by roughly 11 points each. The Republic of North Macedonia achieved this increase by improving substantially in three out of the five indicators, while Bosnia and Herzegovina did so by improving in four out of the five indicators. The results show encouraging improvements among the WB6, with some now ranked higher than EU economies. Overall, though, the gap remains wide between the EU and WB6 averages.

WB6 improvement in Index scores is driven by two indicators These improving results are driven most by the indicators for the gender employment gap and the share of women in full-time employment. These indicators carry the most weight in the Index. However, in most economies, high performance in these two indicators goes hand-in-hand with high performance in female participation and female unemployment¹³.

¹³ In the construction of the Index, a lower unemployment rate means higher performance in the indicator.

Table 4.2: WB6 economies by selected key indicator (in percent), 2017-19

	Gap between male and female employment rates			Share of female employees in FT employment		
	2017	2018	2019	2017	2018	2019
Albania	22.9	22.3	20.2	71.9	74.0	75.6
Bosnia and Herzegovina	39.6	39.8	38.3	84.5	85.1	86.0
Kosovo*	73.0	73.2	70.6	94.8	95.8	NA
Montenegro	12.4	13.5	10.5	89.3	91.3	91.9
Republic of North Macedonia	46.4	39.3	33.7	87.8	85.1	82.5
Serbia	39.8	37.7	37.6	74.9	76.8	76.8

Source(s): Cambridge Econometrics calculations.

Table 4.2 shows Albania's improvement in the share of women in full-time employment and its reduction in the gender employment gap, by almost 3 pp. Together with improvements in the other three indicators that make up the Index, Albania moved from 28th to 18th place overall in 2019, as well as first among the WB6. In 2017, 71.9% of women were employed full-time while, two years later, the figure stood at 75.6%. Progress in female labour force participation has also been made, as noted in Section 2.2. However, for this indicator, the rankings of the WB6 economies relative to EU peers have remained mostly unchanged.

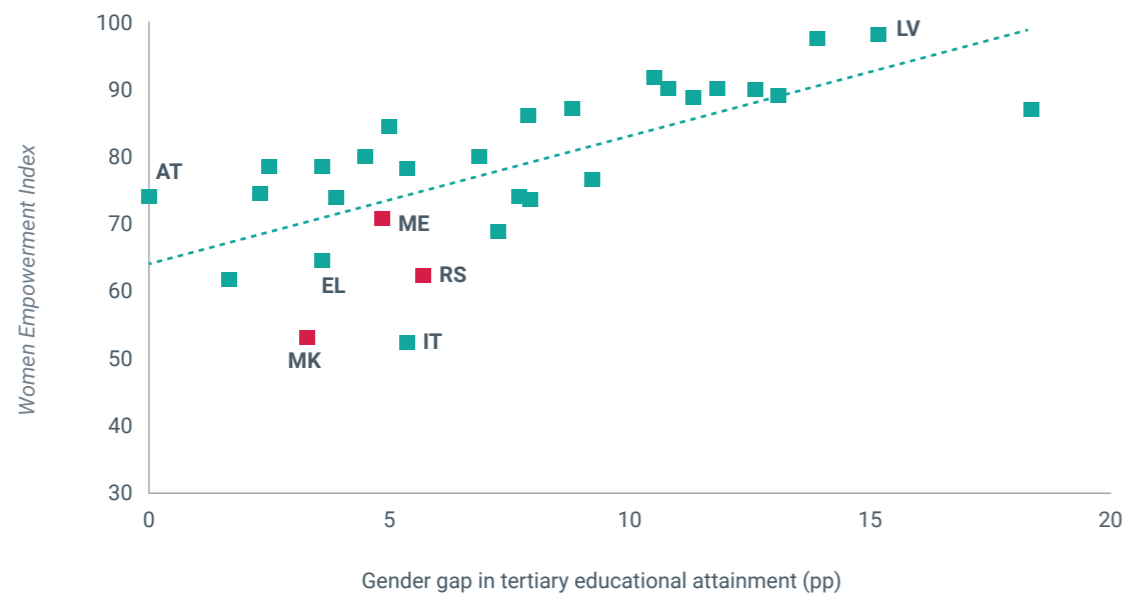
4.3 Women Empowerment Index and other indicators/indices

Figure 4.3 and Figure 4.4 show the relationship between the WEI scores and other indicators that have been used in the measurement of Gender Equality Sustainable Development Goals.

As detailed in Section 2.4, the gender gap in tertiary educational attainment in the WB6 is often positive. More women than men obtain higher education degrees, which allows them to find high qualified jobs and thereby raises the possibility of attaining middle or senior management roles – one of the indicators in WEI. This positive relationship is illustrated by the clear upward trend in Figure 4.3, which emphasises that higher women empowerment goes hand-in-hand with higher female educational attainment.

The higher female tertiary educational attainment, the higher the female empowerment score

Figure 4.3: Relationship between the WEI and the gender gap in tertiary educational attainment



Note(s): Excludes Albania, Bosnia and Herzegovina, and Kosovo*. The larger the gap, the more women rather than men are attaining tertiary education levels. Red dots are WB6 economies, while teal dots are EU economies. Source(s): Cambridge Econometrics calculations; Eurostat (2020q).

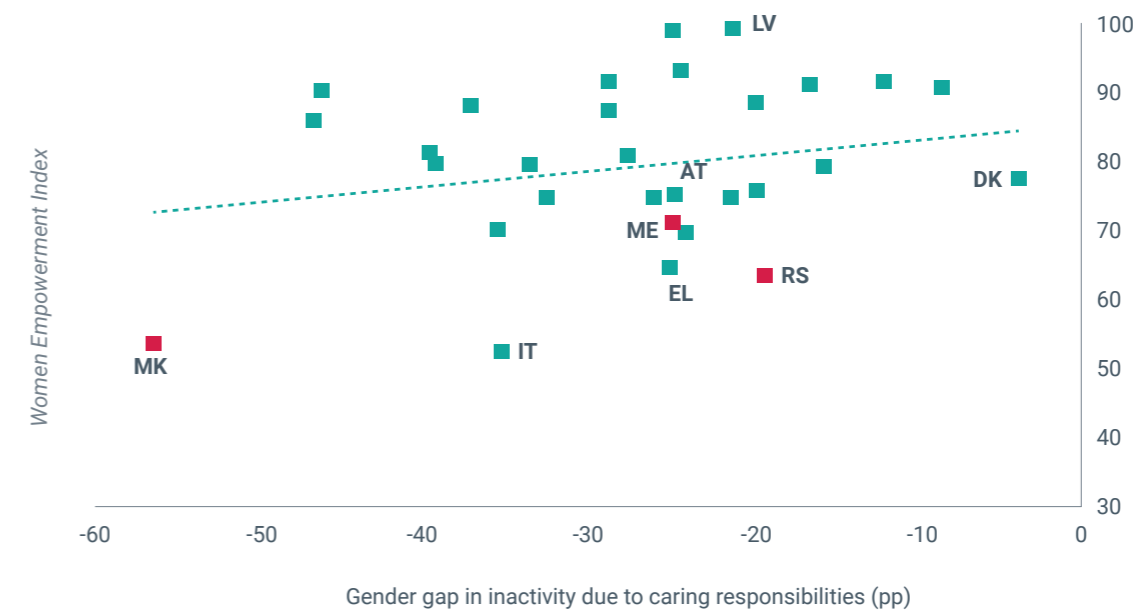
In almost all EU and WB6 economies, more women than men obtain tertiary qualifications (ISCED levels 5-8). The one exception is Austria where gender parity prevails.

The best performing economies in terms of female tertiary educational attainment are also those that have the highest scores in the WEI. For example, Latvia (the highest ranked economy by the WEI) has a tertiary education gap of 15 pp between women and men. When it comes to the gender gap in educational attainment, Montenegro, the Republic of North Macedonia, and Serbia outperform several EU economies, including Austria and Greece. However the WEI scores of these WB6 economies tend to be lower than the aforementioned EU economies. The implication is that, while women in the WB region are more likely to hold higher qualifications, and to an extent comparable to some EU economies, this is yet to translate into comparable improvements in employment or women empowerment.

The higher the share of women who are economically inactive due to caring responsibilities, the lower the WEI score When it comes to economic inactivity due to caring responsibilities, the picture is reversed: the larger the gender gap, the worse for women economic empowerment. A large gap between women and men in terms of caring duties that leave them out of the labour market appears, albeit weakly, to negatively affect an economy's WEI score.

Generally, gender gaps in economic inactivity due to caring responsibilities remain high in all WB6 and EU economies, as shown in Section 2.5. The smallest gaps are mostly in rich Northern European economies such as Sweden and Denmark. In line with the earlier analysis in this chapter, Figure 4.4 shows that the WB6 economies tend to have lower Index scores. However, with respect to the gender gap, Montenegro and Serbia outperform small EU economies like Cyprus and Malta, which score better by the Index.

Figure 4.4: Relationship between the WEI and the gender gap in inactivity due to caring responsibilities



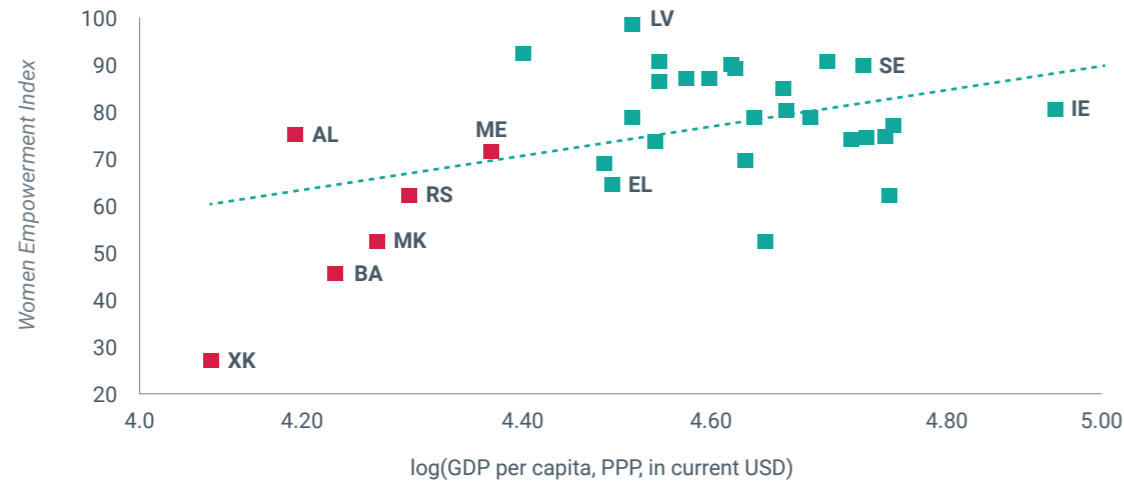
Note(s): Albania, Bosnia and Herzegovina, and Kosovo* data not available. The more negative the gap, the more women relative to men are inactive due to caring responsibilities. Red dots are WB6 economies, while teal dots are EU economies. Source(s): Cambridge Econometrics calculations; ILO, 2020f.

Together, Figure 4.4 and Figure 4.5 suggest that measures which economically empower women (by, for example, reducing the share of women who are economically inactive due to caring responsibilities) may go hand-in-hand with higher GDP per capita. However, as Latvia shows, the per capita size of the economy is not necessarily associated with a high Index score. Sweden and Denmark have higher GDP per capita but do not outperform Latvia on the Index.

This is encouraging for WB6 economies, who all find themselves on the left-hand side of Figure 4.4, with lower GDP per capita in purchasing power parity terms. Thus, to empower women in the labour market, a strong economy is not the only requirement. Albeit, as detailed in Section 3.4, higher female participation, one of the WEI indicators, can lead to higher GDP per capita.

Even less-strong economies, can empower women, which in turn can raise GDP

Figure 4.5: Relationship between the WEI and GDP per capita

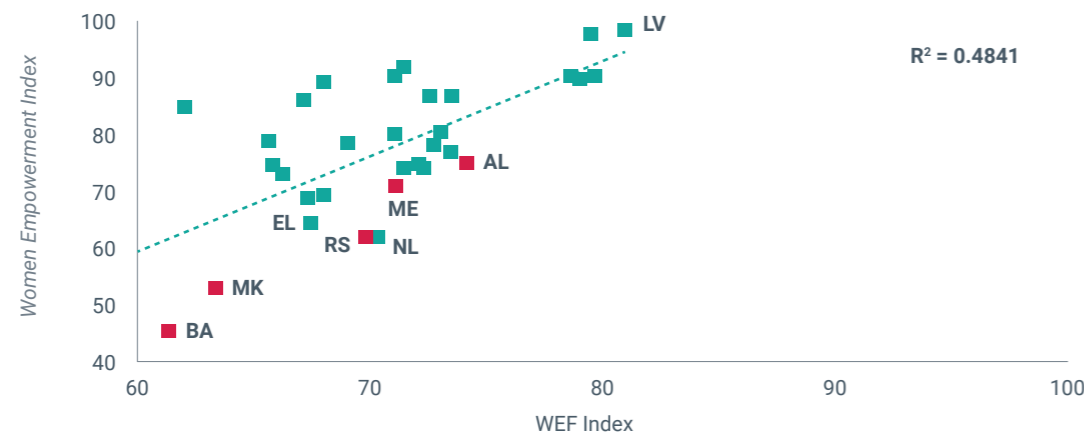


Note(s): Red dots are WB6 economies, while teal dots are EU economies.
Source(s): Cambridge Econometrics calculations; World Bank, 2020.

A comparison of WEI scores with those from the ‘Economic participation and opportunity’ sub-pillar of the World Economic Forum’s Global Gender Gap Index (World Economic Forum, 2019) indicates broad agreement between the two measures¹⁴. Figure 4.6 shows similar patterns of scores in the two indices for the WB6 economies, especially the ranking of Albania and Montenegro. The ranking of the six economies is also identical in the two indices.

The association between the WEI and the ‘Work’ sub-pillar of the EIGE Index (2020a) is weaker¹⁵. The reason for this is that the WEI includes indicators from both the EIGE index’s ‘Work’ and ‘Power’ domains. However, the ranking of the WB6 economies is the same in the EIGE index and the WEI.

Figure 4.6: Relationship between the WEI and the ‘Economic participation and opportunity’ sub-pillar of the Gender Gap Index

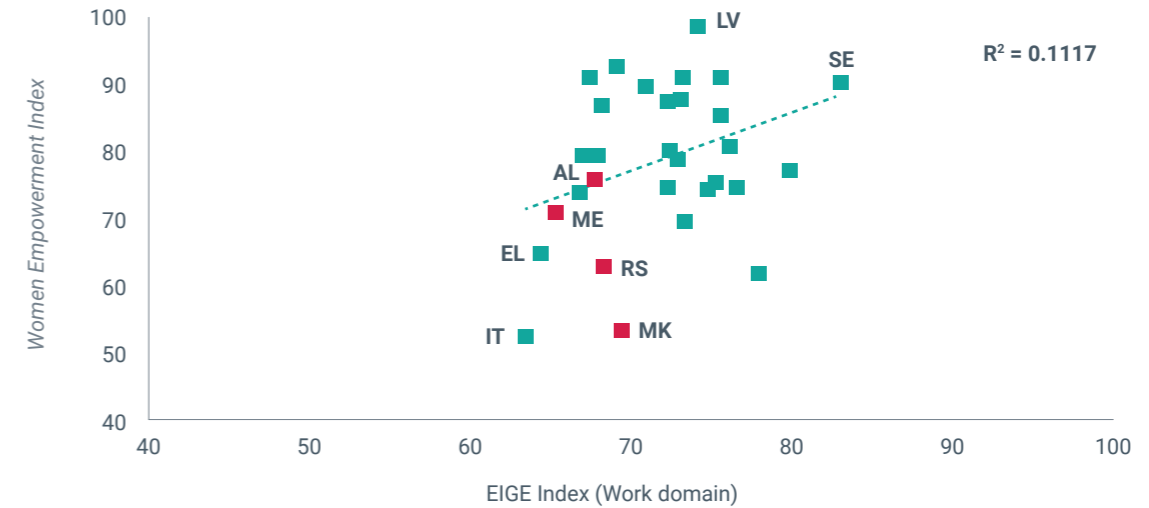


Note(s): WEF Index does not include Kosovo*.
Red dots refer to WB6 economies.
Source(s): Cambridge Econometrics calculations; World Economic Forum, 2019.

¹⁴ A linear regression of the WEI scores on the WEF scores yields an equation with an R^2 (a statistical measure of goodness-of-fit) of 0.48. In the context of a cross-sectional analysis of this type, such a value suggests that the WEF scores have relatively good explanatory power with respect to the WEI scores.

¹⁵ Here, the R^2 is just 0.12, which suggests much weaker correspondence between the WEI and the EIGE scores, compared with the WEI and the WEF scores.

Figure 4.7: Relationship between the WEI and the ‘Work’ sub-pillar of the EIGE gender equality index



Note(s): EIGE Index does not include Bosnia and Herzegovina, and Kosovo*.
Red dots refer to WB6 economies.
Source(s): Cambridge Econometrics calculations; EIGE, 2020a.

Overall, given the small number of indicators used to construct the WEI, and the emphasis on labour market indicators, the correspondence between the WEI and similar efforts by other organisations shows broad agreement in the assessment of gender equality and empowerment. As Figure 4.6 and Figure 4.7 show, the ranking of economies remains essentially the same, with Greece and Italy most closely resembling the WB6 economies. Differences in scores at a detailed level are due to methodological differences.

5 Conclusions and policy recommendations

5.1 Conclusions

Despite recent progress gender gaps remain large The WEI average score for the WB6 economies is some way below the EU average. Despite recent progress in a number of key indicators regarding gender equality in the WB6, gender gaps remain large, in particular in participation and employment rates, and pay. Female shares in middle-to-senior management and entrepreneurial positions are also still low. In these respects, there remains much potential in the WB6 economies for economic empowerment of women and, in turn, improved economic outcomes.

Covid-19 may have pushed more women into inactivity At present, the impact of the Covid-19 pandemic on the labour market for women is not clear-cut, since the impact varies by occupation. Women are, however, more likely than men to have moved from employment to inactivity rather than into unemployment. The analysis in Chapter 3 also only captures the changes in the first two quarters of 2020¹⁶, during which many measures were implemented to preserve employment. There remains high uncertainty about the long-term economic and labour market impacts of the Covid-19 pandemic.

It will be essential to equip women with the needed skills sets to benefit from automation and digitalisation Driving forces for changes in the labour market are linked to automation and digitalisation. As shown in Section 3.3, women in routine jobs are more likely to be negatively impacted by automation, while non-routine work may be positively impacted. It will be essential to equip women with the skillsets that allow them to adapt to these economic transformations and benefit from this structural change. Increasing the employment of women and reducing skills mismatches also represent important opportunities to overcome skills shortages in the region.

Gender stereotypes and limited access to affordable and quality family care prevent women from being economically active and progressing in their careers An important reason for gender inequality is linked to gender stereotypes and patriarchal culture in society and the economy. In particular, caring responsibilities and the limited access to affordable and quality family care and gender inequality in the time spent on these activities prevent women from taking up employment and/or lead to career breaks that have negative effects on career development. Discriminatory behaviour also prevents women from being well-represented in senior and middle management positions and among entrepreneurs (UN Women, 2013). Gender segregation with regard to occupational choices and low levels of education among older generations also contributes to the weaker position of women in the labour market. Nevertheless, all WB6 economies have developed policy approaches to overcome the sources of inequalities, although efforts vary by policy area and economy.

Closing gender gaps will have a positive impact on GDP growth The long-term opportunity and challenge for the WB6 lies in improving the economic empowerment of women. As shown by the WEI, this involves increasing women's labour market participation, reducing their unemployment, closing the gender employment gap and increasing access to better jobs. As shown in Section 3.4, the economic empowerment of women has the potential for wider benefits through economic growth. Economic empowerment of women is also associated with the broader pathway to become a highly developed economy.

¹⁶ These two quarters of the data were available at the time when the analysis was performed.

Section 3.4 has, in particular, shown the potential economic benefits for the WB6 economies of closing the gender participation gap. The first set of scenarios presented in Section 3.4 considers alternative rates at which gender participation gaps might narrow in the future. This involves a comparison between a baseline, in which progress is similar to that seen since 2015, and two scenarios of faster progress ('small progress' / mild acceleration and 'rapid progress' / significant acceleration). To achieve the outcomes of the different scenarios in terms of enhanced GDP, the coverage of the recommended measures, the level of needed social investments, the rapidity with which activities are being developed varies among WB6 economies. This means that for slow and rapid scenarios, activities and measures will need to be (considerably) intensified and up-scaled, in particular in those economies lagging most behind. Also, because current and projected gender gaps differ across the WB6 economies, the target gaps also vary in size and ambition. This could entail significant action on the part of individual WB6 economies.

The impact of closing the gender pay gap is less marked, but could still generate economic benefits. The gender pay gap is not only linked to discriminatory behaviour, but also to gender segregation and sectoral allocation of labour. Thus, policies to tackle the gender pay gap may also have a positive impact on reducing the gender employment gap.

Different measures require different amounts of time and effort to take effect. In particular, measures to reduce gender stereotypes must be sustained: effects may not become visible until future generations but, equally, could be long-lasting. The policy approaches recommended in the next section are interlinked and reinforce each other, emphasising the need for a comprehensive/wide-ranging package of measures.

5.2 Policy recommendations

The following policy recommendations are valid for all WB6 economies, although these economies do start from quite different levels in the achievement of gender equality. The detailed stocktake and assessment of policy progress in the six Western Balkan economies and some economy-specific recommendations are set out in Appendix B.

As there are multiple reasons for inequalities in the labour market and employment barriers for women, policies need to address both inequalities and discrimination. The different policies and strategies are strongly interlinked as the relationship between, for example, education and the labour market makes it clear. A comprehensive strategy is thus necessary to effectively increase economic empowerment of women. All WB6 economies have made efforts to set up relevant institutions and introduce coordination and gender-responsive budgeting mechanisms. It is important to continue on this path and to effectively implement relevant strategies. In particular, the following recommendations are made:

- Include a gender dimension in all strategies that are relevant for the economic empowerment of women. This calls for the need to:
 - » Continue improving coordination among ministries and stakeholders at all territorial levels in order to develop and implement measures to increase economic empowerment of women.

Closing gender gaps will require a continuation and extension of an array of measures and policies

Positive long-term impact of comprehensive policy measures

Comprehensive policy approach and institutions

- » Systematically scrutinise laws, law proposals, regulations of institutions and policy measures in terms of their impact on women's access to employment and quality of employment, including career progression.
- Implement gender-responsive budgeting at all territorial levels. Important progress needs to be made in particular in Bosnia and Herzegovina and Kosovo*.
- Regularly monitor the implementation of measures aimed at promoting economic empowerment of women and increase monitoring scope so as to assess, in detail, all planned activities in the various strategies and programmes.
- Ensure sustainable domestic financing of measures with sizeable budgets to support substantial increases in women's participation in the labour market. This is important since several measures are currently financed by international donors. The longevity of such financing is not guaranteed.
- Continue efforts to collect and display gender-disaggregated survey data as well as administrative data on policy implementation.
 - » Regularly calculate the gender wage gap, adjusted for hours worked and differentiated by occupational group and sector.
 - » Regularly update the Women Empowerment Index developed in this report, and continue with other comprehensive monitoring exercises (e.g. Serbia is now calculating the EIGE Gender Equality Index for the third time).
 - » Conduct detailed analysis of employment simultaneously by gender, sector of activity and occupation (at two- and three-digit ISCO levels).
 - » Monitor working conditions by gender.
- Adopt and implement an employment strategy in Bosnia and Herzegovina, as is done in other economies in the region.

Legal framework against discrimination It is important that the legal framework against discrimination is not only well established but also well implemented in all WB6 economies. This means that 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. Reducing discrimination renders labour market participation more attractive for women and, in the long run, also reduces gender stereotypes by sector and occupation. It is also key for improving career progression and raising the share of women in middle and senior management. In addition to setting up the legal framework, it is recommended to:

- Raise awareness about all forms of gender discrimination linked to access to employment and the workplace. The target groups involved in awareness raising activities should be the employers, chambers of commerce, social partners, education institutions, labour inspectorates, and legal institutions.
- Provide women with support and legal advice to report on all cases of discrimination.
- Monitor the reported cases of gender discrimination and sexual harassment.

- Strengthen institutional capacities to effectively implement the legal framework protecting women from gender discrimination, in particular, in Bosnia and Herzegovina and Kosovo*.
- Make sure labour law is implemented and ensure that posted vacancies are formulated in a non-discriminatory way. Strengthen control mechanisms (e.g. labour inspectorates and workplace representation).

Policies to reconcile work and family life are key to increase the labour market participation rate and employment rate of women and support career progression. Policies need to tackle child and elderly care, and working hours, since family duties are frequently a barrier to women being active in the labour market. In addition, it is crucial that gender roles and gender stereotypes are tackled and that there are policies targeted at men to involve them in caring responsibilities. **Reconciling work and family life**

While access to full-time work is generally regarded as empowering women economically, a low incidence of part-time work may be linked to employment barriers. The lack of flexible working time arrangements may prevent women from being active in the labour market if they cannot find a solution to their caring responsibilities.

In particular, it is recommended to:

- Continue to expand access to affordable and quality childcare:
 - » Improve the quality of childcare for children younger than 3 years, and more generally at pre-school age, and extend after school childcare for younger pupils¹⁷. The absence of sufficient childcare options is especially acute in Kosovo* and Bosnia and Herzegovina. It is vital that childcare offerings for young children are made available at scale. This requires substantial investment in publicly provided childcare centres and promoting the development of quality private childcare centres.
 - » Develop a system to accredit public and private childcare offers and monitor quality of childcare. This should include public subsidies for private childcare provision as well as education and accreditation programmes to prepare caregivers and care-entrepreneurs.
 - » Continue to expand childcare facilities in rural areas.
 - » Monitor the quality of childcare (in terms of child-to-nurse ratios, pedagogical concepts and opening hours).
 - » Monitor attendance rates of children of all ages in public and private childcare institutions and in out-of-school care arrangements. This requires the systematic collection and publication of economy- and local-level data to show regional and urban/rural performance.
- Implement gender-sensitive pedagogical concepts in early childhood education and care, as breaking gender stereotypes needs to start at an early age. Those economies that have already started with this strategy (e.g. Kosovo*) should continue their efforts.
- Expand the provision of quality elderly care in the form of day-care and residential care.
- Avoid disincentives for employers to employ young women and improve employment protection for pregnant women. Policies should make sure that the bulk of maternity leave

¹⁷ See for good practices in this area e.g. Eurofound (2020).

and support during parental leave is paid through social security contributions and taxes, rather than by employers.

- Encourage fathers to take parental leave using the following strategies:
 - » Develop a sustainable awareness raising strategy for employers, as this is likely to be a long-term process.
 - » Monitor take-up of parental leave and paternal leave by fathers, to be able to investigate the reasons for low take-up rates.
 - » Introduce rules for non-transferable paternal leave and increase awareness about the importance of fathers taking leave¹⁸.
 - » In Bosnia and Herzegovina, harmonise parental leave across the different entities, districts and cantons of the economy.
- Promote the implementation of flexible working time schemes:
 - » Increase incentives to reduce weekly working hours in order to permit more mothers to be employed¹⁹. This would be especially relevant for Kosovo*, Montenegro and Bosnia and Herzegovina, where part-time employment was below the region's average in 2019 alongside wide gender employment gaps and/or comparatively low female employment rates.
 - » Introduce working time accounts to allow for better time management for parents and support reconciliation of work and family life.
 - » Encourage companies to implement teleworking for parents.

Lengthening working lives Employment rates of older workers are lower than for prime age workers. There is an important gender gap in the retirement age, with women retiring at younger ages than men. Lengthening working lives is important to ensure decent pensions (in particular for women who are also more likely to have disrupted working lives).

In particular, it is recommended to:

- Continue to narrow the gender gap in retirement age by raising the statutory retirement age of women.
- Implement policies that allow combining work and pensions, in line with OECD good practice²⁰.
- Promote employment of older workers outside the agricultural sector and further reduce age discrimination and promote implementation of age management approaches. Raise awareness of the benefits of employing older men and women.
- Lengthen working lives of women through the provision of support that helps to reduce (undesired) extended career breaks, promoting stable employment relationships, improving labour market access when re-entering the labour market after a career break, promoting

¹⁸ See for practices in the European Union and OECD: Janta and Tewart, (2018), OECD (no date), and OECD, (2019).

¹⁹ Part-time employment does not necessarily mean working only half-days. Reduction of working hours by a few hours can already make a difference for parents.

²⁰ OECD (2020b)

labour market access, and targeting active labour market policies at older women. Improve access to formal employment for women in order to improve their access to pensions.

Access to education and the vocational choices made at secondary and tertiary level impact strongly the employment chances, career prospects and wage development of women. As shown in this study, employment rates of well-educated women are higher than the ones of men. Low-educated women and men are more often employed in the informal sector, with low-income levels, no contributions to the public pension system and limited access to health services in some economies. To improve chances of being employed in the formal economy, to reduce unemployment and to narrow the gender pay gap, it is not only important to raise the education levels of women but also to reduce horizontal skills mismatches (through pursuing VET or university subjects for which there is less demand in the labour market) and reduce occupational gender segregation.

Human capital development

While in general enrolment of young women in tertiary education has increased substantially compared to previous generations, middle-aged and older women have mostly a low level of educational attainment and are less well equipped than men with the skills required in the labour market. It is, therefore, recommended to:

- Increase further the educational level of women, in particular of young people from disadvantaged socio-economic backgrounds by:
 - » Providing support to pupils and their parents to avoid school drop-outs. Early school leaving should be further reduced and gender gaps narrowed (in particular, in Albania and Bosnia and Herzegovina, it has been the case for several years that more girls than boys have dropped out of school).
 - » Substantially promoting access to education for girls and women from Roma and Egyptian communities.
 - » Providing scholarships to girls and young women.
- Develop and implement vocational guidance in order to attract more young women into STEM, as well as into generally male-dominated occupations, and conversely attract young men into female-dominated occupations (e.g. in the areas of education and health).
 - » Although young women already represent a higher share of students and graduates in STEM than in many EU Member States (including in engineering and computer sciences), there is much room to increase these shares further, in particular in computer sciences and engineering. It is thus recommended to attract women to IT study fields in general and to expand study places accordingly. For example, it is recommended to continue with the implementation of 'girl's days' in Albania and introduce them in economies where they are not conducted yet.
 - » Scale up ICT study places for men and women.
 - » Continue to implement activities to foster the interest of pupils, and in particular of girls, in technology.
 - » Promote access to VET, in particular in those occupations that are in demand, including currently male-dominated occupations in the craft sector. Likewise promote young men

to take up female-dominated occupations, such as nursing. Scrutinise curricula and reform them to ensure they are gender sensitive and not paving the way for segregation.

- » Collect and regularly publish gender-disaggregated statistics on women's participation in research, and education in VET and tertiary education by field of study. Several economies in the region, but not all (e.g. Bosnia and Herzegovina), already publish disaggregated data on women's participation in tertiary education by study field.
- Increase the number of female members in the Academy of Science and Arts and encourage women to become scientists (e.g. in Montenegro and Serbia women are largely underrepresented).
- Implement remedial education and upskilling programmes for middle-aged and older women, since a large share only have primary education. Despite improvements in recent years, the gender employment gap is still very large for the low-skilled and the medium-skilled.
- Revise curricula and textbooks to:
 - » Overcome gender segregation and traditional gender roles (in particular in Bosnia and Herzegovina. Other economies in the region have already started the process and are encouraged to continue their efforts).
 - » Improve employability of young people through revising curricula to include skills that are in demand in the labour market. This should extend to the inclusion of practical training elements in the curricula (in particular in Bosnia and Herzegovina). Some economies in the region are piloting changes and reforms in their VET systems in order to strengthen or introduce work-based learning modules. These economies are encouraged to continue their efforts and to monitor the employability of graduates, differentiated by gender.
 - » Improve the quality of teaching in order to increase skills in mathematics and digital skills for both girls and boys, and to reduce the gender gap (in particular in Kosovo* and Montenegro²¹).

Promote entrepreneurship The gender gap in entrepreneurship is large. Women have more difficulty in accessing finance, guidance and entrepreneurship training. Moreover, they are often disadvantaged with regard to property rights or are not aware of their rights. In order to raise the economic empowerment of women it is crucial to increase women entrepreneurship. It is recommended to:

- Scale up programmes to support women's entrepreneurship in order to improve access of women to financial resources (including access to microcredit), provide entrepreneurship training and support companies recently created by women (to sustain entrepreneurial efforts).
 - » In Bosnia and Herzegovina, it is recommended to improve implementation of laws and regulations to boost gender equality, especially in the context of obtaining credit. It is also recommended to develop dedicated support programmes like partial credit guarantee schemes and counterpart guarantees to expand the supply of credit to female-led micro enterprises and SMEs.

²¹ Note that data are not available for Serbia and Albania.

- Set up a coordinating unit or one-stop-shop to promote female entrepreneurship (e.g. this would be relevant in the Republic of North Macedonia) or designate a stakeholder that would coordinate the diverse public and private programmes to support women's entrepreneurship and entrepreneurial learning (e.g. this would be advisable in Serbia).
- Encourage and support women in rural areas to make investments to improve productivity and diversify supply and supply chains.
- Implement enforcement of women's property rights:
 - » For example, with regard to property rights concerning agricultural land, as set out in the national Strategy for Gender Equality in Albania.
 - » In Bosnia and Herzegovina: amend the land registry laws to enable the non-registered spouse to register as co-owner of the property acquired during marriage without the consent of the already-registered spouse; and simplify the land registration process for the non-registered spouse.
 - » In Kosovo*: implement the right to property and inheritance for women in order to increase ownership.
- Advisory services to financial institutions should be provided in order improve credit risk assessment, develop new products, and expand services to female-led micro enterprises and SMEs.
- Provide guidance for women to set up businesses, to increase productivity of businesses and to maintain their businesses' profitability. This includes organising entrepreneurship training programmes for women.
- Initiate and coordinate mentorship programmes for women.
- Improve reporting of:
 - » Gender-disaggregated data on entrepreneurship. For example, the Statistical Agency of Serbia should collect and publish data on the shares of businesses owned by women. This would also be relevant for other economies in the region.
 - » Access to financial resources, by financial institutions.
 - » Gender-disaggregated data on land property.
- Include entrepreneurship education in curricula of VET and tertiary education. This should include dedicated entrepreneurship training to low-educated women.

Public Employment Services, through their placement activities, counselling and implementation of active labour market policies can play an important role in reducing the unemployment of women and men, and increasing their employability. These services can also play an important role in promoting the transition from informal employment and underemployment into formal jobs. They may also prevent women from becoming inactive or support them to become active in the labour market. In order for the Public Employment Services to take over this role in an effective way it is recommended to:

Access to employment services and active labour market policies

6 References

- Strengthen institutional capacities of the Public Employment Service, in particular:
 - » by increasing the number of staff
 - » through gender-sensitive training of staff
- Collect and publish gender-disaggregated data on participants by type of active labour market policy.
- Evaluate active labour market policies and measure outcomes and impacts by gender.
- Intensify efforts to place women into formal employment. Women registered with the Public Employment Services often belong to disadvantaged groups (low-skilled, older women, women living in rural areas and women from minority groups) and are more likely to be inactive, informally employed or underemployed. It is important to increase efforts to reach out to this group of women and activate them. Promoting their transition to formal employment will help to reduce in-work poverty rates.
- Develop and implement dedicated start-up programmes for unemployed women, and provide entrepreneurship training and follow-up support. Budgets for entrepreneurship programmes for unemployed women should be significantly scaled up.
- Significantly increase budgets for upskilling mid-level and low-skilled unemployed adults.
- Increase regional mobility by providing transportation support to unemployed women if they take up employment (e.g. in the form of vouchers).
- In addition to active labour market policies, it is recommended to invest in public transportation, including in rural areas.
- Implement measures to substantially reduce youth unemployment rates (e.g. by promoting internships, promoting trial employment and employment incentives). This should include a gender perspective in the Youth employment strategy as well as in the Strategy for inclusion of Roma and Egyptian communities, for example in Albania and other economies which have not included the gender dimension yet.
- Provide upskilling for women returning to the labour market after a childrearing break, and for women to adapt their skills to economic and technological change. The focus of these upskilling and reskilling efforts for women should be on helping them into occupations that are in demand in the labour market, in particular those for which there are skills shortages.
- Strengthen capacities of social services at local level. This includes improving cooperation with social services at the local level, including child care and elderly care services, to help women overcome employment barriers.
- Strengthen services provided to employers and raise awareness to eliminate discriminatory behaviour in the recruitment process. It should be ensured that vacancies registered at the PES are presented in a gender-neutral manner.

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Appendices

Appendix A - Methodological notes

A.1 Notes for Chapter 2: The current situation in gender equality and women empowerment

The labour force participation rate shows the labour force as a percentage of the working-age population. In contrast, the employment rate expresses the number of people employed as a percentage of the population. In this report, the employment rate is presented for those aged 20-64. The unemployment rate is defined as the number of people unemployed as a percentage of the labour force; again, in this study, the figures are for the 20-64 age group.

Employment shares by status are calculated as female/male employment in each of the four statuses (employee, self-employed with employees, own-account worker and unpaid family worker) as a share of total female/male employment (see equation A.1.1).

(A.1.1)

$$\text{Female share} = \frac{\text{female employment in status } X}{\sum \text{female employment}}$$

The incidence of female employment in each sector or occupation is calculated as shown in equation A.1.2.

(A.1.2)

$$\text{Female share} = \frac{\text{female employment in sector/occupation } X}{\sum \text{male+female employment in } X}$$

For ease of understanding, absolute rather than relative gender gaps are used in each part of Chapter 2 (Work, Money, Knowledge, Time in care activities, Power, and Access to Services). These are calculated as percentage-point differences between the male and female rates, as shown in equation A.1.3:

(A.1.3)

$$\text{Gap} = \text{male employment rate} - \text{female employment rate}$$

By describing the gender gap in this way, equation A.1.3 makes clearer the extent to which women need to catch up for each indicator. In Chapters 3 and 4, a relative gender gap was calculated (see equation 3.1). Both approaches are equally as viable, as the calculation method only affects the magnitude of the difference, not its direction or statistical significance.

A.2 WEI – technical notes

The Index was constructed based on the PwC Women in Work Index (PwC, 2018). It follows the same methodological choices in terms of normalisation and aggregation methods and uses the different weights as the PwC Women in Work Index. The methodological decisions made in con-

structing the Index have implications for the subsequent interpretation and understanding of the results. In this section, an overview is given on how the Index was constructed.

The Index covers 33 economies from the EU and the WB6.

Coverage

The WEI uses annual data up to 2019 and was backcast over the period 2017 and 2018 to show the evolution over time in women empowerment in the WB and the EU economies.

Time

The WEI builds on the theoretical framework of the PwC Women in Work Index (PwC, 2018). The PwC Women in Work Index is calculated as the weighted average of five indicators: the gap in female and male pay; the female labour participation rate; the gap between female and male labour force participation rates; the female unemployment rate; and the share of female employees in full-time employment (PwC, 2018).

Indicators in the Index

In terms of indicator selection, the WEI differs from the original PwC index by:

- excluding the gender pay gap indicator owing to a lack of data for WB6 economies, replacing the indicator with the share of women in middle or senior management positions
- replacing the gender gap in labour participation (which, statistically, resembles very closely the female labour participation rate) with the gender gap in employment rates

The PwC Women in Work Index penalises wider gender pay gaps with the rationale that earnings equality underpins the fundamental principle of equal pay for equal work (PwC, 2018). Among the drivers of a smaller gender pay gap is the share of employers who are female - PwC(2018) found that, in economies with higher proportions of females as employers (in this case, self-employed with employees), pay gaps are often narrower. Among the drivers of a wider gender pay gap are: the gap between female and male labour force participation rates, and the share of females employed in services. The impact of the latter indicator is often due to the high incidence of part-time work and low earnings in most services sectors. On this basis, the female share in middle or senior management was selected to replace the gender pay gap that encompasses all these drivers. In general, middle and senior management requires a higher level of education which is in turn linked to higher earnings. This management indicator also encompasses a level of decision-making similar to, but at a lower level than, females as employers. Moreover, jobs in middle and senior management are also of better quality compared to part-time work in low-paid service sectors. Therefore, if more women are in these positions of power, then it is more likely that more women will be inclined to enter the labour market, thus reducing the gender gap in participation rates.

The PwC Women in Work Index also uses as an indicator the gap between female and male labour force participation rates which, in the sample formed of WB6 and EU economies, was found to have a very high negative Pearson correlation (-0.93) with the female labour participation rate. In line with the OECD/EC JRC (2008) handbook on constructing composite indicators, if there is a high degree of correlation between two indicators, then an element of double counting may be introduced into the index. Therefore, the gender gap in participation rates was replaced with the gender gap in employment rates, calculated as follows:

(A.2.1)

$$\text{employment rate gap} = \left(1 - \frac{\text{female employment rate}}{\text{male employment rate}} \right) * 100$$

The correlation analysis between the indicators also revealed that the share of female employees in full-time employment was significantly²² negatively correlated with the female labour force participation rate, the gap between female and male employment rates, and the female unemployment rate. In the case of the latter two, the negative correlation was a result of a change in the direction of these two indicators (so that an increase in the indicator suggests a better outcome). The interpretation of the negative correlation would be that higher shares of women in full-time employment are associated with lower female participation, wider employment gaps and higher unemployment.

The OECD/EC JRC (2008) handbook on constructing composite indicators suggests that it is generally desirable not to have negative correlations. If there are such negative correlations, it means that either the desired direction of the indicator is wrong or that there are trade-offs between indicators. Despite the general desirability, keeping this indicator in the Index is preferred because it captures an important feature of the measured phenomenon, i.e. the quality of jobs that drive women’s participation in the labour market in the EU and WB6 is lower than for men.

The table below shows the list of indicators included in the WEI and the rationale behind each choice.

Table A.1: Indicators included in WEI

Indicator	Rationale for inclusion
Share of females in middle and senior management	The female share of employment in managerial positions conveys the number of women in management as a percentage of employment in management. It indicates the role of women in decision-making and access to higher-paid jobs.
Female labour force participation rate	Female economic participation is the cornerstone of economic empowerment, which is a function of the level of skills and education of women, working conditions, and broader cultural attitudes in the economy (e.g. towards shared childcare and distribution of labour at home).
Gap between female and male employment rates	Equality in employment rates reflects more equal job opportunities.
Female unemployment rate	The female unemployment rate reflects the economic vulnerability of women. Being unemployed can have longer-term impacts in the form of skills erosion, declining pension contributions and increased reliance on benefits.
Share of female employees in full-time employment	The higher this share, the lower the share of women in part-time employment. Part-time employment may adversely affect earnings, pensions and job security. However, a low value in this indicator might also capture the individual preference for part-time jobs to fit flexibly with caring roles.

Source(s): Cambridge Econometrics and PwC (2018).

Missing data and imputation For the WEI, a complete dataset for 2019 would mean, for each economy, 33 observations for each of the five indicators. Since the dataset is not complete for this year, cold deck imputation was used, i.e. missing values were replaced with values from previous years.

²² At the 5% significance level.

For Luxembourg, there was not data in all years for the female share in middle or senior management indicator. In this case, no imputation approach was adopted which conceptually is equivalent to imputing the missing value with the weighted mean of the values observed for Luxembourg of the other indicators in the Index.

Outliers can polarise the scores and bias the rankings of the Index. To detect possible outliers, all indicators were checked for absolute skewness greater than 2, and kurtosis greater than 3.5. Following this rule, winsorisation was applied to replace the outlying values with the nearest value that lay within the detection threshold. This was applied to the female labour force participation rate and female unemployment rate for Kosovo*.

Outliers

To ensure that all indicators have a common scale, which renders them comparable, they were normalised using the z-score method (see the formula below). The direction of the indicators was considered during the normalisation. This can take the value of -1, when the lower the indicator value, the better the performance by the indicator; or +1 otherwise.

Normalisation

(A1.2)

$$\text{Normalised indicator} = \frac{\text{Indicator-mean}}{\text{standard deviation}} * \text{direction}$$

The mean and standard deviation are calculated based on the sample of 33 economies in 2019 to allow for comparisons across economies and across time for each economy.

The Index score is calculated as the weighted arithmetic average of the indicator scores. The weighted arithmetic average is easy to interpret, but is based on the assumption of perfect compensability between indicators, i.e. a good performance in one indicator can offset the bad performance in another indicator.

Aggregation method and weights

The weights of each indicator used to construct the Index are presented in the table below. The weights were chosen based on the pairwise correlation coefficient between the indicators. Higher weight was given to the indicators which are less correlated with the other indicators.

Table A.2: Weights of indicators included in WEI

Indicator	Weight (%)
Share of female in middle and senior management	20%
Female labour force participation rate	10%
Gap between female and male employment rates	25%
Female unemployment rate	20%
Share of female employees in full time employment	25%

These weights also ensure that none of the indicators is overly driving the Index, i.e. the correlation between the Index and any individual indicator does not exceed 0.8.

To ease the interpretation of the Index, the scores are rescaled to form the Index with values between 0 and 100. The rescaling method used was min-max based on the 2015-19 values.

Rescaling

Appendix B - Economy fiches

The economy fiches consist of two parts. The first part includes a summary data table that presents selected indicators on the labour market, education, leadership, and access to services over the period 2017-19. Arrows display whether each economy's indicator has improved or worsened over time. To provide context, the best (highest of lowest depending on the indicator) value amongst the WB6 economies over that period is highlighted for each indicator in a separate column. In addition, for each indicator, the final column presents the distance of the economy's best value over the period 2017-19 to the EU 2019 value. At the bottom of each data table, where possible given data availability, a brief summary of the gender employment gap impact of the Covid-19 pandemic is supplied.

The second part of the economy fiches contains a stocktaking and assessment of key policy areas, as well as of measures to reduce gender inequality and to promote the economic empowerment of women in WB6. Recommendations for the way forward are made for each economy. The review of strategies, legislative framework, measures and institutions in place and related policy recommendations have been based on a review of literature and policy documents as well as on a consultation process with key stakeholder. This consultation process has taken place in written form, by asking key stakeholder in each WB6 economy (mainly relevant ministries, agencies, national statistical offices) to comment on the findings and policy recommendations.

B.1 Albania

Key facts, 2019	
GDP, current price bn USD	15.3
Population (000's)	2,854
_ of which female, %	50.1%
Employment rate, % (aged 20-64)	67.2%
Unemployment rate, % (aged 20-64)	11.6%

	Value 2017	Value 2018	Value 2019	Best economy (year)	Progress	2019: Distance to EU-27 (pp)
1. Labour market indicators						
1.1. Activity rates						
1.1.1 Male activity rate, % (aged 20-64)	84.3%	84.5%	84.4%	MK (2017)		± 0 pp
1.1.2 Female activity rate, % (aged 20-64)	63.5%	65.4%	67.6%	AL (2019)	▲	- 5 pp
1.2. Employment rates						
1.2.1 Male employment rate, % (aged 20-64)	72.1%	73.9%	74.7%	AL (2019)	▲	- 4 pp
1.2.2 Female employment rate, % (aged 20-64)	55.6%	57.4%	59.7%	AL (2019)	▲	- 8 pp
1.3. Precarious employment share						
1.3.1 Incidence of part-time employment in women, %	25.5%	22.8%	21.6%	XK (2018)	▼	- 8 pp
1.3.2 Share of women in temporary employment, %	8.0%	5.9%	5.6%	AL (2019)	▼	- 10 pp

	Value 2017	Value 2018	Value 2019	Best economy (year)	Progress	2019: Distance to EU-27 (pp)
1.3.3 Share of women working as unpaid family workers, %	26.8%	28.7%	29.0%	ME (2019)		+ 27 pp
2. Education						
2.1. Transition to work						
2.1.1 Male early leavers from training, %	21.6%	18.3%	17.5%	BS (2019)	▼	+ 6 pp
2.1.2 Female early leavers from training, %	17.2%	16.4%	15.1%	BS (2019)	▼	+ 7 pp
2.1.3 Share of women enrolled in tertiary education, %	59.7%	59.7%	59.7%	AL (2019)		N/A
2.1.4 Recent male graduates in employment, %	67.1%	59.3%	60.1%	RS (2018)	▼	- 28 pp
2.1.5 Recent female graduates in employment, %	53.8%	51.2%	57.5%	ME (2018)	▲	- 25 pp
2.2. Skills						
2.2.1 Share of men with above basic digital skills, % (aged 16-74)	N/A	N/A	N/A	RS (2017)		N/A
2.2.2 Share of women with above basic digital skills, % (aged 16-74)	N/A	N/A	N/A	RS (2019)		N/A
3. Leadership and empowerment						
3.1. Money matters						
3.1.1 Share of women at risk of poverty	23.9%	23.8%	N/A	XK (2017)	▼	N/A
3.1.2 Gender pay gap, %	10.5%	10.7%	10.1%	RS (2018)		N/A
3.2. Female representation in decision-making bodies						
3.2.1 Share of women in middle and senior management, %	22.7%	31.6%	41.3%	AL (2019)	▲	+ 4 pp
3.2.2 Share of women in parliament and national assemblies, %	N/A	29.3%	29.8%	MK (2019)		- 2 pp
4. Access to services						
4.1. Medical care						
4.1.1 Share of women reporting inadequate access to medical care, %	N/A	N/A	N/A	MK (2018)		N/A
4.2. Public services						
Share of women among the registered unemployed	52.8%	52.4%	52.6%	MK (2017)		N/A

The impact of Covid-19 on gender gaps in local employment:
 The gender employment gap narrowed by 4.8 pp between 2019 Q2 and 2020 Q2. In 2020Q2, 57.9% of men and 45.8% of women were employed.

Policy recommendations

Since 2017, the responsible public authority for gender equality and combating domestic violence has been the Ministry of Health and Social Protection (MHSP). The Ministry exercises this function through the leading role of the Minister at the National Council on Gender Equality and through the work of the Sector of Policies and Strategies on Social Inclusion and Gender Equality, as part of the General Directorate of Policies and Development of Health and Social Protection. There shall be gender equality officers (GEOs) appointed in every ministry to deal with gender equality

Comprehensive policy approach and institutions

issues; similarly, every municipality shall appoint one or several local GEOs in their structures. The Deputy Prime Minister (DPM) was appointed in 2018 as the national coordinator for gender equality and is authorised in this role to strengthen gender equality mechanisms at the central level²³. The Alliance of Women Parliamentarians, which was established in 2013 and re-composed in 2017, is the result of a lobbying movement initiated by women deputies with the aim of promoting gender equality in Parliament and advocating for gender mainstreaming in laws.

The Minister of Health and Social Protection also chairs the National Council of Gender Equality (NCGE)²⁴ (MoHSP, Expertise France and WB, 2020). The NCGE is composed of nine representatives of line ministries at the rank of deputy minister and top management, as well as three representatives of civil society. It is the highest advisory body in charge of issues related to gender equality, and of ensuring gender mainstreaming in all fields, especially in political, social, economic and cultural fields.

The National Strategy on Gender Equality and its Action Plan 2016-2020 is focused specifically on gender. The National Strategy for Gender Equality and its Action Plan 2016-2020 is the third of this kind and the new National Strategy for Gender Equality and its Action Plan 2021 – 2030 is now in the process of preparation.

The preparation of the strategy was supported by international partners such as UN Women and UNDP. The four strategic aims are: (i) economic empowerment of women and men; (ii) equal participation of women in politics and public decision-making; (iii) reduction of gender-based violence and domestic violence; (iv) strengthening of the coordination and monitoring role of the National Gender Equality Mechanism as well as awareness raising of the society on gender equality. The strategies have been evaluated.

For the economic empowerment dimension, key strategic documents are also Albania's Economic Reform Programme (ERP) 2020-2022 (Albania Council of Ministers, 2020) and the National Strategy for Development and Integration (NSDI II) 2015-2020 (Albania Council of Ministers, 2016). The ERP contains measures in various policy fields which are expected to have a positive impact on women employment, such as start-up support, trade policies, development of broadband, broader access to financial resources, easing activities in the tourism sector, targeting active labour market policies on women and using the Social Fund to improve the social care system. NSDI contains mainly targeted measures to promote female entrepreneurship, improve their role in agriculture and professional education.

Gender Responsive Budgeting (GRB) is also part of the NSDI. GRB is also included in the management of the budget system through amendments to the relevant law (2016). The law on local self-government finances (2017) has created opportunities for effective involvement of GRB in all phases of the local financial management cycle (annual and medium-term budget programming, monitoring and reporting, evaluation and audit) by Local Government Units (LGUs).

²³ Order of Prime Minister No. 32, dated 12.2.2018 "On appointing the national coordinator for gender equality"

²⁴ Law No. 9770, date 18.12.2008 "On Gender Equality in Society"

For the period 2019-2021, from a total of 75 budget programmes there are 37 budget programmes that include GRB. Meanwhile, 10 LGUs have prepared and approved the Local Action Plans for Gender Equality, where the application of GRB is one of the foreseen actions.

Gender issues are also addressed in some other sectoral strategies and action plans (e.g. Action Plan for Supporting Entrepreneurial Women 2014-2020, in compliance with the Strategy for Development of Business and Investments 2014-2020, the National Strategy for Employment and Skills), although missing in some key strategic documents (e.g. Strategy for the Development of Pre-University Education 2014-2020, National Action Plan for Integration of Roma and Egyptians in Albania, 2016-2020).

Recommendations:

- Include a gender dimension in all strategies that are relevant for the economic empowerment of women.
- Continue to regularly monitor implementation of measures and increase the scope of monitoring so as to assess, in detail, all activities planned in various strategies and programmes.

Albania has specific equal treatment legislation, which is generally in conformity with most of the EU gender equality directives (Baci, 2019). The Law on Gender Equality in society (LGE) from 2008²⁵ regulates fundamental issues of gender equality in public life, and its main purpose is to provide effective protection from gender discrimination. It provides a definition of gender equality, gender-based discrimination and gender-based harassment. The Law specifies rules for gender-neutral recruitment, e.g. employers and labour intermediation actors shall be obliged to "not include gender discrimination elements in the job vacancy announcement", "apply equal criteria in all recruitment processes", "promote equal distribution between women and men in different job positions ... through training...", "create equal and appropriate working conditions", "provide equal pay for equal value", "take measures to stop discrimination, harassment and sexual harassment towards employees"²⁶. The law specifies what is meant by discriminatory actions for employers (Article 17). Article 24 and 25 rule the prohibition of gender-based inequality and promote gender equality in education. The Law also specifies the main stakeholder responsible for its implementation, namely the Ministry of Labour, the National Employment Service, the State Inspectorate of Labour, the State Social Services, the Minister responsible for gender equality issues in cooperation with other relevant ministries and institutions (Article 18). The Law on Protection from Discrimination of 2010²⁷ regulates the implementation of and respect for the principle of equality in relation to different grounds of discrimination. Legislative amendments have been adopted on the employment and workplace environment for women, defining and reversing the burden of proof in cases of sexual harassment (European Commission, 2019a).

Legal framework against gender discrimination

²⁵ Law No. 9970, dated 24 July. English version of the law available at: <https://www.osce.org/albania/36682?download=true>

²⁶ Article 16 of Law No. 9970 in the English translation

²⁷ Law No. 10 221, dated 4.2.2010. English version of the law available at: <https://kmd.al/wp-content/uploads/2019/06/law-brochure-english.pdf>.

Baci (2019) assesses implementation of the legislative framework and concludes that there is a continued need for related awareness and dialogue within courts on uniform interpretation and the application of the relevant legal framework.

Recommendations:

- Continue to improve legislative framework to fully comply with EU directives related to gender equality and discrimination.
- Raise awareness about all forms of gender discrimination linked to access to employment and in the workplace. Target groups of awareness raising activities should be employers, Chambers, social partners, education institutions, labour inspectorates and legal institutions.

Reconciling works and family life Offering quality childcare is a key policy area to lift barriers for women with children to participating in the labour market. Up to the age of 3, children are provided early childhood care in centre-based settings (*çerdhe*). From age 3 years up to 6 years, children may attend a centre-based child care institution (*kopshte*) free of charge. From age 5, preparatory classes (*klasat përgatitore*), which aim to help children to get ready for primary education, are available (European Commission *et al.*, 2019). In 2018 the enrolment in preschool education was 76.3% in Albania as compared to 95.4% in the EU (MoHSP, Expertise France and WB, 2020). Girls were enrolled less often in kindergarten than boys (76.3% and 81.6% respectively) (Instat Albania, 2020a).

According to data provided by the Department of Statistics in the Ministry of Education, Sports and Youth, the enrolment rate of those aged 3-6 years old in childcare institutions (*kopshte*) was 80% in the school year 2017/2018 (European Commission *et al.*, 2019). Places are offered part-time and full-time. Opening hours and availability of full-time care places may be a decisive factor in rendering the reconciliation of work and family life possible.

In order to enhance economic empowerment of women in rural areas the National Strategy on Gender Equality and its Action Plan 2016-2020 foresee the provision of nurseries and kindergartens in rural areas (MoHSP, Expertise France and WB, 2020). “Local Governance Mapping in Albania 2020” report prepared for the Ministry of Interior²⁸ shows that men and women are rather satisfied with the administration of kindergartens in their municipalities. It is important to regularly monitor participation rate in childcare by socio-economic background.

The Economic Reform Programme 2019-2021 prepared by the government of Albania intends to improve the quality of early childhood education by increasing the number of nurses and pedagogical staff and to reduce the number of children per staff. It is planned to increase the number of nurses from 4,410 to 4,850 in order to reduce the number of children per nurse²⁹.

The lack of childcare provision for children (e.g. up to the age of 12) attending school is likely to deter mothers from taking up work. The Ministry of Education, Sport and Youth has started the “Let’s do Homework” initiative, where students remain at school for an additional two hours after

²⁸ The local governance mapping was undertaken as part of UNDP Albania’s STAR2 project and is funded by the European Commission, the governments of Sweden, Italy, Switzerland and USAID (IDRA Research and HDPC, 2020).

²⁹ Government of Albania, Economic Reform Plan 2019-2021

the school period ends to do their homework and other extracurricular activities (MoHSP, Expertise France and WB, 2020).

Recent changes to the Labour Code aim to support work-life balance for working parents, by introducing, for example, the possibility of teleworking. However, there is no monitoring of the implementation of these changes (EC 2019 progress report Albania).

Maternity leave is possible for up to one year, with a minimum of 35 days before and 63 days after the birth of the child (European Commission *et al.*, 2019). It is financially covered at 80% based on the average of the net base salary of the previous twelve months. The remaining 180 days are covered at 50% on the same basis. Maternity Leave is financially covered only if the woman has been insured for at least 12 months³⁰. According to the Law on Social Security in Albania, fathers have the right to take paternity leave after the 63-day mandatory period for mothers³¹. Amendments to the Labour Code, first introduced in 2015, also allow each of the parents to request parental leave. Parental leave in total is four months until the child becomes six years old and cannot be taken for less than a week. Each parent can claim it individually. Parental leave is neither paid nor transferable (MoHSP, Expertise France and WB, 2020). The Labour Code allows fathers to take three days of leave at the time of childbirth, which shall be financially covered by the employer. To compare, in majority of EU Member States, fathers are offered paid paternity leave and 13 EU Member States offer at least two weeks of well-paid paternity leave. Paternity leave is important to reduce the employment gap among young adults, as well as to break gender stereotypes. There is no monitoring on the take up of parental leave by fathers.

Recommendations:

- Implement dedicated policies for more working time flexibility and shorter working weeks to allow more women to take up employment.
- Continue to improve the quality of childcare at pre-school age and extend after-school childcare for younger pupils.
- Continue to expand childcare facilities in rural areas. Monitor the quality of childcare (in terms of children per nurse, pedagogical concepts and opening hours).
- Encourage fathers to take parental leave and develop a sustainable awareness raising strategy for employers, as this is likely to be a long-term process.

The 2015 pension reforms gradually rose the retirement age of women. Currently, eligibility for a pension and the minimum retirement age are classified into three groups. In 2019, the average retirement age for accessing an old-age pension was 61 years for women and 65.1 years for men, and 55.8 years for mothers with many children, and to access a reduced pension it was 58.9

Lengthening working lives

³⁰ Across the EU, parental leave is an individual right in 16 Member States. While 13 Member States offer a well-paid parental leave, only in 10 is this period of well-paid leave equal to or longer than 8 weeks. 10 EU Member States have a period of leave reserved for fathers, but this entitlement can often be transferred to mothers. European Commission (2018), Paternity and parental leave policies across the European Union.

³¹ If the mother does not meet the criteria to benefit from maternity leave, insured fathers for the first 150 days can benefit 80 percent of the average net base salary of the last twelve months. The remaining days are covered at 50 percent on the same basis. Paternity leave is financially covered by the Social Insurance Scheme (IDRA Research & Consulting, 2020).

years for women and 62.6 years for men (Instat Albania, 2020a). In 2056, the retirement age for both women and men for the three categories will be 67 years old and require 40 years of work experience³². This measure is likely to reduce the gender employment gap for older workers in the long-term.

The activity rates of older men and women increased quite significantly between 2017 and 2018, for those aged 55-64 as well as for those aged 65+ (reaching 11.7% for women and 19.8% for men in 2019). The gender gap in activity rates of those aged 25-29 as well as for prime age workers (25-54 years) was 13 pp (Instat Albania, 2020a).

Recommendations:

- Continue to narrow the gender gap in retirement age.
- Implement policies that allow to combine work and the receipt of pensions, in line with OECD good practice (OECD, 2020b)

Human capital development Access to education and vocational choices made at secondary and tertiary level strongly impact employment and career prospects and wage development.

The educational level of young women is significantly higher than it was for previous generations. Among older cohorts (65+), the share of women who obtained only basic education stood at 76.2%, whereas for men it was 56.8%. Only 5.5% of women belonging to this age group have completed higher education, compared to 13.0% of men. The level of educational attainment improved substantially for the population aged 25-39 and the gender gap among highly-educated people even reversed while the gender gap among low-educated people significantly narrowed: in the academic year 2018-19, 37.7% of women have completed higher education compared to 25.8% of men. For the same age group, 42.7% of women have completed basic education, as compared to 37.9% of men. In the academic year 2018-19, about two-thirds of university students were women (Instat Albania, 2020a).

Albania is quite advanced in implementing gender parity among university professors (40.7% of professors were female in 2018/2019). Although nearly as many women graduated in STEM as men³³, further improvements can be made to attract girls and young women into STEM, and in particular into informatics. In 2018/19, 5.3% of women graduated in engineering, manufacturing and construction (as compared to 17.3% among men) and 3.7% in ICT (as compared to 8.6% among men). Young women graduated more often than men in natural sciences, mathematics and statistics, often with the objective to become a teacher (Instat, Women and men in Albania 2019). Research shows that it is key to attract young women to technology, including ICT from young ages (Duell, 2020). Progress has been made recently as, in 2018, Albania implemented the International Day of Women and Girls in Science for the first time .

The National Strategy on Employment and Skills 2014-2020 sets the objective to assess whether the VET curricula are gender-sensitive. Other objectives include awareness raising on VET and

³² <http://www.isssh.gov.al/wp-content/uploads/2014/02/Ligji-nr-7703-date-11-05-1993-ndryshuar-deri-ne-mars-2017.pdf>

³³ In 2018/19, 45.7% of graduates in ICT were women. Women represented 37.4% of graduates in engineering, manufacturing and construction and 76% of graduates in natural sciences, mathematics and statistics.

an outreach programme for girls and women in rural areas, promotion of entrepreneurial learning and women's entrepreneurship as a key competence, as well as offering entrepreneurship and leadership programmes (see also below) (MoHSP et al. 2020). A corresponding gender-sensitive strategy at pre-primary, primary and tertiary level of the education system is missing, however.

Recommendations:

- Although Albania already fares comparatively well, continue to develop and implement vocational guidance in order to attract more young women into STEM as well more generally into male-dominated occupations, and conversely attract young men in female-dominated occupations (e.g. in the areas of education and health). Attract both young men and women in IT study fields in general and expand study places accordingly. Continue with the implementation of "Girl's Days" (UN Women, 2018). Promote access to VET, in particular in those occupations that are in demand, including male-dominated occupations in the craft sector. Also promote young men to take up female-dominated occupations, such as nurses.
- Adapt curricula to reduce gender stereotypes beginning from a young age.
- Implement remedial education and upskilling programmes for middle-aged and older women, since a large share only has a primary education.
- Promote access to education to girls and women from Roma and Egyptian communities.

In 2018, only 25.7% of business owners and administrators were women, a decline compared to 2017 (29.7%). The number of women borrowers was only half of the number of men and the average amount of loans obtained by women was only half as high (during the period 2013-16). The share of female borrowers has recently increased (41% in 2018). Although promoting entrepreneurship of women has been a policy priority, the gender gap is still large (Government of Albania, 2019).

Promoting entrepreneurship

An advisory group for coordinating and monitoring the implementation of the action plan on the support of women entrepreneurship (2014-20) was mandated to bring together and coordinate women's entrepreneurship actions among public, private and non-government institutions. In practice, however, the advisory group – which consisted of seven ministries, the Institute of Statistics and the Bank of Albania – has been convened only four times and has not met since the lead ministry, the Ministry of Economic Development, Tourism, Trade and Entrepreneurship, was dissolved in September 2017 (OECD et al., 2019). Nevertheless, some progress has been made, as the legal framework related to loans and women enterprises has been improved with the approval of the Action Plan for Supporting Women Entrepreneurs 2014–2020 (Government of Albania, 2019). Smaller projects to promote entrepreneurship of women have been implemented over the period 2014-17, benefiting 77 women entrepreneurs through dedicated finance for the creative economy, competitiveness, innovation and start-ups. The Municipality of Tirana has run a dedicated fund to support aspiring women entrepreneurs to prepare business plans, funding 22 women through grants. Annual events, such as 'Women of the Year' and 'The Golden Bee', have been effective at raising the visibility of women entrepreneurs (OECD et al., 2019).

An increased budget has been decided for promoting female entrepreneurship. In 2018, the share of women beneficiaries of support schemes granted by the Albanian Investment Development

Agency was 46.0%, an increase compared to 2017 (37%) (Instat Albania, 2020a). The support of women varied by the type of support scheme: in 2019, the share of women supported by the Innovation Fund was 30.8%, by the Start-up Fund 78.9%, by the Competitiveness Fund 6.9% and by the Creative Economy Fund 80% (Instat Albania, 2020a). The Project dubbed 'Promoting employment, self-employment and entrepreneurship through regional cooperation for women and youth' aimed to establish bridges of cooperation and exchange of experiences among the best-performing municipalities in the region. Through this project, 12 women and 12 young people participated in an entrepreneurial learning programme (according to information of OSCE).

Recommendations:

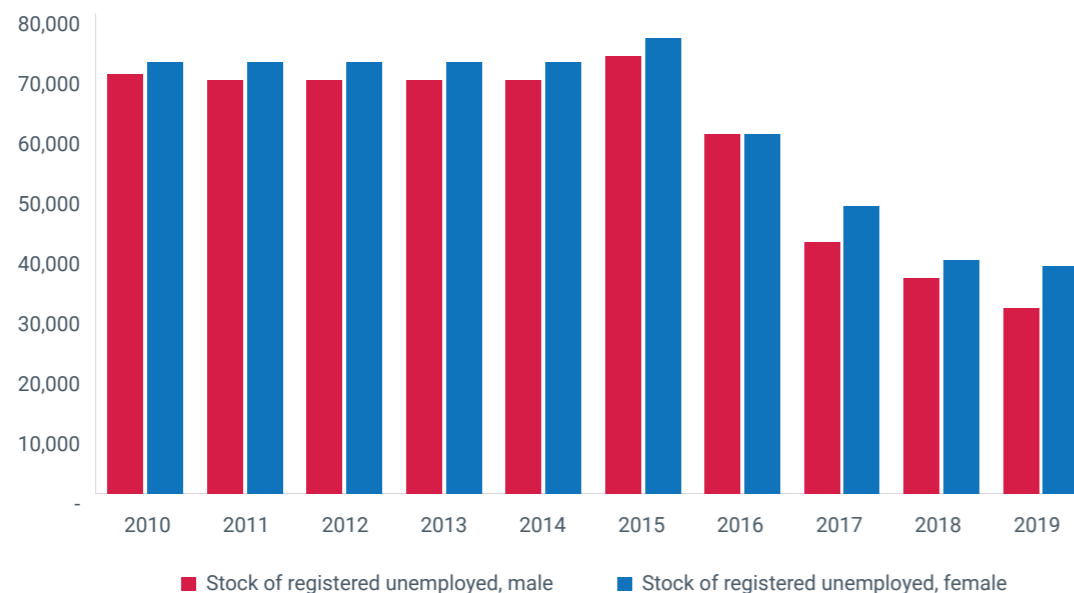
- Scale up programmes to support women’s entrepreneurship in order to improve women’s access to financial resources, provide entrepreneurship training and follow-up/support companies recently set up by women to sustain entrepreneurship.
- Encourage and support women in rural areas to make investments to improve productivity and diversify supply and supply chains.
- Implement enforcement of women’s property rights in agricultural land as foreseen in the National Strategy for Gender Equality to support economic empowerment of rural women.

Access to employment services and active labour market policies

The number of unemployed women jobseekers increases with age, while the data show the opposite for men. Data show that more than half of unemployed female and male job seekers have completed only a primary or lower secondary education (Instat Albania, 2020a).

Slightly more women than men have been registered with the Public Employment Service (PES). The stock of registered unemployed fell quite significantly between 2015 and 2019. This drop may be linked to recent reforms of the PES.

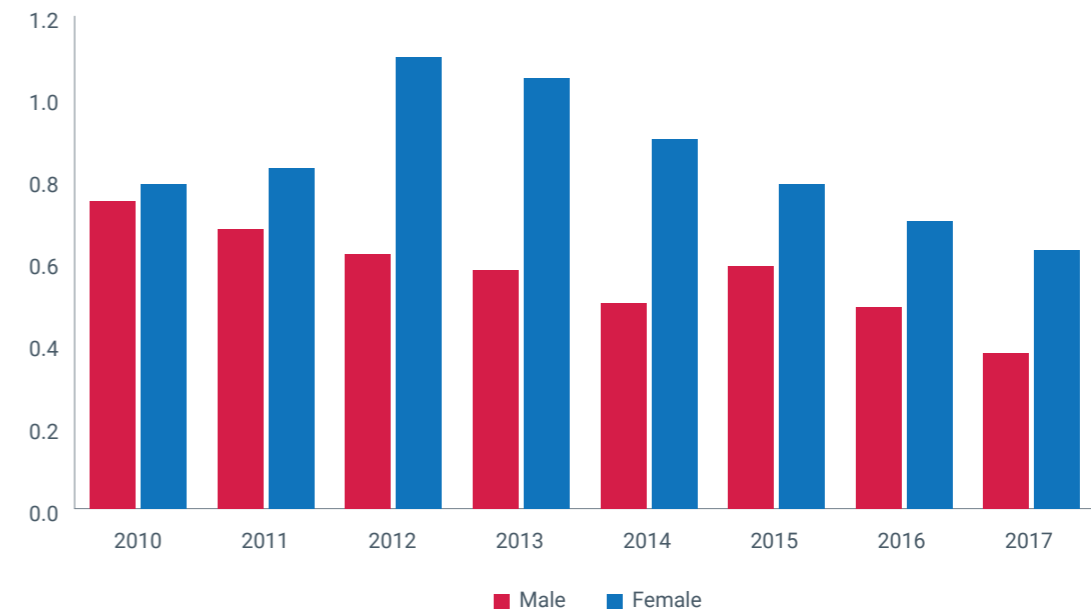
Figure B.1: Stock of registered unemployed by gender, Albania



Source: Administrative data of the National Employment Service of Albania.

Not all jobseekers register with the PES. More female unemployed have registered with the PES than male³⁴. This may be linked to lower skill levels of unemployed women, more older female unemployed and less well developed professional networks. The National Strategy for Employment and Skills 2014-2022 sets the objective to carry out gender-sensitive profiling and counselling of unemployed jobseekers. In 2019, more men than women participated in training measures offered by the National Employment Agency, while more women than men participated in employment incentive measures (Instat Albania, 2020a).

Figure B.2: Ratio registered unemployed to LFS unemployed, in %



Source: LFS and administrative data received by RCC.

Women participate more often in active labour market policies (ALMPs) than men; the share of women among participants was 59% on average between 2015 and 2018³⁵. Out of seven employment incentive programmes, one has been targeted at single mothers and child-mothers. There are various employment incentive programmes that target women and women in vulnerable groups, such as the programme to encourage employment of unemployed jobseekers in difficulty, and the programme to encourage employment of unemployed female jobseekers from special groups. The latter programme is designed to integrate into the labour market marginalised women such as: Roma women, former trafficked women, older women, women suffering from disabilities, and women victims of violence (MoHSP, Expertise France and WB, 2020). However, neither the Youth Employment Strategy (2014-2020) nor the National Action Plan for Integration of Roma and Egyptians in Albania 2016-2020 contain a gender perspective (MoHSP, Expertise France and WB, 2020). It needs to be noted that the overall budget for ALMP is low as compared to EU Member States (EC 2019, Progress Report Albania).

Roma and Egyptians account for 7.8% of registered jobseekers nationwide, although they represent only 3.7% of those who have been placed into jobs. In principle, Roma have priority in employment promotion programmes, with the aim of lowering the unemployment rate, especially

34 The share of women among registered jobseekers was 53.2% in 2019 (Instat Albania, 2020).

35 Government of Albania/NEES, National Strategy for Employment and Skills 2014-2022, progress report 2018.

for Roma women, and increasing the educational level of children, as a preventive measure for social exclusion. In principle, Roma also benefit from free vocational training and have priority in employment incentive programmes.

The National Strategy on Social Protection 2015-2020 sets out the objective to provide integrated social services at the local level. Among the target groups are women heads of households. The National Strategy for Employment and Skills 2014-2020 seeks to better target social protection and increase coverage of vulnerable women and at the same time activate them (MoHSP). Implementation of these strategies has only just started, and more efforts need to be made to increase institutional capacities and cooperation at the local level (EC, 2019, Progress Report Albania). Progress has been made in implementing an in-work benefit scheme (ESPN report on in-work poverty in Albania, 2019).

Recommendations:

- Increase budget for ALMPs.
- Provide upskilling for women returning to the labour market after a childrearing break, and for women to adapt their skills to economic and technological change.
- Strengthen capacities of social services at local level. Improve cooperation with social services, including with childcare and elderly care services, to help women overcome employment barriers.
- Include a gender perspective in the Youth Employment Strategy as well as in the Strategy for inclusion of Roma and Egyptian Communities.
- Provide entrepreneurship programmes to unemployed women.

B.2 Bosnia and Herzegovina

Key facts, 2019	
GDP, current price bn USD	19.9
Population (000's)	3,301
_ of which female, %	51.0%
Employment rate, % (aged 20-64)	49.7%
Unemployment rate, % (aged 20-64)	15.8%

	Value 2017	Value 2018	Value 2019	Best economy (year)	Progress	2019: Distance to EU-27 (pp)
1. Labour market indicators						
1.1. Activity rates						
1.1.1 Male activity rate, % (aged 20-64)	71.3%	71.7%	71.3%	MK (2017)	84.4%	- 13 pp
1.1.2 Female activity rate, % (aged 20-64)	45.6%	45.0%	46.9%	AL (2019)	67.6%	- 25 pp
1.2. Employment rates						
1.2.1 Male employment rate, % (aged 20-64)	58.1%	59.5%	61.6%	AL (2019)	74.7%	▲ - 17 pp
1.2.2 Female employment rate, % (aged 20-64)	35.1%	35.8%	38.0%	AL (2019)	59.7%	▲ - 29 pp
1.3. Precarious employment share						
1.3.1 Incidence of part-time employment in women, %	15.5%	14.9%	14.1%	XK (2018)	5.4%	▼ -16 pp
1.3.2 Share of women in temporary employment, %	16.2%	15.7%	N/A	AL (2019)	5.6%	N/A
1.3.3 Share of women working as unpaid family workers, %	7.3%	6.7%	6.5%	ME (2019)	3.6%	▼ + 5 pp
2. Education						
2.1. Transition to work						
2.1.1 Male early leavers from training, %	5.3%	5.6%	4.0%	BS (2019)	4.0%	▼ - 8 pp
2.1.2 Female early leavers from training, %	4.8%	5.2%	3.5%	BS (2019)	3.5%	▼ - 5 pp
2.1.3 Share of women enrolled in tertiary education, %	N/A	N/A	N/A	AL (2019)	59.7%	N/A
2.1.4 Recent male graduates in employment, %	N/A	N/A	N/A	RS (2018)	77.5%	N/A
2.1.5 Recent female graduates in employment, %	N/A	N/A	N/A	ME (2018)	71.9%	N/A
2.2. Skills						
2.2.1 Share of men with above basic digital skills, % (aged 16-74)	N/A	N/A	6.0%	RS (2017)	22.0%	- 23 pp
2.2.2 Share of women with above basic digital skills, % (aged 16-74)	N/A	N/A	10.0%	RS (2019)	19.0%	- 23 pp
3. Leadership and empowerment						
3.1. Money matters						
3.1.1 Share of women at risk of poverty	N/A	N/A	N/A	XK (2017)	18.9%	N/A
3.1.2 Gender pay gap, %	N/A	N/A	N/A	RS (2018)	9.6%	N/A

		Value 2017	Value 2018	Value 2019	Best economy (year)		Progress	2019: Distance to EU-27 (pp)
3.2.	Female representation in decision-making bodies							
3.2.1	Share of women in middle and senior management, %	26.1%	25.4%	N/A	AL (2019)	41.3%	▼	N/A
3.2.2	Share of women in parliament and national assemblies, %	N/A	21.1%	21.1%	MK (2019)	39.2%		- 10 pp
4	Access to services							
4.1.	Medical care							
4.1.1	Share of women reporting inadequate access to medical care, %	N/A	N/A	N/A	MK (2018)	2.4%		N/A
4.2.	Public services							
	Share of women among the registered unemployed	53.6%	55.2%	N/A	MK (2017)	43.4%	▲	N/A

The impact of Covid-19 on gender gaps in local employment: N/A

Policy recommendations

Comprehensive policy approach and institutions

The Law on Gender Equality in Bosnia and Herzegovina and the National Gender Action Plans form the main cross-cutting framework for protecting women from discrimination and enhancing gender equality. The third Gender Action Plan of Bosnia and Herzegovina 2018-2022 (2018), prepared by the Gender Equality Agency at the Ministry of Human Rights and Refugees of Bosnia and Herzegovina, was adopted in 2018. The Action Plan sets out measures to strengthen the coordinating role of the Gender Equality Agency. This involves in particular conducting and supporting research on gender-related issues as well as regular collection, analysis and publication of gender-disaggregated data in areas related to the economic empowerment of women. The action plan also sets the objective to strengthen institutional capacity to apply international and domestic standards in the area of gender equality, to introduce gender-responsive budgets, and establish appropriate institutional mechanisms for gender equality with the task to coordinate implementation of these measures. The action plan also envisages conducting information and awareness raising campaigns in order to promote gender equality.

Responsibility for the implementation of measures in the action plan lies with legislative and executive institutions and bodies at the central and entity level, cantonal bodies and bodies of local self-government units. Corresponding budgets are adopted by the responsible institutions at all levels of authority. Therefore, the Gender Action Plans at central level remains vague in the different policy fields.

There is still no employment strategy in place for the entire economy. The Republika Srpska entity has an employment strategy for 2016-20, while the Federation entity has not adopted an employment strategy yet (European Commission, 2020³⁶).

36 European Commission (2020), COMMISSION STAFF WORKING DOCUMENT Bosnia and Herzegovina 2020 Report Accompanying the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions 2020 Communication on EU Enlargement Policy, SWD(2020) 350 final, Brussels, 6.10.2020

Recommendations:

- Improve coordination among ministries and stakeholders at all territorial levels in order to develop and implement measures to increase economic empowerment of women.
- Implement gender budgeting at all territorial levels.
- Ensure sustainable financing of measures with sizeable budgets to support increased women's participation in the labour market.
- Collect and display gender-disaggregated survey data as well as administrative data on policy implementation.
- Adopt and implement an employment strategy in the Federation of Bosnia and Herzegovina.
- Organise benchmarking exercise and benchlearning activities between the entities, district and cantons about measures and practices that are effective in enhancing economic empowerment of women³⁷.

The Law on Gender Equality in Bosnia and Herzegovina regulates, promotes and protects gender equality and guarantees equal opportunities to all citizens, both in the public and private spheres of society; and prevents direct and indirect discrimination against gender. The Law prohibits discrimination based on gender in work and in labour relations. Among other issues, it specifically addresses areas of equal pay, equal access to and conditions for education, differentiated treatment related to pregnancy, and maternity leave and benefits. In addition, labour laws of the entities form part of the regulatory framework. In practice the enforcement of non-discrimination legislation remains low (European Commission 2020).

Legal framework against discrimination

The Law provides a framework for a gender institutional mechanism that implements and monitors the implementation of the Law. It mandates a gender quota of 40% in the public sector bodies at all levels of authority in Bosnia and Herzegovina (central, entity, cantonal and municipal levels). There is, however, no monitoring of the implementation of the quota system.

Recommendations:

- Strengthen institutional capacities to effectively implement the legal framework protecting women from gender discrimination.
- Raise awareness about all forms of gender discrimination linked to access to employment and in the workplace. Target groups of awareness raising activities should be employers, Chambers, social partners, education institutions, labour inspectorates and legal institutions.
- Provide women with support and legal advice to report on cases of discrimination.
- Monitor the implementation of the Law (e.g. on the quota system and reported cases of gender discrimination).
- Scrutinise whether the legal framework is in line with EU and international standards in all areas relating to gender equality (as foreseen in the Third Action Plan for Gender Equality).

37 Switzerland provides examples for benchmarking employment policies. See Duell, N., P. Tergeist, U. Bazant and S. Cimper (2010), Activation Policies in Switzerland, OECD Social, Employment and Migration Working Papers Nr. 112, www.oecd.org/els/workingpapers

Reconciling work and family life In 2017, only 4.6% of children aged 0-2 and 17.1% of those aged 3-5 were enrolled in early childhood education and care, a significantly lower share than in Albania, Montenegro, the Republic of North Macedonia and Serbia, and far below EU average. The enrolment rate of children from Roma communities is only 3%. Although progress has been made in recent years, enrolment is far too low to permit more women to be employed. Usually, early childhood education institutions (predškolske institucije) combine nursery (jaslice) groups for under-3s and kindergarten (dječiji vrtić) groups for children from the age of 3 until their enrolment in primary school. However, some early childhood education institutions have only groups for older children (3-5-year-olds). Early childhood education and care falls under the overall responsibility of 12 responsible ministries of education: one for the entity Republika Srpska, one for each of the ten cantons in Federation of Bosnia and Herzegovina and one for the Brčko District (European Commission, 2019). In some cantons legislation on early childhood education and care is missing. From the age of five, pre-school is compulsory in the Federation of Bosnia and Herzegovina and the Brčko District for up to five hours per week. The compulsory early childhood education programme lasts 150-180 hours depending on the canton and entity. In Republika Srpska, early childhood education at the age of five is not compulsory, but it is fully implemented for ten hours per week during the period from March to June before the child starts primary education (European Commission, 2019c). The biggest challenge is quality standards in early childhood education and care, particularly in the areas of human resources, materials, and curriculum (World Bank, 2017).

In most EU economies, parents in rural areas face greater difficulties in accessing childcare services for school-age children. Eurofound shows, for the European Union, that the opening hours as well as the quality of childcare is decisive for the parents' decision to use them and thus has an important impact on female employment (Eurofound, 2020). Cost is another significant barrier, affecting parents on lower incomes. The absence of available childcare options, including for children of school age, can force working mothers to make alternative arrangements, ranging from engaging informal care to taking the decision to work part time. These findings are likely to be valid as well for Bosnia and Herzegovina.

The supply of elderly care is characterised by the lack of day-based services and the limited number and expense of residential care centres. The main challenge consists of improving staff training and qualifications of staff in order to provide quality services. The World Bank has proposed a number of highly relevant policy recommendations to improve care services (World Bank, 2017).

The Third Gender Action Plan for Bosnia and Herzegovina 2018-2022 sets the objective to improve measures to reconcile business and private life, including maternity and paternity protection, improving the provisions of paid maternity leave, paid parental leave for both parents, as well as special measures that make it easier for employees to reconcile professional and family obligations. The European Commission (2020) points to the need to introduce a uniform minimum level of maternity leave benefits and protection throughout the economy.

Recommendations:

- Substantially increase childcare offers for young children (to double and triple capacities in the medium-term). This requires substantial investment in publicly provided childcare centres.

- Implement public subsidies to private childcare provision and use and create education and accreditation programmes to prepare caregivers and care-entrepreneurs.
- Develop a system to accredit public and private childcare offers and monitor quality of childcare.
- Implement gender-sensitive pedagogical concepts in early childhood education and care, as breaking gender stereotypes needs to start at an early age.
- Expand the provision of quality elderly care in the form of day-care and residential care.
- Harmonise parental leave across the different entities, districts and cantons of the economy. Introduce a rule for non-transferable paternal leave and increase awareness about the importance of fathers taking that leave.
- Promote the implementation of flexible working time schemes, e.g. by increasing incentives for part-time employment.

The retirement age is 65 for both men and women. The phasing out of early retirement lasts longer for women than for men in the Federation of Bosnia and Herzegovina, while the gender gap in early retirement rules is not phased out in the Republika Srpska (here, early retirement is possible at age 60 with 40 years of contributions for men; and at age 58 with 35 years of contributions for women³⁸). The activity rate of older women (55-64) is fairly low (at 28.7% in 2019Q2, compared to 51.7% for men in the same age group).

Lengthening working lives

Recommendations:

- Improve access to formal employment for women in order to improve their economic situation once they reach retirement age.
- Raise awareness of the benefits of employing older men and women, reduce age discrimination and promote implementation of age-management approaches.

There is a gap in access to education mainly with regard to the most vulnerable groups. While on average 97.6% of children attend primary and 84.6% attend secondary education, the corresponding shares among Roma children were 69% for primary and 23% for secondary education (European Commission, 2020). According to a survey, Roma women have on average around 3.9 years of education, one-third that of non-Roma women (World Bank, 2017). Almost every second young person in Bosnia and Herzegovina who has left the formal educational system stays at the level of three-year secondary education or lower, which is significantly below the EU average. Financial problems are the main reason for termination of education. To remedy this barrier, scholarships do exist. However, only 7% of pupils and students are receiving a scholarship for education.

Human capital development

In terms of levels of education in the population, in 2018 14.8% of employed persons had completed primary or lower education, 68.2% secondary education, and 16.9% tertiary education³⁹. The main weakness of the education system is considered to be that it does not prepare young people well for the labour market. A key challenge is found in difficult school-to-work transition,

³⁸ World Bank (2020), Bosnia and Herzegovina: Pension Policy Challenge in 2020.

³⁹ Government of Bosnia and Herzegovina (2019), Economic Reform Programme for 2019-2021.

which affects more women than men: in 2018, youth unemployment rate (15-24 years old) for men reached 35.4% and 45.5% for women. More progress has been made over the past years to reduce youth unemployment, though it should be investigated what role emigration has played to reduce youth unemployment.

While reforms of education systems are being developed, strategic documents do not contain a specific gender dimension. Data on the gap in participation in education between boys and girls for the whole population in Bosnia and Herzegovina, as well as for the entities, should be monitored and published regularly.

At tertiary education level, segregation with regard to study fields has been recorded. Women tend to choose more often than men the following study fields (in descending order): medicine, education, arts and humanities, and law, while young men prefer more often to study ICT, security studies and criminology, and civil engineering. Women outnumber men only in mathematics (mainly with the objective of becoming mathematics teachers), whereas in technology every fourth, and in engineering every third, student is a woman. According to the Gender Action Plan 2018-2022 only 10% of women are educated in fields such as mechanical and electrical engineering. Once employed, 30% are employed in the growing ICT sector (Risteska, Memeti and Samardzic Janokva, 2020).

The involvement of women in research is comparatively high, at 47% of women researchers, which stands above the Central and Eastern European percentage of about 40% (Risteska et al., 2020, referring to UNESCO data).

Some activities are carried out to encourage women to enrol in STEM⁴⁰ and to promote female scientists. IT GIRLS is an initiative set up in 2016 with a training workshop on the basics of website development for girls aged 13-15. STEM European Researchers Night has been held in Bosnia and Herzegovina since 2012. The aim of the event is to raise awareness of research and innovation in the economy, support researchers and promote the achievements of local scientists, innovators and entrepreneurs, encouraging young people to consider science a potential career (Risteska, Memeti and Samardzic Janokva, 2020).

Recommendations:

- Collect and publish regularly gender-disaggregated statistics on women's participation in research, and education in VET and tertiary education by field of study.
- Invest substantially in the education of Roma girls and women.
- Scale up ICT study places for men and women.
- Attract more women into engineering study fields.
- Implement vocational guidance that attract girls and young women to pursue studies and VET in currently male-dominated professions for which there is demand; and boys and young men to enrol more often in female-dominated study fields.
- Continue to implement activities to foster interest of pupils, and in particular of girls, in technology.

40 Science, Technology, Engineering, Mathematics

- Revise curricula and textbooks in order to overcome gender segregation and traditional gender roles.
- Provide support to pupils and their parents to avoid school drop-outs.
- Improve employability of young people through revising curricula to include skills demanded by the labour market. Include practical training elements in the curricula.
- Provide remedial education and upskilling to low-educated adult women.

According to the World Economic Forum's gender report, Bosnia and Herzegovina is ranked 59 out of 77 economies on the Female Entrepreneurship Index (female entrepreneurs in Bosnia and Herzegovina rank particularly low on innovation and research and development expenditure) (World Bank Group, 2018). Likewise, the SME Policy Index 2019 shows a gender gap in entrepreneurship (OECD et al., 2019). The most recent enterprise survey⁴¹ for manufacturing firms in Bosnia and Herzegovina shows that 27.2 percent of small and medium sized enterprises (SMEs) are female-owned and only 9.3 percent enterprises have majority female ownership (World Bank Group 2018)⁴².

Promoting entrepreneurship

The gender gap in managerial positions is large. Only 24.1% of firms have a woman as a manager, although this is above the regional average. Moreover, only 9.3% include female participation in ownership, which is lower than the regional average. Female-owned businesses are on average smaller in scale than those owned by men in terms of sales, costs, employees, and volume of profits⁴³.

Only 26.8% of property owners⁴⁴ are women. This situation has been relatively constant over the past decade. Between 2003 and 2013, approximately 70% of men owned property; a period during which ownership among women increased by only 3 pp (World Bank 2017, referring to data of FAO and World Bank 2014). Although the civil code protects women's right to property ownership, in practice, discriminatory practices linked to traditional views on women's roles prevail, and women often lack information about their rights and the services available for guidance and information.

Women face multiple financial constraints to set up and develop businesses. Concentration in low-productivity activities and small business sizes both result and magnifies financial constraints. The financing gap of female-led business is larger than for male-led businesses. (World Bank Group, 2018).

According to an assessment by the OECD (OECD et al., 2019), policy on women's entrepreneurship has improved since 2016. However, this is partly led by international donors and long-term sustainability is thus not ensured. The inclusion of women's entrepreneurship within the wider economic policy landscape remains weak⁴⁵.

41 <http://www.enterprisesurveys.org/data/exploreeconomies/2013/bosnia-and-herzegovina#gender>

42 World Bank Group / International bank for Reconstruction and Development (2018), 'Access to finance for female-led micro, small & medium-sized enterprises in Bosnia and Herzegovina.'

43 World Bank (2017), PROMOTING WOMEN'S ACCESS TO ECONOMIC OPPORTUNITIES, Policy Note.

44 With property registered in their name.

45 Since the 2016 assessment, an informal working group supported by Gesellschaft für Internationale Zusammenarbeit (GIZ) and chaired by the Ministry of Foreign Trade and Economic Relations ensures dialogue and coordination on women's entrepreneurship developments among policy makers from all entities, including business and civic interest groups. OECD et al., 2019.

At entity level, the Council for Women's Entrepreneurship in the Republika Srpska demonstrates the leadership role of the Chamber of Commerce in prioritising women's entrepreneurship through policy engagement, training and international networking. The Council provides important institutional support for women's entrepreneurship as part of the government's SME strategy, and oversees the implementation of a dedicated women's entrepreneurship development programme. The Government of the Republika Srpska has also adopted a Women's Entrepreneurship Development Strategy for the period 2018-22. In the Federation of Bosnia and Herzegovina, a women's entrepreneurship strategy development working group led by the Federal Ministry for Development, Entrepreneurship and Crafts provides the basis for a more established advisory body on women's entrepreneurship. There are a few examples of grants to support women-owned businesses at cantonal level. In the Brčko District a women's entrepreneurship action plan is being drafted. Monitoring and evaluation of women's entrepreneurship activities still needs to be improved⁴⁶.

Recommendations:

- In line with the recommendations of the World Bank and the International Bank for Reconstruction and Development, it is recommended to improve the implementation of laws and regulations to boost gender equality, especially in the context of obtaining credit. It is also recommended to develop dedicated support programmes like partial credit guarantee schemes and counterpart guarantees for expanding supply of credit for female-led micro enterprises and SMEs.
- Advisory services to financial institutions should be provided in order to allow for improved credit risk assessment, develop new products, and expand services to female-led micro enterprises and SMEs.
- Provide guidance for women to set up businesses, to increase productivity of businesses and to maintain business profitability.
- Initiate and coordinate mentorship programmes for women.
- Improve reporting of gender-disaggregated data by financial institutions and monitor gender-disaggregated data on land property.
- Amend the land registry laws to enable the non-registered spouse to register as co-owner of the property acquired during marriage without the consent of the spouse who is already registered; and simplify the land registration process for the non-registered spouse.
- As set out in the Third Gender Equality Plan, organise entrepreneurship training programmes for women.

Access to employment services and active labour market policies

While in 2019 women represented only 37.9% of all employed aged 15-64, they represented 47.6% of the unemployed, according to Labour Force Survey data. The unemployment rate for women (19.7%) was higher than the unemployment rate for men (14.2%). Around three-quarters of unemployed men and women were long-term unemployed. Women registered more often with the

⁴⁶ Since the 2016 assessment, an informal working group supported by Gesellschaft für Internationale Zusammenarbeit (GIZ) and chaired by the Ministry of Foreign Trade and Economic Relations ensures dialogue and coordination on women's entrepreneurship developments among policy makers from all entities, including business and civic interest groups. OECD et al., 2019.

Public Employment Service: 55.1% in 2018. In addition, given the high economic inactivity rate among women, the challenge for active labour market policy is large. During 2018, 33,088 registered unemployed participated in an active labour market policy. This is a very low number given that, in 2018, there was a stock of 451,700 registered unemployed. Nevertheless, this represents some progress given that the number of participants more than doubled between 2017 and 2018, and the budget was increased by 23.3%. Most (90%) active labour market policies (ALMPs) were employment incentives. Only 4.4% of participants were in entrepreneurship measures and only 5.6% of all participants took part in a training measure⁴⁷. Budgets for ALMPs will need to be increased substantially in the future. No data on the gender split of participants in active labour market policies have been made available. Institutional capacities must be strengthened to deliver effective employment services to unemployed men and women (European Commission 2020).

Recommendations:

- Strengthen institutional capacities of the Public Employment Service and upscale budgets for active labour market policies.
- Collect and publish gender-disaggregated data on participants by type of active labour market policy.
- Intensify efforts to place women into formal employment.
- Develop and implement dedicated start-up programmes for unemployed women, and provide entrepreneurship training and follow-up support. Significantly scale up budgets for entrepreneurship programmes for unemployed women.
- Significantly increase budgets for upskilling unemployed adults.
- Provide transportation support to unemployed women if they take up employment (e.g. in forms of vouchers).
- Improve cooperation between social and family services and employment services at the local level in order to overcome employment barriers for women.
- Implement measures to substantially reduce youth unemployment rates (e.g. by promoting internships, promoting trial employment, employment incentives).

⁴⁷ Administrative data, collected by RCC.

B.3 Kosovo*

Key facts, 2019	
GDP, current price bn USD	8.0
Population (000's)	1,796
_ of which female, %	49.7%
Employment rate, % (aged 20-64)	30.1%
Unemployment rate, % (aged 20-64)	25.7%

		Value 2017	Value 2018	Value 2019	Best economy (year)		Progress	2019: Distance to EU-27 (pp)
1. Labour market indicators								
1.1. Activity rates								
1.1.1 Male activity rate, % (aged 20-64)		75.1%	72.7%	67.3%	MK (2017)	84.4%	▼	- 25 pp
1.1.2 Female activity rate, % (aged 20-64)		22.6%	20.7%	23.2%	AL (2019)	67.6%	▲	- 49 pp
1.2. Employment rates								
1.2.1 Male employment rate, % (aged 20-64)		54.0%	52.6%	53.0%	AL (2019)	74.7%		- 26 pp
1.2.2 Female employment rate, % (aged 20-64)		14.6%	14.1%	15.6%	AL (2019)	59.7%	▲	- 51 pp
1.3. Precarious employment share								
1.3.1 Incidence of part-time employment in women, %		8.3%	5.4%	6.2%	XK (2018)	5.4%	▼	- 24 pp
1.3.2 Share of women in temporary employment, %		21.7%	21.4%	22.1%	AL (2019)	5.6%		+ 7 pp
1.3.3 Share of women working as unpaid family workers, %		7.5%	5.5%	5.0%	ME (2019)	3.6%	▼	+ 4 pp
2. Education								
2.1. Transition to work								
2.1.1 Male early leavers from training, %		11.4%	9.3%	8.0%	BS (2019)	4.0%	▼	- 3 pp
2.1.2 Female early leavers from training, %		13.1%	9.9%	8.4%	BS (2019)	3.5%	▼	± 0 pp
2.1.3 Share of women enrolled in tertiary education, %		N/A	55.7%	56.0%	AL (2019)	59.7%		N/A
2.1.4 Recent male graduates in employment, %		N/A	N/A	N/A	RS (2018)	77.5%		N/A
2.1.5 Recent female graduates in employment, %		N/A	N/A	N/A	ME (2018)	71.9%		N/A
2.2. Skills								
2.2.1 Share of men with above basic digital skills, % (aged 16-74)		4.0%	N/A	14.0%	RS (2017)	22.0%	▲	- 19 pp
2.2.2 Share of women with above basic digital skills, % (aged 16-74)		6.0%	N/A	15.0%	RS (2019)	19.0%	▲	- 14 pp
3. Leadership and empowerment								
3.1. Money matters								
3.1.1 Share of women at risk of poverty		18.9%	N/A	N/A	XK (2017)	18.9%		N/A
3.1.2 Gender pay gap, %		N/A	N/A	N/A	RS (2018)	9.6%		N/A

		Value 2017	Value 2018	Value 2019	Best economy (year)		Progress	2019: Distance to EU-27 (pp)
3.2. Female representation in decision-making bodies								
3.2.1 Share of women in middle and senior management, %		15.4%	18.4%	14.3%	AL (2019)	41.3%	▼	-19 pp
3.2.2 Share of women in parliament and national assemblies, %		N/A	31.8%	32.0%	MK (2019)	39.2%		± 0 pp
4 Access to services								
4.1. Medical care								
4.1.1 Share of women reporting inadequate access to medical care, %		N/A	N/A	N/A	MK (2018)	2.4%		N/A
4.2. Public services								
Share of women among the registered unemployed		45.0%	45.4%	45.7%	MK (2017)	43.4%		N/A

The impact of Covid-19 on gender gaps in local employment: The gender gap in employment narrowed by 8.6pp between 2019Q2 and 2020Q2, this stems from a large decrease in the gap in the first two quarters of 2020 (-5.8 pp). But in the same period, female unemployment rose by 18pp.

Policy recommendations

The Agency for Gender Equality, located in the Office of the Prime Minister, prepared the Kosovo* Programme for Gender Equality 2020-2024⁴⁸. The first plan covered the period 2008-13. The new plan was drafted with active participation of working groups, representatives of institutions, civil society, partners, and local and international organisations⁴⁹. The agency's tasks include: conducting research on gender inequality; coordinating measures and policies; and monitoring the implementation of measures and policies to reduce gender inequalities.

The Kosovo* Programme for Gender Equality 2020-2024 plans highly relevant activities to improve skills, reconcile work and family life and combat discrimination in the labour market. The three strategic pillars are (i) economic empowerment and social welfare, which includes the objective to increase the employment rate among women from 12.3% in 2017-18 to 17% by 2021-22 and 20% by 2024; (ii) human development, roles and gender relations; and (iii) women's rights, access to justice and security. The related Action Plan 2020-2022 has a budget cost of €13.8m⁵⁰. The bulk of the budget is donor financed. To catch up and keep pace with reducing gender inequality in the region it will be crucial to maintain financing over a longer period and thus to adapt the national budget accordingly.

The National Development Strategy 2016-2021 sets objectives for policy action in different areas in order to enhance gender equality. The Government Programme 2020-2023 sets the objective to improve the social and economic position of women through a cross-sectoral approach. The government has also set an objective to strengthen institutional mechanisms for gender equality

48 <https://abgj.rks-gov.net/assets/cms/uploads/files/Programi%20i%20Kosov%C3%ABs%20p%C3%ABr%20Barazi%20Gjinore%202020-2024%20-%20ANGLISHT.pdf>

49 <https://womensnetwork.org/the-agency-for-gender-equality-and-government-pledge-to-advance-gender-equality/>

50 <https://abgj.rks-gov.net/assets/cms/uploads/files/AGE%20Kosovo%20Program%20for%20Gender%20Equality%202020-Legal2024.pdf>

Comprehensive policy approach and institutions

and for protection from discrimination through rigorous implementation of the relevant legislation and the Ombudsperson's recommendations⁵¹. The legal obligation for gender-responsive budgeting, as set out in the Law on Gender Equality, amended in 2015⁵², has so far only been implemented partially at national level. A sub-legal act on the implementation of gender-responsive budgeting was in the process of finalisation at the time of writing (January 2021).

Recommendations:

- Implement gender-responsive budgeting.
- Ensure sustainable financing of measures with sizeable budgets to support substantial increases in women's participation in the labour market.
- Collect and display gender-disaggregated survey data as well as administrative data on policy implementation.

Legal framework against discrimination The labour law prohibits discrimination in employment and occupation in respect of recruitment⁵³, training, promotion of employment, terms and conditions of employment and dismissal. The Law on Gender Equality stipulates the obligation of introducing temporary specific measures to reduce gender inequality, including through quotas (Risteska, Memeti and Samardzic Janokva, 2020). Although discrimination in the recruitment process is not allowed, gender-specific vacancies are still posted, according to a study conducted in 2017⁵⁴. The implementation of quota rules, or their absence, should be monitored.

Secondary legislation for the implementation of the Law on Protection from Discrimination has not been adopted. Overall, institutions perform poorly in processing and investigating cases of discrimination (European Commission, 2019)⁵⁵. Progress has, however, been made recently in the public sector. In order to implement the regulatory framework within the public administration, the Prime Minister signed the "Policy against Sexual Harassment in Public Administration" on 25 November 2020, which was prepared by the Kosovo* Gender Studies Centre, in cooperation with the Office for Good Governance (OGG). The policy had already been initiated, in 2008, with the financial support of USAID⁵⁶.

Recommendations:

- Strengthen institutional capacities to effectively implement the legal framework protecting women from gender discrimination.
- Raise awareness about all forms of gender discrimination linked to access to employment and in the workplace. Target groups of awareness raising activities should be employers, Chambers, social partners, education institutions, labour inspectorates and legal institutions.

51 See Kosovo* Programme for Gender Equality 202-2024

52 Kosovo* Programme for Gender Equality

53 An announcement or publication of a job vacancy cannot contain words or phrases that discriminate based on gender

54 http://www.institutigap.org/documents/48043_Raporti-Final%20analyze%20punesimi%20i%20grave.pdf

55 European Commission, 2019, Kosovo* Progress Report

56 <https://womensnetwork.org/after-years-of-advocacy-kgsc-pushes-the-adoption-of-the-policy-against-sexual-harassment-in-public-administration-in-kosovo>

- Implement the labour law and monitor whether posted vacancies are formulated in a non-discriminatory way.
- Provide women with support and legal advice to report on cases of discrimination.

Traditional gender roles, family responsibilities and limited access to quality and affordable child and elderly care are major employment barriers for women. Outward migration of men further reduces their possibilities to combine work and family lives (World Bank, 2018⁵⁷). **Reconciling work and family life**

The part-time employment rate for women is low (4.3% in 2019 Q2⁵⁸). This is the lowest rate in the region and far below the EU average⁵⁹. Although a high share of part-time employment can be a sign of unequal access to the labour market and career progression, a low share of part-time employment linked to a low employment rate, as is the case in Kosovo*, indicates that employers may not be offering suitable working hours for women which would permit them to balance work and family life⁶⁰.

Article 49 of the Labour Law regulates the principles, conditions and criteria for the use of maternity leave⁶¹. The law is generous in protecting mothers, but at the same time it disincentivises hiring women (World Bank 2018). The employer has to pay 70% of the salary for six months for women on maternity leave, and at the same time has to hire a new person for 6-12 months as temporary replacement⁶². In most of the EU Member States, a distinction is made between maternity leave (benefits received by mothers amounting mostly to a 70-100% replacement rate of wages, but in general for significantly shorter periods than 12 months) and parental leave (with quite varying earnings replacement rates, or even unpaid) (ICF, 2017). OECD average maternity leave was 19.1 weeks in 2016, the length for paid maternity leave and parental leave was 52 weeks on OECD average, the average length for paid father-specific leave was 8.2 weeks and the average length of parental leave with job protection was 65.7 weeks⁶³. The generosity of paternity and parental leave varies greatly across the EU (Janta and Tewart, 2018).

In the EU, maternity leave is mainly financed through a contribution-based social security system, or it is tax financed. In a few economies, employers need to contribute to the financing for maternity leave⁶⁴. In Kosovo*, there is evidence that, due to the prospect of maternity leave, pregnant

57 World Bank (2018), Improving the integration of women in Kosovo's labor market: What can the Public Employment Agency do?

58 WIIW and World Bank (2020), Labour Market Trends in the Western Balkans 2020.

59 In EU-28, 31% of women aged 20-64 were in part-time employment compared with 8% for men, in 2018. <https://ec.europa.eu/eurostat/de/web/products-eurostat-news/-/DDN-20190621-1>.

60 <https://abgj.rks-gov.net/assets/cms/uploads/files/AGE%20Kosovo%20Program%20for%20Gender%20Equality%202020-2024.pdf>

61 <https://gzk.rks-gov.net/ActDetail.aspx?ActID=2735>

62 See Kosovo* Programme for Gender Equality

63 OECD Family Database indicator PF2.5 "Trends in leave entitlements around childbirth"; <https://stats.oecd.org/index.aspx?queryid=54760>

64 For example, in Germany, employers need to compensate for the gap between payments made by health insurance and the employee's full salary for a period of 14 weeks. Thereafter, parents are eligible for parental leave. In Greece, employers have to pay for half to one month. Thereafter, women receive a social security allowance for the remaining period. In Finland, allowances for maternity leave compensate for 70-90% of previous salaries up to a certain ceiling (with lower rates for women with high salaries). Many collective agreements specify that the employer guarantees 100% of salary for the first three months, compensating for any gap. ICF (2017), Study on the costs and benefits of possible EU measures to facilitate work-life balance for parents and care givers – Annexes, Study for the European Commission, - Directorate General for Justice and Consumers

women are dismissed from work, especially those employed in the private sector. According to Kosovo's Law on Labour, an employed mother is entitled to twelve (12) months of maternity leave, while fathers are entitled to two days of paid leave and two weeks of unpaid leave upon a child birth or adoption. The Kosovo* Programme for Gender Equality 2020-2024 sets the strategic objective to amend Labour Law in order to guarantee parental leave, maternity leave, and paternity leave in accordance with the EU Work-Life Balance Directive.

Participation of children in early childhood education and care is very low in Kosovo*. In 2014/15, 2.3% of children aged 0-3 had access to childcare and 26.5% of those aged 3-6 were enrolled in pre-primary education⁶⁵. This share is lower than in other economies of the region and in the EU, as well as in the Europe and Central Asia region⁶⁶.

The National Development Strategy 2016-2021 aims to increase enrolment of children in pre-school institutions by 5,000 children annually by 2021, by building public kindergartens and increasing involvement in private institutions (Kosovo* Programme for Gender Equality). The Kosovo* Programme for Gender Equality 2020-2024 sets the strategic objective to provide access to quality social and family services, including residential care centres and day-care for the elderly and people with disabilities.

Recommendations:

- Remove the obligation of employers to compensate for salary losses in case of maternity leave. Maternity leave and parental leave benefits should be financed out of the social security system or taxes and the burden spread over the whole economy and/or whole society.
- Reform parental leave, maternity leave, and paternity leave, in accordance with the EU Work-Life Balance Directive. Encourage fathers to take parental leave.
- Substantially enhance enrolment rates of children in early childhood education and care and invest heavily in public and private childcare facilities.
- Continue to develop and implement gender-sensitive pedagogical concepts in early childhood education and care, as breaking gender stereotypes needs to start at an early age⁶⁷.

Lengthening working lives Unlike most economies in the region, there is no difference in retirement age between men and women before receiving the basic pension⁶⁸. However, since the employment rate of women is extremely low, a low percentage of pension recipients are women. This puts them at higher risk of old-age poverty (15% in 2016)⁶⁹.

65 Farnsworth, Nicole, Adelina Berisha, Erica Browne, Nerina Guri, Donike Kastrati, and Gresa Rrahmani. 2016. Who Cares? Demand, Supply, and Options for Expanding Childcare Availability in Kosovo. Pristina: Kosovo* Women's Network.

66 World Bank (2017), PROMOTING WOMEN'S ACCESS TO ECONOMIC OPPORTUNITIES, Policy note.

67 Building on the AGE manual in preventing gender stereotypes in text books [https://abgj.rks-gov.net/assets/cms/uploads/files/ENG-ManualSteriotipetGjinore-ENG\(1\).pdf](https://abgj.rks-gov.net/assets/cms/uploads/files/ENG-ManualSteriotipetGjinore-ENG(1).pdf)

68 World Bank (2020),- Kosovo-Pension-Policy-Challenges-in-2020

69 Kosovo* Programme for Gender equality

Recommendations:

- Improve access for women to formal employment in order to improve their economic situation once they reach retirement age.
- Raise awareness of the benefits of employing older men and women, reduce age discrimination and promote implementation of age-management approaches.

Women in Kosovo* have significantly lower levels of education than men with 50% of women of working age having no more than a lower-secondary education, compared to 27% of men⁷⁰. The percentage of women aged 25-64 who have completed tertiary education remains at 8%, while the percentage of men is 14.3%. While the educational level of younger cohorts has significantly increased, girls growing up in precarious conditions or belonging to marginalised groups still have less access to education. Thus, among social assistance recipients, more boys than girls attend upper secondary education. In 2013, 8.8% of girls and women were not enrolled in secondary education compared to 1.2% of boys and men. A large number of girls, especially those coming from marginalised communities such as Roma, Ashkali and Egyptians, are left out of school institutions at all levels, particularly in higher education. In accordance with the Kosovo* Education Strategic Plan 2017-2021, the inclusion of children of Roma, Ashkali and Egyptian communities in primary education is planned to increase by 10%, and in lower- and upper-secondary education by 20%. Implementing these objectives would be an important step and progress will need to be sustained. The Kosovo* Programme for Gender Equality 2020-2024 seeks to reduce the NEET rate (those not in education, employment or training, as a percentage of the population in the relevant age group) from 30% in 2017/2018 to 20% by 2024.

Girls participate significantly less in VET, with a share of just 39% in the 2015/16 school year. Instead, women are either less qualified or highly qualified. The enrolment rate of young women in tertiary education is higher than for men⁷¹, as it is in other economies in the region. However, there is a strong gender segregation as regards the field of study; again, like in other economies in the region. Women are overrepresented in the fields of education, philology, philosophy and medicine, while men dominate in physical education and sports, agriculture, mechanical engineering, computer engineering, construction and architecture⁷². There are plans to increase student enrolment in underrepresented majors by 30% and the number of women in technical directions by 20%. While these are ambitious objectives, there is no encompassing strategy to tackle gender segregation, e.g. through revising school material, adapting curricula and orienting young girls early on to technology.

A third of students enrolled in STEM⁷³ were women. Among STEM subjects, more women than men studied mathematics (mainly to become teachers). There was nearly gender parity among students in computer sciences as in some other Western Balkan economies, e.g. Montenegro

70 World Bank (2017), Promoting Women's Access to Economic Opportunities. Kosovo*. Policy Note.

71 During the academic year 2014/2015, 50.2 per cent of women of age group 18-25 were studying in higher education, a higher rate than the total participation of 43.5 per cent. Kosovo* Programme for Gender Equality.

72 Kosovo* Programme for Gender Equality, referring to UNDP 2017.

73 Science, Technology, Engineering, Mathematics.

and in contrast to many EU economies where the share of female ICT students is much lower⁷⁴. Thus, the economy has an important potential for economic empowerment of women in the area of ICT, in which a skills shortage exists worldwide. However, only about a third of students in engineering are women, and their share was particularly low in mechanical engineering⁷⁵.

Recommendations:

- Invest heavily in the education of women.
- Scale up ICT study places for men and women.
- Attract more women into engineering study fields.
- Implement vocational guidance that incentivises girls and young women to pursue studies and VET in currently male-dominated professions for which there is high demand; and boys and young men to enrol more often in female-dominated study fields. Vocational guidance should also encourage women to prepare and take up occupations in the areas of energy, water, environment and others, as recommended in the Kosovo* Programme for Gender Equality 2020-2024.
- Provide scholarships to girls and young women as recommended in the Kosovo* Programme for Gender Equality 2020-2024.
- Revise curricula and textbooks in order to overcome gender segregation and traditional gender roles.
- Introduce activities to foster interest of pupils, and in particular of girls, in technology.
- Provide support to pupils and their parents to avoid school drop-outs.
- Provide remedial education and upskilling to low educated adult women.

Promoting entrepreneurship

Women have limited access to assets and productive inputs (World Bank 2018). Kosovo* scores below the average of economies in the region in terms of entrepreneurial learning and women entrepreneurship. Progress in this area has been poor between 2016 and 2019, according to an OECD assessment⁷⁶. Only around one-fifth of enterprises were owned by women in the first quarter of 2020⁷⁷. The vast majority of the direct beneficiaries of government subsidies and grants for agriculture were men. In 2017 women received 17% of the Kosovo* Investment and Enterprise Support Agency (KIESA) grants for their enterprises, and men 83%. Women-owned enterprises received 25 times less funds as subsidies, which is disproportionately low even considering current low rates of entrepreneurship (Kosovo* Programme for Gender Equality).

The government has set an objective in the Kosovo* Programme for Gender Equality to provide financial support, access to micro-credit and financing programmes through credit mergers in order to increase the engagement of women in entrepreneurship and increase women-owned businesses, as well as exercise of the right to property and inheritance.

74 <https://eige.europa.eu/publications/work-life-balance/eu-policies-on-work-life-balance/women-in-ict>

75 Kosovo* Programme for Gender Equality <https://womensnetwork.org/wp-content/uploads/> and Risteska et al. /RCC, 2020. 2018/10/20130529105303566.pdf

76 OECD/ETF/EU/EBRD (2019), SME Policy Index: Western Balkans and Turkey 2019: Assessing the Implementation of the Small Business Act for Europe, SME Policy Index, OECD Publishing, Paris. <https://doi.org/10.1787/g2g9fa9a-en>

77 <https://ask.rks-gov.net/media/5509/statistical-repertoire-of-economic-enterprises-in-kosovo-q1-2020.pdf>

Recommendations:

- Improve access to credit and micro-credit for women.
- Implement the right to property and inheritance for women, in order to increase ownership.
- Provide advisory services to financial institutions in order to ease access to financial resources for women.
- Provide guidance for women to set up businesses, increase business productivity and maintain business profitability.
- Initiate and coordinate mentorship programmes for women.
- Improve reporting of gender-disaggregated data by financial institutions and monitor gender-disaggregated data on land property.
- Develop and implement dedicated programmes to increase women entrepreneurship.

The Strategy of the Ministry of Labour and Social Welfare (2018-2022)⁷⁸ includes women as a target group. Target groups for active labour market policies are women from rural areas and women without income. While women represent 21.3% of all employed, their share among the unemployed according to the Labour Force Survey is 25.6% (in 2018). Against this background, women are overrepresented among registered unemployed. However, unlike the situation in Albania and Montenegro, women remain underrepresented among the Employment Agency's participants in active labour market policies: while women represent around 45% of all registered jobseekers, they only represent 34% of participants in active labour market policies and 27% of trainees in Vocational Training Centres (in 2016). Female participation in active labour market policies has improved compared to 2016 (World Bank 2018⁷⁹). However, the overall budget for active labour market policies is low in the light of substantial labour market problems. The unemployment rate for men was 22.7% in 2019Q2 and 32.7% among women (aged 15+). In 2019Q2, 74% of women had been unemployed for more than one year (WIIW and World Bank 2020)⁸⁰.

Access to employment services and active labour market policies

The aforementioned strategy aims to address occupational gender segregation, e.g. through vocational guidance and scholarships⁸¹; however there is no evidence of implementation. Nor has guidance for career counselling prepared by MEST been adopted and implemented⁸². The school-to-work transition is also more difficult for women than men. In 2018, 64.7% of young women were unemployed, as compared to 51.5% of young men⁸³.

There is no integrated strategy for the delivery of social and employment services at local level⁸⁴, although this would be very useful in order to reduce labour market barriers for women, in

78 <https://mpms.rks-gov.net/en/wpdm-package/strategjia-sektoriale-2018-2022/>

79 World Bank (2018), Improving the integration of women in Kosovo's labor market: What can the Public Employment Agency do?

80 WIIW and World Bank (2020), Labour Market Trends in the Western Balkans 2020.

81 Kosovo* Programme for Gender Equality 2020-2024

82 Kosovo* Programme for Gender Equality 2020-2024

83 Kosovo* Programme for Gender Equality 2020-2024

84 Sectoral Strategy for Employment and Welfare 2018-2020 https://kryeministri-ks.net/wp-content/uploads/2019/08/Strategjia-Sektoriale-e-MPMS-2018-2022_ALB-1.pdf

particular in rural areas and in areas with a high presence of marginalised groups. Unlike other economies in the region, Kosovo*’s latest revised action plan on the integration of marginalised Roma and Ashkali communities neither includes measures specifically targeting these communities with active labour market policies nor measures specifically targeting women from these communities⁸⁵. The causes of gender disparities in employment in these communities include early marriage of girls, lower level of education compared to men, and gender stereotypes⁸⁶.

Lack of public transport is considered an important obstacle to women’s participation in the labour market, especially for women living in rural areas and suburbs of cities⁸⁷.

Transition to formal employment represents a major challenge. A Kosovo*-wide survey showed that about 30% of women in the private sector work without a contract⁸⁸.

Recommendations:

- Strengthen institutional capacities of the Public Employment Service and upscale budgets for active labour market policies.
- Intensify efforts to place women into formal employment.
- Implement start-up programmes for unemployed women and provide entrepreneurship training and follow-up support.
- Provide transportation support to unemployed women if they take up employment (e.g. in forms of vouchers).
- Invest in the public transportation system.
- Improve cooperation between social and family services and employment services at the local level in order to overcome employment barriers for women.
- Implement measures to substantially reduce youth unemployment rates (e.g. by promoting internships, promoting trial employment, employment incentives).

85 European Commission, 2019.

86 Strategy for Integration of Roma, Ashkali and Egyptian Communities. Cited in Kosovo* Programme for Gender Equality 2020-2024.

87 Kosovo* Programme for Gender Equality 2020-2024

88 Kosovo* Programme for Gender Equality 2020-2024

B.4 Montenegro

Key facts, 2019	
GDP, current price bn USD	5.5
Population (000's)	628
_ of which female, %	50.6%
Employment rate, % (aged 20-64)	60.8%
Unemployment rate, % (aged 20-64)	15.2%

	Value 2017	Value 2018	Value 2019	Best economy (year)	Progress	2019: Distance to EU-27 (pp)
1. Labour market indicators						
1.1. Activity rates						
1.1.1 Male activity rate, % (aged 20-64)	77.0%	78.6%	79.2%	MK (2017)	84.4%	▲ - 5 pp
1.1.2 Female activity rate, % (aged 20-64)	61.7%	62.5%	64.4%	AL (2019)	67.6%	▲ - 8 pp
1.2. Employment rates						
1.2.1 Male employment rate, % (aged 20-64)	65.2%	66.7%	67.5%	AL (2019)	74.7%	▲ - 11 pp
1.2.2 Female employment rate, % (aged 20-64)	51.4%	52.9%	54.2%	AL (2019)	59.7%	▲ - 13 pp
1.3. Precarious employment share						
1.3.1 Incidence of part-time employment in women, %	10.7%	8.7%	8.1%	XK (2018)	5.4%	▼ - 22 pp
1.3.2 Share of women in temporary employment, %	28.8%	30.5%	30.5%	AL (2019)	5.6%	▲ -15 pp
1.3.3 Share of women working as unpaid family workers, %	3.9%	3.8%	3.6%	ME (2019)	3.6%	+ 2 pp
2. Education						
2.1. Transition to work						
2.1.1 Male early leavers from training, %	5.6%	4.4%	5.2%	BS (2019)	4.0%	- 7 pp
2.1.2 Female early leavers from training, %	5.2%	4.9%	4.9%	BS (2019)	3.5%	- 4 pp
2.1.3 Share of women enrolled in tertiary education, %	55.5%	55.3%	55.6%	AL (2019)	59.7%	N/A
2.1.4 Recent male graduates in employment, %	63.9%	68.3%	N/A	RS (2018)	77.5%	▲ N/A
2.1.5 Recent female graduates in employment, %	66.7%	71.9%	N/A	ME (2018)	71.9%	▲ N/A
2.2. Skills						
2.2.1 Share of men with above basic digital skills, % (aged 16-74)	16.0%	N/A	N/A	RS (2017)	22.0%	N/A
2.2.2 Share of women with above basic digital skills, % (aged 16-74)	12.0%	N/A	N/A	RS (2019)	19.0%	N/A
3. Leadership and empowerment						
3.1. Money matters						
3.1.1 Share of women at risk of poverty	23.0%	23.5%	N/A	XK (2017)	18.9%	N/A
3.1.2 Gender pay gap, %	N/A	N/A	N/A	RS (2018)	9.6%	N/A

		Value 2017	Value 2018	Value 2019	Best economy (year)		Progress	2019: Distance to EU-27 (pp)
3.2.	Female representation in decision-making bodies							
3.2.1	Share of women in middle and senior management, %	25.4%	23.8%	28.2%	AL (2019)	41.3%	▲	- 9 pp
3.2.2	Share of women in parliament and national assemblies, %	N/A	23.5%	25.3%	MK (2019)	39.2%	▲	- 6 pp
4	Access to services							
4.1.	Medical care							
4.1.1	Share of women reporting inadequate access to medical care, %	3.2%	2.8%	N/A	MK (2018)	2.4%		N/A
4.2.	Public services							
	Share of women among the registered unemployed	55.1%	59.0%	N/A	MK (2017)	43.4%	▲	N/A

The impact of Covid-19 on gender gaps in local employment:
The gender employment gap remained stable between Q1 and Q2 2020, after having narrowed by 1.1 pp between Q2 2019 and Q2 2020.
Female employment gains were made in the agricultural sector (+39%), losses were recorded in the ICT and administrative services sectors.
Skilled female agricultural workers benefitted from the crisis (29% growth), regaining some of the lost employment from 2019 and overall growing 10 pp more than their male counterparts.

Policy recommendations

Comprehensive policy approach and institutions

The Department for Gender Equality of the Ministry of Human and Minority Rights is in charge of monitoring, preparing strategic documents and coordinating relevant actors. Gender equality policies require cooperation and coordination of the Ministry of Human and Minority Rights, the Department for Gender Equality, all ministries and government authorities, the Parliament of Montenegro, public institutions, local self-government bodies and civil society⁸⁹. The Department for Gender Equality organises training for different target groups in order to strengthen capacities of institutions to implement gender equality principles according to the law.

In 2019, the National Gender Equality Index for Montenegro was developed by the State Statistical Office of Montenegro (MONSTAT) in cooperation with the Ministry of Human and Minority Rights, following EIGE's methodology⁹⁰. The Gender Equality Index score for Montenegro was 55, below the EU average of 67.4; below the score obtained by Albania in the same year (60.4); and below that of the Republic of North Macedonia (62). Montenegro's score was nearer to the score of Serbia (55.8) in the previous year. The gap between Montenegro and the EU average was largest for the dimensions of 'money', 'power' and 'time'. The gap for dimensions 'knowledge' and 'employment' was lower, but still significant. Only for the 'health' dimension was Montenegro near the EU average.

⁸⁹ Council of Europe, Gender Equality Commission, Activities and measures at the national level contributing to the achievement of the objectives of the Council of Europe Gender Equality Strategy 2018-2023, 2019, 15 January 2020, GEC(2019)8Rev. The Law on Gender Equality stipulates that all state authorities, state administration and local self-government bodies, public institutions, public companies and other legal entities with public authority, as well as business organisations, other legal entities and entrepreneurs are obliged to assess and evaluate the impact of the decisions and activities on the position of women and men (Gender Equality Action Plan 2017-2021).

⁹⁰ The index was developed with the support of the European Institute for Gender Equality (EIGE) and the United Nations Development Programme (UNDP) in Montenegro, under the remit of the project 'Support to Anti-Discrimination and Gender Equality Policies', funded by the EU.

Gender equality issues are also included in the National Strategy of Sustainable Development 2030 (NSSD), prepared by the Ministry of Sustainable Development and Tourism, in cooperation with other ministries and adopted in 2017. As one of its key challenges the Strategy names the lack of ultimate political commitment to empower women and achieve gender equality. The Strategy also notes limited resources for measures to reduce inequalities⁹¹. The Strategy defines objectives to remedy this situation. By 2030, Montenegro pledged to eliminate political, economic and other gender-based discrimination, eliminate human trafficking and sexual exploitation, achieve equal participation in unpaid work and equality in employment, and strengthen national mechanisms for gender equality⁹². The objective for 2030 includes to have a minimum of 40% of women represented in political decision-making bodies at the national and local levels.

In 2017, the Ministry of Human and Minority Rights developed the Action Plan for Achieving Gender Equality 2017-2021 and related implementation plans. It is the third time that this type of strategic document is elaborated. To this end a cross-sectoral working group was established. The action plan addresses eight of the areas of the Beijing Declaration, including gender equality in the economy, gender-sensitive education and institutional mechanisms for the implementation of gender equality policies. The relevant ministries are obliged to report annually to the Ministry of Human and Minority Rights on the implementation of measures under this plan, as well as other activities aimed at ensuring gender equality. In May 2019, the government adopted the report on the implementation of the Beijing Declaration and Platform for Action⁹³, which contains an assessment of progress made on gender-sensitive policies.

Progress has been made at local level. There are memorandums of cooperation signed with all 23 municipalities, expanding the network of coordinators; 18 municipalities adopted their decisions on gender equality; in 12 municipalities Councils on Gender Equality were formed; 10 municipalities adopted local action plans; and 7 municipalities allocated special funds for implementation gender equality activities. Since 2012, more than 1,700 employees in local governments received training in gender equality⁹⁴.

Recommendation:

- Continue with strengthening coordination of gender-sensitive policies at national and local level.
- Relevant budgets need to be allocated to invest in measures for the economic empowerment of women, across the different policy fields.
- Regularly calculate the gender wage gap and conduct detailed analysis by sectors of activity.

⁹¹ Government of Montenegro, Strategy for Sustainable Development 2030

⁹² Government of Montenegro, National Strategy for Sustainable Development 2030, 2017, p. 297, <https://mrt.gov.me/en/ministry/174209/National-Strategy-for-Sustainable-Development-by-2030-NSSD.html>

⁹³ Ministry of Human and Minority Rights, Montenegro (2019)

⁹⁴ Council of Europe, Gender Equality Commission, Activities and measures at the national level contributing to the achievement of the objectives of the Council of Europe Gender Equality Strategy 2018-2023, 2019. 15 January 2020, GEC(2019)8Rev

Legal framework against gender discrimination The legal framework for gender equality has been developed over the past few years. In 2007 the Law on Gender Equality was passed, with amendments made in 2015 and 2017 to align with the EU *acquis communautaire*. The Law on Prohibition of Discrimination identifies special forms of discrimination, including sexual harassment and discrimination in provision of public services in the spheres of labour, education and professional training⁹⁵. In 2015, amendments to the law stipulated that the ombudsman should be in charge of protection against direct and indirect gender discrimination⁹⁶. In December 2019, the Parliament enacted a new Labour Law, meant to bring national law in line with EU directives 2006/54/EC on equal opportunities in employment and 92/85/EEC on pregnant workers, although further progress still needs to be made regarding alignment to the latter directive. According to the European Commission's assessment, the legislative framework on gender-based discrimination has had limited impact due to weak implementation of existing measures (European Commission, 2020⁹⁷).

Recommendations:

- Raise awareness about all forms of gender discrimination linked to access to employment and in the workplace. Target groups of awareness raising activities should be employers, Chambers, social partners, education institutions, labour inspectorates and legal institutions.
- Provide women with support and legal advice to report on cases of discrimination.
- Monitor implementation of the legislation.

Reconciling work and family life A major cause of the gender pay gap identified by the Action Plan for Gender Equality in Montenegro is the difficulty, especially for women, of balancing work and family life to provide care to children and the elderly. Patriarchal patterns and stereotypes were also identified as barriers. According to a survey conducted by the Montenegrin Employers Federation 'Women in Management in Montenegro'⁹⁸, barriers preventing women from gaining leadership positions also point to: the fact that fathers do not take parental leave; stereotypes and prejudices about women; and (linked to the previous factors) the lack of sufficient work experience and managerial competence of women.

One key policy area is therefore the provision of care for children and elderly family members. Early childhood education and care is delivered in centre-based pre-school settings (*predškolsko vaspitanje i obrazovanje - jaslice i vrtić*), which are the responsibility of the Ministry of Education. Programmes for children under the age 3 are called *jaslice* (nursery), while children aged 3 to 6 attend kindergarten (*vrtić*) groups; primary education starts thereafter. Early childhood education and care is offered in full-day, half-day or three hours per day educational programmes and is free of charge. The legal basis for home-based childcare has been established, although this type of

95 Council of Europe, Gender Equality Commission, Activities and measures at the national level contributing to the achievement of the objectives of the Council of Europe Gender Equality Strategy 2018-2023, 2019. 15 January 2020, GEC(2019)8Rev

96 Monstat et al., Gender Equality Index 2019

97 European Commission (2020), Commission Staff Working Paper, Montenegro 2020 Report, Brussels 6.10.2020, https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/montenegro_report_2020.pdf

98 <http://poslodavci.org/en/publications/women-in-management-inmontenegro>

provision is not yet in place (European Commission, 2019). In 2017, 23.7% of children aged 0-2 years were enrolled in early childhood education centres. This was higher than in the Republic of North Macedonia and Bosnia and Herzegovina, and similar to Serbia. Montenegro is second in the region, after Albania, when it comes to enrolment of children aged 3-5, with a rate of 68.1%⁹⁹. This is, however, lower than the EU average. In Montenegro, more boys than girls are enrolled in early childhood education¹⁰⁰. The available data do not indicate the share of full-day care, which is an important indicator given the low incidence of part-time employment (4.9% of women worked part-time in 2018¹⁰¹).

The objective, as set out in the National Strategy of Sustainable Development 2030, is to ensure that all girls and boys have access to quality development, care and pre-primary education in early childhood. The aim is to increase the capacity of pre-primary institutions in line with the OECD average by increasing the number of constructed facilities. This will involve planned increases in budgets for pre-primary education (current state: 0.38% of GDP). The strategy also aims to increase the coverage of children with alternative pre-primary educational programmes (shorter programmes, interactive services and three-hour programmes). This is likely to better prepare girls for primary school, though this objective does not facilitate female employment.

The National Strategy for Sustainable Development points out that social services and child protection services for Roma communities are not sufficiently well developed. There are no appropriate measures identified for women from ethnic communities living in rural areas, large families, unemployed parents or single parents.

The Amendments to the Law on Social and Child Protection from 2015 ('Law on Mothers') strongly discouraged mothers with three or more children and 15-25 years of work experience, or the very long-term unemployed, to work¹⁰². As a result approximately 17,000 women withdrew from the labour force. The Law was removed in 2017 but, by this time, many of these women could not return to their previous work (Monstat and Ministry of Human and Minority Rights, Gender Equality Report 2019).

Montenegro has introduced parental leave and there is anecdotal evidence that fathers have started to use this in recent years, although data are not available. Montenegrin labour legislation does not prescribe non-transferable parental leave solely for fathers¹⁰³, as is the case in a number of EU economies (e.g. Germany). Stronger take up of parental leave by fathers would help to reduce gender stereotypes.

Working conditions tend to be more flexible for men than women. The percentage of women who said that it would be very easy for them to take an hour or two off during working hours to take

99 Administrative data. There are no data for Kosovo*.

100 The share of girl was 47.4% in the school year 2019/2020 and has only slightly increased in recent years. Statistical Office of Montenegro, Ministry of Justice and Human Rights (2020), Men and Women in Montenegro 2019.

101 WIIW and World Bank, Labour market trends in Western Balkans, 2020

102 Women who had three children and 25 years of employment and women who had four or more children and at least 15 years of employment were entitled to monthly payments of EUR 336 (70% of the average monthly net salary). Mothers of three or more children who had been registered as unemployed for 15 years or more were entitled to monthly payments of EUR 192 (40% of the average monthly net salary).

103 Monstat et al., 2019, Gender Equality Index

care of personal matters was 15.8% compared to 23.9% of men¹⁰⁴. In December 2019, a new labour law was adopted to increase flexibility in various areas, including the deployment of employees outside the employers' premises (e.g. telework)¹⁰⁵. Nevertheless, it remains to be seen whether this law will be implemented in a way that will substantially help women reconcile work and family life.

Recommendations:

- Implement dedicated policies for more working time flexibility and shorter working weeks, allowing more women to take up employment. Encourage companies to implement teleworking for parents.
- Continue to improve the quality of full-time childcare at pre-school age and childcare for younger pupils.
- Continue to expand childcare facilities in rural areas. Monitor the quality of childcare (in terms of children per nurse, pedagogical concepts and opening hours). Increase coverage of children from Roma communities attending childcare facilities and develop appropriate integration strategies.
- Encourage fathers to take parental leave and develop a sustainable awareness raising strategy for employers, as this is likely to be a long-term process.

Lengthening working lives

The retirement ages of men and women still differ. In 2016, the retirement ages were 65 years and 6 months for men and 60 years and 9 months for women with 15 years of contributions. The previous pension reform in 2014 led to the decision to increase the pension age to 67 years and to eliminate the gender gap in the long run. The pension age is expected to increase to 67 years by 2025 for men and by 2041 for women¹⁰⁶. Early retirement is possible from the age of 62 under certain conditions. The employment rate among those aged 65+ increased from 1.7% in 2014 to 6.8% in 2017. This was a stronger increase compared to change in the employment rate for those aged 54-64 (from 48.1% to 52.8% over the same period)¹⁰⁷.

The typical working life for women in Montenegro in 2017 was 27.9 years, while the working life expectancy for men was 34.4 years. The reasons for the gender gap are manifold, and encompass differences in retirement age, significantly more frequent career breaks among women, difficulties in returning to the labour market, and termination of contracts due to maternity (especially in the case of short-term contracts)¹⁰⁸. This impacts the pension levels of women and puts them at greater risk of old-age poverty.

Recommendation:

- Lengthen working lives of women through reducing extended (involuntary) career breaks, promoting stable employment relationships, improving labour market access when re-

¹⁰⁴ European Working Condition Survey EWCS, 2019

¹⁰⁵ EC (2020), Progress Report 2020

¹⁰⁶ Or 40 years of service for men (no age requirement) and 35 years 9 months service for women with 55 years 9 months of age (rising to 40 years of service and 60 years by 2033, no age requirement after 2033), World Bank (2020), Montenegro: Pension Policy Challenges 2020.

¹⁰⁷ ETF (2018), Skills mismatch measurement in Montenegro

¹⁰⁸ Monstat and Ministry of Human and Minority Rights, Gender Equality Report 2019

entering the labour market after a career break, promoting labour market access and targeting active labour market policies at older women.

- Raise awareness of the benefits of employing older men and women, reduce age discrimination and promote implementation of age-management approaches.

When looking at the educational levels of women across age groups, a split in educational outcomes can be seen. Data for 2017 show that 21.1% of women graduated at a tertiary level compared to 18.6% of men. However, 80.8% of the population with no education at all (11,324 citizens) were women, and 73% of those with incomplete primary school education were women too, quite likely mainly from older generations¹⁰⁹. This duality stems from girls and women catching up recently in the sphere of education. The educational level of women has significantly improved over time, with older generations substantially more likely to only have a basic education. Nevertheless, there are still marginalised groups of women with unequal access to basic education: still, fewer girls than boys are attending full-time primary schools (their share was 47.7% in 2019/2020) and there has been no improvement in this since 2015¹¹⁰.

Access to education and the vocational choices made at secondary and tertiary level impact strongly employment prospects, career prospects and wage development. Women with upper secondary education are more exposed to the risk of working in mismatched occupations as compared to their male peers (ETF, 2019).

In 2019, 56.7% of graduates from tertiary education were women and their share among post-graduates at master's level was even higher, at 61.6%. Among recipients of scholarships for talented pupils and best students, including at PhD level, the majority were women (63.3% on average between 2012/13 and 2019/20) (Monstat et al. 2020).

Unlike the situation in EU economies, the majority of those employed in the ICT sector in Montenegro are women (3,000 out of 5,300)¹¹¹. Also, in professional, scientific and technical activities there were slightly more women than men employed (6,700 out of 13,100), as well as in the financial sector. In other sectors, strong gender segregation can be observed (in particular in manufacturing, construction, transportation, health and social work, personal services, education) (Monstat et al. 2019).

In order to attract women to STEM, it is important to foster the interest of young girls in technology from a young age. There are a few programmes in place, in line with international good practice (Duell, 2020). Tinker is part of Devoxx4kids and is introducing children to programming. Amplify, another NGO, implemented the Montenegrin Girls in STEM programme aimed at empowering young girls to discover STEM disciplines. The programme offered a five-month, weekly after-school programme for 50 girls from elementary schools in Podgorica to learn more about robotics and programming.

Women are strongly underrepresented in the Academy of Science and Arts: 6.7% of members in the department for natural sciences were women, 14.3% in the department of social sciences,

¹⁰⁹ MONSTAT & Ministry of Human and Minority Rights, Men and Women in Montenegro, 2018

¹¹⁰ Statistical Office of Montenegro, Ministry of Human and Minority Rights in Montenegro (2020), Men and Women in Montenegro

¹¹¹ <https://eige.europa.eu/publications/work-life-balance/eu-policies-on-work-life-balance/women-in-ict>

Human capital development

0% in the department of humanities and 10% in the department of arts (Monstat et al. 2019). Although some measures are relevant for women in STEM, the gender action plan overlooks STEM (Risteska, Memeti and Samardzic Janokva, 2020).

The Gender Equality Action Plan 2017-2021 commits to mainstreaming gender in research by introducing specific measures to address gender equality amongst researchers. The indicator measuring the effect is related to increased levels of knowledge of employees in higher education about gender equality (Risteska, Memeti and Samardzic Janokva, 2020).

Recommendations:

- Adapt curricula to reduce gender stereotypes beginning from a young age.
- Implement remedial education and upskilling programmes for middle-aged and older women, since a large share only have primary education.
- Promote access to education to girls and women from Roma and Egyptian communities.
- Continue to promote access of women to tertiary education, in particular to STEM study fields.
- Increase female members in the Academy of Science and Arts and encourage women to become scientists.

Promoting entrepreneurship

According to the Governmental Plan for Achieving Gender Equality, women own only 4% of all real estate, 8% of land, 14% of vacation homes and 9.6% of enterprises¹¹². According to agriculture census data from 2010, 13% of holders of family farms were women, while 66% of family members working in family farms were women. Women are also not well represented in managerial positions, with only 22.9% of board members in the largest quoted companies in Montenegro being women (on average from 2015 to 2019) (Monstat et al. 2019).

The objective of the Action Plan for Achieving Gender Equality 2017-2021 is to increase employment of women. The objectives of the Strategy for Sustainable Development 2030 encompass reforms so as to ensure that women receive the same access to ownership and control over land and other forms of property, financial services, heritage and natural resources. Different strategies are in place to promote female entrepreneurship: the Strategy for Development of Women's Entrepreneurship 2015-2020 (under the Ministry of the Economy), the Strategy for Lifelong Entrepreneurial Learning 2020-2024 and the Strategy for Development of Micro, Small and Medium Enterprises in Montenegro 2018-2022, which aims to promote female, youth and social entrepreneurship. A range of specific activities include the introduction of low interest loans and tax cuts for women who would like to start their own business, organisation of training sessions and skills development workshops, and development of public campaigns to encourage women to start their own businesses (Monstat et al. 2019¹¹³).

¹¹² Ministry of Human and Minority Rights, Government of Montenegro, Plan for Achieving Gender Equality with the Implementation Programme for the period 2017-2021 and Ministry of Human and Minority Rights, Government of Montenegro, Plan for Achieving Gender Equality with the Implementation Programme for the period 2017-2021 (cited in Monstat et al. 2019, Gender equality index).

¹¹³ Citing: Ministry of Human and Minority Rights, Government of Montenegro, Plan za postizanje rodneravnopravnosti s programom sprovođenja za period 2017-2021, 2017, p. 26 (Plan for Achieving Gender Equality with the Implementation Programme for the period 2017-2021)

Financial support to women's entrepreneurship has been improved following the adoption of the Strategy for Development of Women's Entrepreneurship. Montenegro's Investment Development Fund has increased the number of credit lines targeted at women and facilitated procedures for obtaining them. During 2018, through three credit lines, 39 credit applications worth €1.2m were approved¹¹⁴. In the area of employment policies, smaller measures were implemented, and 13 unemployed women benefitted in 2019, representing 40% of all beneficiaries (Monstat et al. 2019).

In 2017, 2018 and 2019, the Montenegrin Women's Political Network, comprising representatives of 16 ruling and opposition parties in Montenegro, launched a project 'Supporting Anti-Discrimination and Gender Equality Policies' with an initiative targeting local self-government budgets to introduce a new local mechanism for supporting women's entrepreneurship¹¹⁵. Special budget lines for female entrepreneurship were introduced in 14 Montenegrin municipalities in their 2018 and 2019 budgets, which have allocated a total of €110,000 for 2018 and €158,000 for 2019 for this purpose.

Recommendations:

- Scale up programmes to support women's entrepreneurship, including entrepreneurship training and support to recently set-up women's companies, to sustain entrepreneurship.
- Include entrepreneurship education in curricula of VET and tertiary education. Provide dedicated entrepreneurship training to low-educated women.
- Improve conditions to access ownership (e.g. of land).
- Provide guidance to female entrepreneurs on ways to increase the productivity of their businesses.
- Provide advisory services to financial institutions with the objective of easing access to financial resources for women.

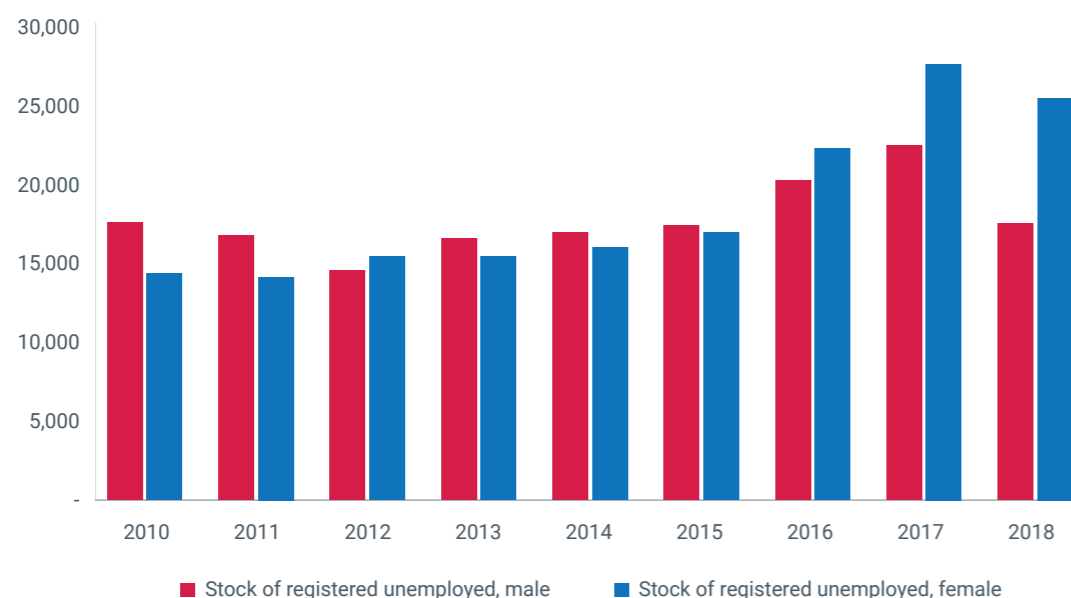
Since 2016, more women than men have been registered as unemployed with the Public Employment Service (PES). In 2018, 59% of registered unemployed people were women. According to administrative data, the number of men and women leaving the unemployment register has been rather similar and has not changed much over time.

Access to employment services and active labour market policies

¹¹⁴ European Council (2020), Implementation of gender equality policy 2019

¹¹⁵ Financed under IPA II

Figure B.1: Stock of registered unemployed, Montenegro



Source: Administrative data provided by RCC.

Not all jobseekers register with the Employment Agency of Montenegro (the PES). While the ratio of registered unemployed to the number of unemployed according to the LFS was 0.74 in 2018, this ratio was 1.28 for women. The implication is that more unemployed women are registering with the PES than is implied by the LFS. This could mean that these women are not immediately available for work or are underemployed.

Women participate more often in active labour market policies (ALMPs) than men. During the first 11 months of 2019, 55.4% of participants were women. However, the budget for ALMPs is small and decreased in 2019¹¹⁶. Only 2,037 unemployed persons participated in ALMPs in 2019, out of a stock of 37,000 registered unemployed and more than 100,000 unemployed according to LFS data. Roma and Egyptian communities are underrepresented among the unemployed registered with the PES and further decreased (747 in 2019). Some targeted measures were implemented, such as the National Employment Agency's active employment measures (129 Roma, men and women, were temporarily employed in 2019). In the area of health, three Roma health mediators are employed in three municipalities¹¹⁷.

Recommendations:

- Increase the budget for ALMPs and strengthen PES capacities.
- Include gender sensitiveness in career counselling in order to reduce gender segregation.
- Provide upskilling for women returning to the labour market after a childrearing break, and for women to adapt their skills to economic and technological change.
- Strengthen capacities of social services and access to health services at local level. Improve cooperation with social services, including with childcare and elderly care services to help women overcome employment barriers.

116 Government of Montenegro, Economic Reform Programme 2020

117 European Commission, Progress Report Montenegro 2020

B.5 Republic of North Macedonia

Key facts, 2019	
GDP, current price bn USD	12.7
Population (000's)	2,083
_ of which female, %	50.0%
Employment rate, % (aged 20-64)	59.2%
Unemployment rate, % (aged 20-64)	17.2%

	Value 2017	Value 2018	Value 2019	Best economy (year)	Progress	2019: Distance to EU-27 (pp)
1. Labour market indicators						
1.1. Activity rates						
1.1.1 Male activity rate, % (aged 20-64)	84.4%	84.2%	83.4%	MK (2017)	84.4%	▼ ±0 pp
1.1.2 Female activity rate, % (aged 20-64)	55.7%	56.3%	59.3%	AL (2019)	67.6%	▲ - 13 pp
1.2. Employment rates						
1.2.1 Male employment rate, % (aged 20-64)	65.6%	66.6%	69.7%	AL (2019)	74.7%	▲ - 9 pp
1.2.2 Female employment rate, % (aged 20-64)	43.7%	45.2%	48.4%	AL (2019)	59.7%	▲ - 19 pp
1.3. Precarious employment share						
1.3.1 Incidence of part-time employment in women, %	12.2%	14.9%	17.5%	XK (2018)	5.4%	▲ - 12 pp
1.3.2 Share of women in temporary employment, %	12.3%	12.9%	14.8%	AL (2019)	5.6%	▲ ±0 pp
1.3.3 Share of women working as unpaid family workers, %	10.9%	10.0%	9.7%	ME (2019)	3.6%	+ 8 pp
2. Education						
2.1. Transition to work						
2.1.1 Male early leavers from training, %	8.3%	5.6%	5.9%	BS (2019)	4.0%	▼ - 6 pp
2.1.2 Female early leavers from training, %	8.7%	8.5%	8.4%	BS (2019)	3.5%	±0 pp
2.1.3 Share of women enrolled in tertiary education, %	55.6%	55.5%	N/A	AL (2019)	59.7%	N/A
2.1.4 Recent male graduates in employment, %	61.5%	55.5%	59.0%	RS (2018)	77.5%	▼ - 29 pp
2.1.5 Recent female graduates in employment, %	51.5%	55.2%	62.7%	ME (2018)	71.9%	▲ - 20 pp
2.2. Skills						
2.2.1 Share of men with above basic digital skills, % (aged 16-74)	14.0%	N/A	15.0%	RS (2017)	22.0%	▲ - 18 pp
2.2.2 Share of women with above basic digital skills, % (aged 16-74)	10.0%	N/A	15.0%	RS (2019)	19.0%	▲ - 14 pp
3. Leadership and empowerment						
3.1. Money matters						
3.1.1 Share of women at risk of poverty	22.0%	22.0%	22.0%	XK (2017)	18.9%	+ 5 pp
3.1.2 Gender pay gap, %	N/A	16.7%	N/A	RS (2018)	9.6%	N/A

		Value 2017	Value 2018	Value 2019	Best economy (year)	Progress	2019: Distance to EU-27 (pp)
3.2.	Female representation in decision-making bodies						
3.2.1	Share of women in middle and senior management, %	22.5%	28.2%	28.2%	AL (2019)	▲	- 9 pp
3.2.2	Share of women in parliament and national assemblies, %	N/A	37.9%	39.2%	MK (2019)	▲	+ 7 pp
4	Access to services						
4.1.	Medical care						
4.1.1	Share of women reporting inadequate access to medical care, %	2.5%	2.6%	2.4%	MK (2018)		±0 pp
4.2.	Public services						
	Share of women among the registered unemployed	43.4%	N/A	N/A	MK (2017)		N/A

The impact of Covid-19 on gender gaps in local employment:
The gender employment gap narrowed by 0.9 pp between Q1 and Q2 2020. In contrast, it narrowed by 3.4 pp between Q2 2019 and Q2 2020.
The transportation and water supply sectors experienced the largest decreases in female employment between Q1 and Q2 2020 (-38%). Female employment in the ICT sector increased by 75%.
Female employment in managerial occupations increased by 51% between Q1 and Q2 2020, compared to a 14% reduction in services and sales occupations.

Policy recommendations

Comprehensive policy approach and institutions

A recent assessment by the European Commission stresses that there is no systematic approach to addressing gender equality in Republic of North Macedonia. Proposed activities primarily target capacity-building aimed at identifying and introducing the gender dimension into the work of the administration and other public bodies. Implementation of planned activities is often slow or is still pending (Kotevska, 2020)¹¹⁸.

The Ministry of Labour and Social Policy, in cooperation with the State Statistical Office, has calculated the national gender equality index, following the methodology developed by the European Institute of Gender Equality (EIGE). The Gender Equality Index score for the Republic of North Macedonia was 62¹¹⁹ out of a maximum of 100, below the EU average of 67.4, but above the score of other economies in the region (Albania scored 60.4, Montenegro 55, and Serbia 55.8¹²⁰). The gap with the EU average was largest for the ‘money’ dimension, while the Republic of North Macedonia was close to the EU-28 score for the ‘employment’ and ‘knowledge’ dimensions¹²¹. Multiple discrimination affects Roma women, women living in rural areas, and women with disabilities in particular (Kotevska 2020). The employment rate for the Roma women is as low as 8%¹²².

118 Kotevska, Biljana (2020), Country report Gender equality. How are EU rules transposed into national law? North Macedonia 2020, European Commission, European Network of legal experts in gender equality and non-discrimination.
 119 Indicators based on 2015 data. BASHEVSKA, Marija (2019), Gender equality index for North Macedonia 2019: measuring gender equality, Skopje: UNDP-UN Women, 2019.
 120 Monstat et al., gender equality index 2019
 121 These gaps were displayed for EU-28.
 122 Government of North Macedonia (2019), Revised Employment and Social Programme 2022. https://www.mtsp.gov.mk/content/pdf/dokumenti/2020/1.4_esrp.pdf

Despite the progress in conducting research on gender inequalities and its reasons, monitoring of policy implementation shows some weaknesses. Available data for monitoring policy progress are often not timely or comprehensive.

The Strategy for Gender Equality 2013-2020 contains basic measures for systemic inclusion of equal opportunities for women and men into the processes of creating and implementing policies and budgets¹²³. The government planned to establish a special body for gender equality to work on integration of gender perspective in policy-making processes and budgeting, which was the task entrusted to the Equal Opportunities Department within the Ministry of Labour and Social Policy. The details of that plan were presented in the 2018 National Action Plan for Gender Equality 2018-2020. Progress made in 2017 and 2018 included a gender-responsive budgeting project and the appointment of a legal representative to identify cases of unequal treatment of women and men. In cooperation with UN Women, the Ministry of Labour and Social Policy implemented a project to develop a module for gender mainstreaming for civil servants and its integration into the training programme of the Ministry of Information Society and Administration¹²⁴. In cooperation with UN Women, the Ministry of Labour and Social Policy discussed and agreed the need to open a regional centre for gender-responsive budgeting and knowledge sharing¹²⁵. Government funding for activities to enhance gender equality remains low and the main pool of financial resources comes from donors from outside the economy (Kotevska 2020).

Recommendation:

- Strengthen the coordination of gender-sensitive policies at national and local level and create a coordinating unit within the government.
- Relevant budgets need to be allocated to invest in measures for the economic empowerment of women across the different policy fields. These should structurally form part of the national budget and not depend on funding by international donors.
- Regularly calculate the gender wage gap and conduct detailed analysis by sector of activity. Collect gendered data on policy implementation of policies and monitor timely advancements, conduct evaluation of policies and publish the results.

In 2010, the first comprehensive equality and non-discrimination legislation was adopted. In 2019, a new Law on Prevention and Protection against Discrimination was adopted to align with international definitions. It also strengthened the role of the Commission for Protection against Discrimination. The general legislation on gender equality is the Law on Equal Opportunities for Women and Men adopted in 2012¹²⁶, replacing the law of 2006, which was considered as too weak in terms of institutional setting for the enforcement of the law.

Legal framework against gender discrimination

123 <https://eca.unwomen.org/en/where-we-are/north-macedonia/national-planning-and-budgeting>
 124 Committee on the Elimination of Discrimination against Women reviews the report of the Former Yugoslav Republic of Macedonia, 1 November 2018, <https://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=23816&LangID=E>
 125 <https://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=23816&LangID=E>
 126 This law defines equal opportunities for women and men, equal treatment, discrimination on grounds of sex, direct and indirect discrimination, harassment and sexual harassment, full equality of women and men, equal representation, and gender mainstreaming.

Overall, in recent years the transposition and implementation of the EU gender equality acquis in the Republic of North Macedonia has been improving (Kotevska, 2020). The main challenge lies in the implementation of gender equality legislation. Sanctions are not considered to be effective, dissuasive or proportionate. While both the Ombudsperson and the equality body have competences and work with gender equality cases, there is no independent body dealing with gender equality that provides visibility to the gender equality mandate. A new law on gender equality has been in preparation since 2020.

Recommendation:

- Raise awareness about all forms of gender discrimination linked to access to employment and in the workplace. Target groups of awareness raising activities should be employers, Chambers, social partners, education institutions, labour inspectorates and legal institutions.
- Strengthen institutional capacities to implement the legislative framework addressing gender equality.
- Provide women with support and legal advice to report on cases of discrimination.

Reconciling work and family life

Early childhood education and care is part of the education system for children from the age of 8 months until they enter primary education. There are also home-based childcare services¹²⁷. The educational part of the activities falls under the responsibility of the Ministry of Education and Science, whereas the care and organisation of the work of pre-school institutions falls under the responsibility of the Ministry of Labour and Social Policy in cooperation with the municipalities (European Commission, 2019c).

In 2017, 16.2% of children aged 0-2 and 33.7% of children aged 3-5 were enrolled in early childhood education and care. This was a lower rate than in Montenegro, Serbia and Albania. In particular, participation of 3-5 year olds was very low as compared to these three economies and to the EU average (the EU benchmark is 95% enrolment in pre-school education¹²⁸). Only in Bosnia and Herzegovina was the participation of children in early childhood education and care even lower (European Commission, 2019). It is mainly women who care for their children and grandchildren (Bashevskaja 2019). The number of preschool facilities is insufficient particularly in rural areas (European Commission 2020). There are no data available on out-of-school care for pupils. A study conducted by Eurofound shows that, in a number of EU economies and Norway, take-up of out-of-school care for children aged approximately between 3 or 6 and 12 years is above 50% (in particular in those economies with a high share of female employment)¹²⁹. In Slovenia, for example, in the 2015-16 school year, 83% of pupils from the first to the fifth grades enrolled in extended stay in elementary schools. In most EU economies, parents in rural areas face greater difficulties in accessing childcare services for school-age children. Eurofound shows, for the European Union, that the opening hours as well as the quality of childcare is decisive for parents' decision

127 Natural persons who provide home care for children of preschool age and a service provided by agencies for the provision of childcare services.

128 European Commission (2020), Commission's assessment of the Economic Reform Programme of North Macedonia 2020-2022.

129 Considered age brackets vary by economy

to use them and thus has an important impact on female employment (Eurofound, 2020). Cost is another significant barrier, affecting parents on lower incomes. The Strategy for Education 2018-25 plans to significantly increase the share of children in pre-school education and introduce a compulsory year of pre-primary education¹³⁰.

Part-time employment of women was average in the region and below the EU average. There is no reported policy to encourage flexible working time for men and women.

Recommendation:

- Expand substantially (full-time) places in early childhood education and care, including in rural areas.
- Expand affordable care facilities for children of school age (including during holidays).
- Monitor the quality of childcare (in terms of children per nurse, pedagogical concepts and opening hours). Increase coverage of children from Roma communities to attend childcare facilities and develop appropriate integration strategies.
- Implement dedicated policies for more working time flexibility.
- Put a system in place that would encourage fathers to take parental leave and develop a sustainable awareness raising strategy for employers, as this is likely to be a long-term process.

The retirement age for women is 62 years, while it is 64 years for men, if they have a record of at least 15 years of pensionable service¹³¹. A change in the pensionable age was adopted under the amendments to the Labour Law in July 2014, which stipulated that workers can decide to postpone their retirement by up to three years (subject to a maximum of 65 for women and 67 for men) beyond the existing official retirement age¹³².

Lengthening working lives

The duration of the working life of women in the economy is, on average, less by 12 years compared to the working life of men. This is the second-lowest level of average working life for women when compared to the EU economies (Bashevskaja, 2019).

Recommendations:

- Raise the retirement age of women and eliminate the gender gap in retirement age.
- Lengthen working lives of women through reducing extended (involuntary) career breaks, promoting stable employment relationships, improving labour market access when re-entering the labour market after a career break, promoting labour market access and targeting active labour market policies at older women.
- Keep women in employment for longer, raise awareness about the benefits of employing older men and women, reduce age discrimination and promote implementation of age-management approaches.

130 OECD (2019), "The education system in the Republic of North Macedonia", in OECD Reviews of Evaluation and Assessment in Education: North Macedonia, OECD Publishing, Paris., <https://doi.org/10.1787/079fe34c-en>

131 <https://www.financethink.mk/en/pension-system-of-macedonia/>

132 Maja Gerovska Mitev (2017), ESPN Thematic Report: Assessment of Pension Adequacy in the former Yugoslav Republic of Macedonia, European Commission.

Human capital development In 2017, 37% of women and 24% of men had not attained an upper-secondary education. The educational attainment of young Macedonians (aged 20–24) is improving over time and is higher than the EU-28 average. Nevertheless, in 2017 the NEET¹³³ rate was high, and slightly higher for women (25.9%) than for men (23.9%). Despite recent improvements, these rates remain well above the EU-28 average (10.9%). Boys and girls from Roma communities have less access to early childhood education and care and to general education. On average around 17% of children at pre-school age are attending kindergartens. Only 75% of Roma children aged 6-18 years old are enrolled in schools. Lack of financial resources, remoteness and discrimination are among the main reasons for low participation¹³⁴. There has not been significant policy progress to remedy this inequality.

In 2017, 91% of young people had completed at least upper-secondary education and the gender gap was very small. Among those aged 30-34, the rate of women who obtained tertiary education (36.8%) was higher than that of men (24.6%), as is the case in many other economies in the region (ETF, 2019¹³⁵). Gender segregation in the choice of study fields was, however, still marked, as in other economies in the region. 15.7% of female students chose STEM¹³⁶ study fields, compared with 27% of male students. Conversely, women are overrepresented in the fields of education, health and welfare, humanities, and art (Bashevskva, 2019). When looking at the share of women among graduates in just the academic year 2018/19 the gender gap is less marked, since the enrolment rate of women in tertiary education is higher: women represented 65.5% of graduates in science, 46% in technology, 40% in engineering and 65% in mathematics. The high share of women graduating in mathematics is linked to their choices to become mathematics teachers. Thus, the share of women among STEM graduates is comparatively high, and largely above the region's average in the field of engineering. One possible explanation for this is foreign investment in industry zones and skills shortages. These two factors may encourage women to pursue engineering studies (Risteska, Memeti and Samardzic Janokva, 2020).

A number of smaller programmes, mainly financed by international donors, have been implemented to encourage girls to opt for STEM study fields, in particular IT¹³⁷. However, the Higher Education Strategy 2018-2025 is not gender sensitive and does not contain measures that would encourage women to study STEM fields (Risteska et al., 2020).

Recommendations:

- Adapt curricula to reduce gender stereotypes beginning from a young age.
- Implement remedial education and upskilling programmes for middle-aged and older women.
- Promote access to education for girls and women from Roma and Egyptian communities.

¹³³ Not in employment, education or training.

¹³⁴ Government of North Macedonia (2019), Revised Employment and Social Programme 2022.

¹³⁵ ETF (2019), Skills mismatch measurement North Macedonia.

¹³⁶ Science, Technology, Engineering and Mathematics.

¹³⁷ In ICT most impactful is the DigiGirls programme organised across the world as part of the Microsoft's YourSpark Initiative. Digital Girls was organised in 2018 in North Macedonia in Skopje and Tetovo. The Programme aims to encourage girls to code, programme and come up with new innovative ideas in the IT world.

- Continue to promote access of women to tertiary education, in particular to STEM study fields. Include a gender dimension in the Action Plans of the Education Strategy.
- Offer vocational guidance in a way that reduces gender segregation in the field of study.

The Republic of North Macedonia scores poorly in terms of entrepreneurship learning and women entrepreneurship and there has been no progress in this area between 2016 and 2019, according to an OECD assessment (OECD et al., 2019). The Ministry of Economy had not finalised the Women's Entrepreneurship Strategy 2017-2020 by 2019. The Strategy for Development of Women Entrepreneurship in the Republic of North Macedonia (2019 - 2023) was adopted in 2019¹³⁸. Under the 'Measure for financial support to women's entrepreneurship' it is planned to spend MKD 2m to subsidise 16 enterprises owned and managed by women. The Ministry of Economy allocated MKD 2.5m in its budget for financial support to women's entrepreneurship. The funds were used for procurement of tools and equipment, improvement of business premises and introduction of software solutions. At the initiative of the Ministry of Labour and Social Policy and the National Federation of Farmers, the National Programme for Agriculture and Rural Development 2018-2022 was amended in terms of the eligibility criteria for measure 115 to provide 'Support to active female members of agricultural households'¹³⁹. While these measures are relevant steps to promote female entrepreneurship, more efforts need to be undertaken to catch up with female entrepreneurship.

The Ministry of Economy has made some modest financial incentives available to strengthen the capacity of business support organisations¹⁴⁰, NGOs and other associations supporting women's entrepreneurship (OECD et al., 2019). With the support of the World Bank, in 2019, the Ministry of Labour and Social Policy was to start implementing a project for the economic empowerment of women through amending legislation on property rights¹⁴¹. The programme of the Government of Republic of North Macedonia 2020-2024 plans to provide support for youth and women entrepreneurship through grants of €5,000-15,000 for starting their own businesses and a tax exemption for all newly established private enterprises set up by young people up to 30 years of age or women, as long as the turnover is below MKD 3m¹⁴².

Recommendations:

- Set up a coordinating unit or one-stop-shop to promote female entrepreneurship.
- Facilitate access for women to financial resources to set up and maintain a company.
- Scale up programmes dedicated to supporting women's entrepreneurship.
- Provide entrepreneurship training to women and follow-up support to companies recently set up by women to sustain growth and productivity.
- Include entrepreneurship education in curricula of VET and tertiary education.
- Provide dedicated entrepreneurship training to low-educated women.

¹³⁸ Government of North Macedonia (2019), Revised Employment and

¹³⁹ Government of North Macedonia, Revised Employment and Social Programme 2022.

¹⁴⁰ In 2017 the budget was EUR 35 000.

¹⁴¹ <https://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=23816&LangID=E>

¹⁴² <https://eacea.ec.europa.eu/national-policies/en/content/youthwiki/32-administration-and-governance-former-yugoslav-republic-macedonia>

Promoting entrepreneurship

Access to employment services and active labour market policies The Employment and Social Reform Programme 2020 was adopted by the Government of the Republic of North Macedonia in August 2017. The Government revised the programme in 2019 and extended it to 2022¹⁴³. The budget for active labour market policies was increased more than three-fold between 2014 and 2020¹⁴⁴. During 2017, only 2.3% of registered unemployed participated in an active labour market policy. Gender segregated data are not available.

Long-term unemployed and young people are the main target groups for active labour market policies¹⁴⁵. Long-term unemployment, in particular very long-term unemployment (four years or more for adults, two years or more for young people), and the low educational levels of unemployed men and women are key challenges for active labour market policies. In 2018, 38.4% of long-term unemployed were women, according to LFS data¹⁴⁶. Unemployed women registered more often than unemployed men with the ESARNM, the PES of the Republic of North Macedonia, since their share among registered unemployed was 43.4% in 2017, while their share on LFS unemployed was 37.9%¹⁴⁷. The revised Employment and Social Strategy 2022 does contain target indicators and objectives for young people and long-term unemployed to participate in active labour market policies, but information specifically about women is not available. The Republic of North Macedonia was the first non-EU economy to introduce an adjusted form of the Youth Guarantee and created a specific youth unit within the PES¹⁴⁸. The Revised Employment and Social Reform Plan 2022 intends to continue to strengthen the institutional capacity of the Public Employment Service.

Recommendations:

- Increase budget for ALMPs to bring unemployed women into work.
- Intensify cooperation with local social work centres and social and family services and strengthen capacities of local social services. Improve cooperation with social services, including with childcare and elderly care services to help women overcome employment barriers.
- Publish timely gender-disaggregated data on participation in ALMPs on the website of the Public Employment Service ESARNM (yearly and monthly).
- Strengthen services provided to employers and raise awareness about eliminating discriminatory behaviour in the recruitment process. Ensure gender neutral formulation of posted vacancies.
- Include gender sensitivity in career counselling in order to reduce gender segregation.
- Develop a gender perspective in the Youth Guarantee in order to address specific gender-related issues in the work-to-school transition.
- Provide upskilling for women returning to the labour market after a childrearing break, and to women to adapt their skills to economic and technological change.

143 Government of North Macedonia, Revised Employment and Social Programme 2022.

144 <https://eacea.ec.europa.eu/national-policies/en/content/youthwiki/32-administration-and-governance-former-yugoslav-republic-macedonia>

145 Government of North Macedonia (2019), Revised Employment and Social Programme 2022

146 Data compiled by RCC. The share of women among unemployed was 37.6% the same year.

147 Data collected by RCC. More recent data are not available at the website of the Employment Agency. LFS data were retrieved from Eurostat.

148 EC 2020, Assessment of ERP 2020-2022

B.6 Serbia

Key facts, 2019	
GDP, current price bn USD	51.4
Population (000's)	8,772
_ of which female, %	51.0%
Employment rate, % (aged 20-64)	65.2%
Unemployment rate, % (aged 20-64)	10.6%

		Value 2017	Value 2018	Value 2019	Best economy (year)		Progress	2019: Distance to EU-27 (pp)
1. Labour market indicators								
1.1. Activity rates								
1.1.1 Male activity rate, % (aged 20-64)		78.8%	80.2%	80.1%	MK (2017)	84.4%	▲	- 4 pp
1.1.2 Female activity rate, % (aged 20-64)		63.6%	64.8%	65.6%	AL (2019)	67.6%	▲	- 7 pp
1.2. Employment rates								
1.2.1 Male employment rate, % (aged 20-64)		68.5%	70.5%	72.1%	AL (2019)	74.7%	▲	- 7 pp
1.2.2 Female employment rate, % (aged 20-64)		54.5%	55.8%	58.2%	AL (2019)	59.7%	▲	- 9 pp
1.3. Precarious employment share								
1.3.1 Incidence of part-time employment in women, %		25.1%	23.2%	23.2%	XK (2018)	5.4%	▼	- 7 pp
1.3.2 Share of women in temporary employment, %		21.6%	21.3%	21.9%	AL (2019)	5.6%		+ 6 pp
1.3.3 Share of women working as unpaid family workers, %		9.4%	8.9%	8.6%	ME (2019)	3.6%		+ 7 pp
2. Education								
2.1. Transition to work								
2.1.1 Male early leavers from training, %		6.3%	6.8%	6.5%	BS (2019)	4.0%		- 5 pp
2.1.2 Female early leavers from training, %		6.1%	6.8%	6.7%	BS (2019)	3.5%		- 2 pp
2.1.3 Share of women enrolled in tertiary education, %		56.0%	56.6%	N/A	AL (2019)	59.7%		N/A
2.1.4 Recent male graduates in employment, %		70.6%	77.5%	72.7%	RS (2018)	77.5%	▲	- 15 pp
2.1.5 Recent female graduates in employment, %		60.6%	63.1%	69.5%	ME (2018)	71.9%	▲	- 14 pp
2.2. Skills								
2.2.1 Share of men with above basic digital skills, % (aged 16-74)		22.0%	N/A	21.0%	RS (2017)	22.0%	▼	- 12 pp
2.2.2 Share of women with above basic digital skills, % (aged 16-74)		17.0%	N/A	19.0%	RS (2019)	19.0%	▲	- 10 pp
3. Leadership and empowerment								
3.1. Money matters								
3.1.1 Share of women at risk of poverty		26.0%	24.0%	23.6%	XK (2017)	18.9%	▼	+ 7 pp
3.1.2 Gender pay gap, %		N/A	9.6%	N/A	RS (2018)	9.6%		N/A

		Value 2017	Value 2018	Value 2019	Best economy (year)	Progress	2019: Distance to EU-27 (pp)
3.2.	Female representation in decision-making bodies						
3.2.1	Share of women in middle and senior management, %	30.3%	29.8%	33.6%	AL (2019)	▲	- 3 pp
3.2.2	Share of women in parliament and national assemblies, %	N/A	37.4%	37.3%	MK (2019)		+ 6 pp
4	Access to services						
4.1.	Medical care						
4.1.1	Share of women reporting inadequate access to medical care, %	5.3%	6.1%	5.2%	MK (2018)		+ 3 pp
4.2.	Public services						
	Share of women among the registered unemployed	52.1%	52.9%	54.2%	MK (2017)		N/A

The impact of Covid-19 on gender gaps in local employment:

The gender employment gap widened by 2.1 pp between Q1 and Q2 2020 due to female employment shrinking whilst male employment rates increased slightly to 66.6%.

Female employment shrunk by most on the construction and administrative and support sectors (-45%), whilst it grew by 20% in the ICT sector.

Female technicians and associate professionals experienced the largest decrease in employment rates (-8%).

Policy recommendations

Comprehensive policy approach and institutions

Serbia has a comprehensive gender policy framework, consisting of the National Strategy for Gender Equality 2016-2020 and the Implementation Action Plan (2016-2018), as well as the Strategy for Prevention and Protection against Discrimination and Implementation Action Plan (2014-2018) (OECD et al., 2019). The evaluation of the National Action Plan for Gender Equality 2016-2018, supported by UN Women, stresses an uneven implementation of different policy areas and success had been regarded as limited by 2018. However, progress has been made in gender-sensitive budgeting. The action plan has been less successful or not successful in delivering gender sensitive formal education, increased public awareness of the significance of gender equality, equal participation of rural men and women, equal participation of men and women in parenting roles and economy of care and in the area of gender studies. Lack of financial resources, fragmented, small scale interventions, and a lack of coordinated action are among the key factors that inhibit more effective implementation in some areas of the action plan¹⁴⁹.

A Coordination Body for Gender Equality has been established by the government with a mandate to coordinate, monitor and support developing a national strategy and support its implementation. Although the body produced important documents, its human and financial resources were considered to be insufficient by the external evaluator of the National Action Plan for Gender Equality (Powell et al. 2019¹⁵⁰). The establishment of focal points for gender issues in the different ministries was not implemented as planned. On the positive side, gender-responsive budgeting teams are established in all budget institutions. The Law on Budget System stipulated gradual

149 https://www2.unwomen.org/-/media/field%20office%20eca/attachments/publications/2019/evaluation%20nap%20for%20ge/evaluation%20nap%20for%20ge%202016-2018_compressed.pdf?la=en&vs=2559

150 Powell, A. et al. (2010), Evaluation of the NAP for Gender Equality 2016-2018.

introduction of gender-responsive budgeting in the planning, implementation and reporting on budgets at all levels. Also, over the past decade, many local institutions for gender equality were established at local-government level. This helps to raise awareness about gender equality but, ultimately, it is the political commitment to allocate sufficient budgets for measures to enhance economic empowerment of women that renders activities effective. The institutional framework will be strengthened through the establishment of the Ministry of Human and Minority Rights and Social Dialogue, as well as the Commissioner for Protection of Equality¹⁵¹. This ministry is tasked with activities related to gender equality and anti-discrimination policy with the aim of promoting gender equality in Serbia, as well as other tasks determined by law¹⁵².

Serbia was the first economy of the region for which the national gender equality index was calculated (in 2016), following the methodology developed by the European Institute of Gender Equality (SIPRU, 2016). The index was calculated again in 2018 and a third national Gender Equality Index is expected to be finalised in the second quarter of 2021. The Gender Equality Index score for Serbia was 55.8 out of a maximum of 100 (in 2018). This was below the EU average of 67.4, as well as the scores of the Republic of North Macedonia (62) and Albania (60.4). Serbia's score was nearer that of Montenegro 55¹⁵³.

As in other economies in the region multiple discrimination represents a challenge. Young women, in particular those from Roma communities, and in a rural context, belong to the most disadvantaged groups in terms of education and access to decent work (World Bank 2016¹⁵⁴).

The high share of unpaid women working as helping family members in the agricultural sector is another key issue, as it is in other economies of the region. The National Action Plan intends to ease access for this group to resources for agricultural production and to promote women to set up their own businesses (Powell et al. 2019). However, other measures would be relevant as well. According to research on the situation of rural women, the decrease in non-agricultural employment opportunities, the unwillingness of employers to employ young women with children, the lack of information on available jobs and the lack of childcare services are perceived as the main obstacles to formal employment¹⁵⁵.

Recommendations:

- Strengthen the institutional capacities for effective coordination of gender-sensitive policies at national and local level.
- Develop integrated strategies to promote economic development in rural areas offering quality jobs for women, support mobility of women, and significantly increase availability of family services.

151 The Minister took office in October 2020.

152 Law on Ministries, Article 12, paragraph 3. The Sector for antidiscrimination and gender equality, previously part of the Ministry of Labour, Employment, Veteran and Social Policy, will be part of newly established Ministry of Human and Minority Rights and Social Dialogue.

153 Which have been calculated at a later stage.

154 World Bank (2016), Women's Access to Economic Opportunities in Serbia, <http://socijalnoukljucivanje.gov.rs/wp-content/uploads/2016/11/Womens-Access-to-Economic-Opportunities-in-Serbia.pdf>

155 Beker, K. et al. (2017) Situation of rural women in Serbia Report. Shadow Report to the Committee for the Elimination of All Forms of Discrimination against Women regarding the Fourth Reporting Cycle of Serbia. Belgrade, cited in Powell et al. 2019.

- Relevant budgets need to be allocated to invest in measures for the economic empowerment of women across the different policy fields. Structurally, these should form part of the national budget and not depend on funding by international donors.
- Regularly calculate the gender wage gap and conduct detailed analysis by sectors of activity. Collect gender-disaggregated data on implementation of policies and monitor timely advancements, conduct evaluation of policies and publish the results.

Legal framework against gender discrimination Gender-based discrimination is prohibited by the Law on the Prohibition of Discrimination. Gender equality is regulated by the Law on Equality of Sexes, which should be replaced by a new law on gender equality to align with the EU *acquis communautaire*¹⁵⁶. The priorities of the Ministry of Human and Minority Rights and Social Dialogue related to gender equality consist of (i) adoption of the new Law on Gender Equality and (ii) adoption of the new law on same-sex partnership.

The Employment Strategy 2016-2020 planned to improve legislation to more effectively control working conditions and discrimination in the labour market, stimulate and secure unionisation of women, introduce internal mechanisms for protection against discrimination and reporting on gender-balanced human resources policies within companies and institutions, respect principles of equal pay and stimulate flexible working arrangements (SIPRU Government of Serbia, 2016). The new Employment Strategy 2021-2026 and the related Action Plan are to be adopted by the end of February 2021. One of the proposed measures is to improve the employment status of women, as part of the objective to improve the position of hard-to-employ categories of unemployed persons in the labour market.

Recommendations:

- Raise awareness about all forms of gender discrimination linked to access to employment and in the workplace. Target groups of awareness raising activities should be employers, Chambers, social partners, education institutions, labour inspectorates and legal institutions.
- Strengthen institutional capacities to implement the legislative framework addressing gender equality.
- Provide women with support and legal advice to report on cases of discrimination.
- Monitor reported cases of gender discrimination.

Reconciling work and family life The Gender Equality Index Report for 2018 indicates that women still care for children and elderly and perform household work much more often than men. Availability of childcare facilities is an important precondition for women to be employed. According to administrative data, 25% of children aged 0-3 attended early childhood education and care in 2017. This is the highest rate in the region. Among those aged 3-5.5, enrolment rate was 61.8% (European Commission et al., 2019), a rate similar to Montenegro, but below Albania and the EU. The number of pre-school institutions should be increased (World Bank, 2016).

Nurseries (*jaslice*) are available for children from 6 months to 3 years of age, and kindergarten (*vrtić*) for children from 3 to 5.5 years. These voluntary programmes consist of general half-day

¹⁵⁶ The new law was not adopted by 2018. Powell et al. 2019.

or full-day educational activities. The pre-school preparatory programme is mandatory for all children and lasts at least nine months, for four hours per day. Early childhood education and care are provided and financed by local authorities (European Commission et al., 2019). There are no data available on out-of-school care for pupils. A study conducted by Eurofound shows that, in a number of EU economies and Norway, take-up of out-of-school care for children aged approximately between 3 or 6 up to 12 years is over 50% (in particular in those economies with a high share of female employment)¹⁵⁷. In Slovenia, for example, in the 2015/16 school year, 83% of pupils from the first to the fifth grades enrolled in extended stay in elementary schools. In most EU economies, parents in rural areas face greater difficulties in accessing childcare services for school-age children. Eurofound shows, for the European Union, that the opening hours as well as the quality of childcare is decisive for parents' decision to use them and thus has an important impact on female employment (Eurofound, 2020). Cost is another significant barrier, affecting parents on lower incomes. The absence of available childcare options can force working mothers to make alternative arrangements, ranging from engaging informal care to taking the decision to work part time. These findings are likely to be valid as well for Serbia.

To date, the objectives of the aforementioned action plan for gender equality with regard to men taking parental leave have been too vague and only awareness raising measures have been planned (Powell et al. 2019). Economic incentives would be more powerful, e.g. through splitting the possibility of taking parental leave and introducing non-transferable parental leave for fathers during the first months after the child's birth.

Recommendations:

- Expand (full-time) places in early childhood education and care, including in rural areas.
- Provide sufficient childcare support for school-age children in order to permit both mothers and fathers to be employed. Monitor attendance of children of all ages in out-of-school care arrangements.
- Implement dedicated policies for more working time flexibility.
- Monitor the quality of childcare (in terms of children per nurse, pedagogical concepts and opening hours).
- Increase coverage of children from Roma communities attending childcare facilities and develop appropriate integration strategies.
- Put a system in place that would encourage fathers to take parental leave and develop a sustainable awareness raising strategy for employers, as this is likely to be a long-term process.

The pension reform of 2014 committed to gradually raising the retirement age of women to match that of men. This transition will take place between 2015 and 2032¹⁵⁸. Since the start of the reforms, activity rates of women aged 55-64 have increased substantially from 29.5% in 2015 to 42.5% in 2019Q2.

¹⁵⁷ Considered age brackets vary by economy

¹⁵⁸ <http://documents1.worldbank.org/curated/en/577021533802173505/pdf/124854-PPAR-P096823-P090418-PUB-LIC-Disclosed-8-9-18-Serbia-Local-Services-PPAR.pdf>

Recommendations:

- Continue targeting active labour market policies at older women.
- Lengthen working lives of women through reducing career breaks, promoting stable employment relationships, improving labour market access when re-entering the labour market after a career break, and promoting labour market access.
- Further reduce age discrimination and promote implementation of age-management approaches.

Human capital development The education levels of both men and women have been rising. However, women are still over-represented among those who have not completed upper secondary education (35% of women and 23% of men in 2015). The share of population with lower levels of education was higher than in those EU economies that joined in 2004 and later (18%)¹⁵⁹. It is mainly older generations who have low educational attainment. However, some groups are still at high risk of obtaining only a low level of education. Early school drop-out rates of Roma girls are still high and one of the main causes is the high prevalence of early and forced marriages. Among young women (15-24) living in Roma settlements, literacy rates were 85.4% compared with 98.6% on average among all young women in Serbia¹⁶⁰. An earlier study revealed that, among young women from the poorest 60% of households in same settlements, the literacy rate in 2014 was 70%. Among Roma girls, net attendance rates in secondary school were only 15% (Powell et al. 2019).

Women have seen more progress than men in tertiary education. In 2016, more women completed tertiary education than men, which is typical for economies in the region (higher schools and university)¹⁶¹. However, segregation in the choice of study fields persists: men were dominant in the fields of informatics and communication technologies (74%) and engineering, manufacturing and civil engineering (63%). Nevertheless, the female share of graduates in STEM¹⁶² fields was 43%. As in other economies in the region, women outnumbered men only in mathematics (in order to become teachers). While women are well represented at all levels of higher education, they only represent 10% of women among members of the National Academy of Science and Arts (Risteska, Memeti and Samardzic Janokva, 2020).

The university-to-work transition is difficult for both men and women. The employment rate of recent graduates (aged 20-34) was 56.9% in 2017, and well below the EU average of around 80%¹⁶³.

The National Action Plan for Gender Equality set the objective to increase gender-sensitive curricula content in primary and secondary education. (Powell et al. 2018). A new Law on Textbooks has been adopted, prescribing removal of gender stereotypes from textbooks. In the 2017/18 school year more than 1,700 teachers, expert assistants and managers employed in education received training on gender equality and gender-based violence and discrimination. According to

¹⁵⁹ European Commission (2019), COMMISSION STAFF WORKING DOCUMENT ECONOMIC REFORM PROGRAMME OF SERBIA (2019-2021) COMMISSION ASSESSMENT, SWD(2019) 169 final, Brussels, 11.4.2019

¹⁶⁰ <https://www.unicef.org/serbia/media/16076/file/MICS%206%20Multiple%20Indicator%20Cluster%20Survey.pdf>

¹⁶¹ Women represented 56% of enrolled students and 58% of those who graduated.

¹⁶² Science, Technology, Engineering and Mathematics.

¹⁶³ European Commission 2019, Assessment of the Economic Reform Plan of Serbia 2019-2021.

information from the Institute for Improvement of Education, preparation of the new curriculum and syllabi oriented towards those outcomes is also underway (Powell et al. 2019).

Recommendations:

- Increase substantially the enrolment rate of Roma girls at all levels of education.
- Continue to adapt curricula to reduce gender stereotypes beginning from a young age.
- Implement remedial education and upskilling programmes for middle-aged and older women.
- Continue to promote access of women to tertiary education, in particular to STEM study fields.
- Offer vocational guidance in a way that reduces gender segregation in the field of study.

In 2019, Serbia scored higher than other economies in the region in the area of women's entrepreneurship, according to an OECD assessment (OECD et al. 2019). The same assessment shows significant improvements between 2016 and 2019, but more effort is still required. Although the share of businesses owned by women in Serbia is not known, other evidence suggests that women are poorly represented among entrepreneurs and business owners. The share of entrepreneurial women has been increasing, from 7.9% in 2007 to 14.9% in 2011 and to 31.7% in 2014. However, only 19.6% of female entrepreneurs run enterprises, according to the gender analysis report for Serbia (Dokmanovic, 2016).

Promoting entrepreneurship

Conditions for starting a business have improved by simplifying administrative procedures, improving the reliability of property registration and facilitating access to finance. Serbia has also been gradually building the policy and legislative basis for developing entrepreneurial learning as a multisectoral government priority, and as part of an overall policy framework for national entrepreneurship support and human resource development. Entrepreneurial learning in Serbia is gradually moving to the cross-curricula integrated key competence approach. Entrepreneurship key competences are included in the curricula at several education levels. These policies are not gender specific. However, the Strategy for Supporting the Development of Small and Medium Enterprises, Entrepreneurship and Competitiveness 2015-2020 and its action plan includes women's entrepreneurship as its sixth pillar (OECD et al., 2019).

Between 2016 and 2018, special emphasis was placed on support for non-agricultural activities in rural areas. Measures were also implemented to provide credit with lower interest rates specifically to women (Powell et al. 2019). In addition, the Public Employment Service is offering start-up support to unemployed women.

Within the regulatory framework, there were also changes with the potential to ease access to land and other real estate property for women. An evaluation of the regulatory changes has not been carried out so far. According to the independent evaluation of the National Action Plan for Gender Equality, a lack of information about women's rights in this regard continues to hinder implementation (Powell et al. 2019).

Numerous government and non-governmental organisations (NGO) cooperate to support women's entrepreneurship under a variety of programmes and strategies. These include the Ministry of Economy, Development Agency of Serbia, National Employment Agency, Women's Business Association (WBA), Serbian Chamber of Commerce, Development Fund and Export Credit and Insurance Agency of Serbia. However, coordination of these approaches is lacking (OECD et al., 2019).

Recommendations:

- The Statistical Agency of Serbia should collect and publish data on the shares of businesses owned by women.
- Designate a stakeholder to coordinate the diverse public and private programmes to support women's entrepreneurship and entrepreneurial learning.
- Scale up programmes dedicated to supporting women's entrepreneurship.
- Provide entrepreneurship training to women, differentiated by socio-economic status and regional context, and support companies recently created by women (to sustain entrepreneurial efforts).
- Improve data collection on women's entrepreneurship and assess the impact of various policies and measures on women's entrepreneurship.

Access to employment services and active labour market policies The unemployment rate of women was slightly higher than for men (11.5% and 10.4% respectively in 2019, according to Labour Force Survey data). Youth unemployment among women has decreased substantially, but was still high in 2019¹⁶⁴, at 26.4% (compared with 23.2% for men). Data for 2017 show that Roma women, young women in rural areas and women aged 45 and over had the highest inactivity rates (Powell et al. 2019). In 2017, the unemployment rate of Roma women (50%) was considerably higher than of Roma men (33%)¹⁶⁵.

Unemployed women tend to register more often with the Public Employment Service than their male counterparts. In 2019, 54.2% of registered unemployed with the Public Employment Service were women, while women represented 47.5% of unemployed according to the Labour Force Survey (Eurostat, 2020v).

Funding for implementing active labour market policies (ALMPs) is very low (2017: 0.08% of GDP). Only around 3% of registered unemployed people have been included in measures such as training, employment and self-employment subsidies or public works (European Commission, 2019).

One strategic area of the National Employment Strategy 2016-2020 is dedicated to the promotion of economic participation of women from vulnerable groups, including rural women, Roma women, women over 60 years of age, young women, pregnant women, women with dependent children, women of minority sexual orientation, victims of violence, women with disabilities, single mothers, women from ethnic minority groups, unemployed and unskilled women. Planned

measures include encouraging women's entrepreneurship, self-employment, and employment, and specific measures for women exposed to the risks of multiple vulnerability (Roma, refugees, displaced women, victims of violence) (SIPRU, 2016). Support can be provided through active labour market policies. However, progress has been slow so far, as the situation of the vulnerable groups has not significantly improved.

Recommendations:

- Increase budget for ALMPs to bring unemployed women into work.
- Intensify cooperation with local social work centres and social and family services, and strengthen the capacity of local social services. Improve cooperation with social services, including with childcare and elderly care services to help women overcome employment barriers.
- Publish timely gendered data on participation in ALMPs (yearly and monthly).
- Include gender-sensitivity in career counselling in order to reduce gender segregation.
- Provide upskilling for women returning to the labour market after a childrearing break, and to women to adapt their skills to economic and technological change.

¹⁶⁴ Second quarter, WIIW and World Bank, Labour Market Trends in the Western Balkans 2020.

¹⁶⁵ UNDP, World Bank, Roma at Glance, Serbia 2018. Cited in Powell et al., 2019

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