Parliamentary Assembly
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COUNCIL OF EUROPE
CONSEIL DE L'EUROPE

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Women and the economic and financial crisis

Parliamentary Assembly

1. The Parliamentary Assembly notes that, in a world in which women own 1% of the world's wealth, have a 10% share of global income, and occupy 14% of leadership positions in the public and private sector, but account for 70% of the poor, the current economic and financial crisis is bound to have a different impact on women and men.

2. Women are first among the groups which suffer disproportionately, having fewer and less effective forms of protection against economic hardship. The Assembly regrets that the specific, nefarious impact of the crisis on women is not reflected in the media reporting on the crisis. While women have, in the past decades, slowly been making gains in the world of work – joining the workforce, starting their own businesses and, on occasion, breaking through the "glass ceiling" – even these modest gains risk being wiped out by the crisis. The gender wage gap, the unequal sharing of household and care responsibilities, the barriers to full-time, well-paid, secure and formal employment for women, and the lack of women in political, financial and economic decision making have stubbornly persisted in most countries.

3. The financial crisis which triggered the economic crisis was literally "man made". Male decision makers in the financial services sector are widely blamed for starting the financial crisis, but politicians, supervisors, regulators and even imprudent households and businesses share some of the blame. Overconfidence, irresponsible risk-taking, lack of consideration of all stakeholders, greed and preference for short-term, individual benefits brought about the worldwide financial crisis. Very few women were involved in the decision-making processes which led to the financial crisis, because very few women held decision-making positions. Therefore, there is ample reason to question the lack of women's participation in the decisions which led to the crisis and to involve them more in future decision making.

4. Most experts agree that the financial crisis could have been avoided if there had been more women in decision-making positions. Studies have shown that women take risks more responsibly, take a more holistic approach and have a more long-term view in their financial decision making.

5. To avoid the risk of history repeating itself, and for a healthy growth of the global economy, it is thus necessary to institute measures with regard to ensuring a balanced number of men and women (gender balancing) in the boardrooms and top leadership and decision-making positions. Diversity in the boardrooms will produce healthier approaches to problem solving, and promote healthier, long-term, strategic decision making. Therefore, immediate action should be taken to ensure gender balancing when reforming the financial institutions and regulatory and oversight mechanisms.

6. Unfortunately, the state response to the economic and financial crisis risks further exacerbating the negative impact of the crisis itself on women, since bail-out programmes for banks and insurance companies, coupled with investments in particular in infrastructure projects and support for the automotive industry, where men constitute the majority of the workforce, overwhelmingly benefit men. This skewed emphasis on male-dominated sectors may lead to the shelving of badly needed investments in areas which would mainly benefit women, for example, in the care and education sector, not to mention projects aimed at empowering women.

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1. *Assembly debate* on 27 April 2010 (13th Sitting) (see Doc. 12195, report of the Committee on Equal Opportunities for Women and Men, rapporteur: Mrs Memecan). *Text adopted by the Assembly* on 27 April 2010 (13th Sitting). See also Recommendation 1911 (2010).

7. A holistic approach is required if sustainable gains are to be achieved in addressing this crisis and preventing further crises. The gender perspective should be taken into account in all policies to increase the number of women in decision-making bodies, to support work-life balance, to close the gender wage gap and to stimulate entrepreneurship. Women should have an equal voice with men in all discussions on rescue and recovery packages, both regarding their design and in assessing their success. The Assembly recognises that equality between women and men cannot be a luxury to be addressed only in times of economic growth: it is a legal and moral obligation, and makes economic sense.

8. The Assembly thus recommends that Council of Europe member states:

8.1. recognise that the “man-made” financial and economic crisis has had and continues to have a specific, nefarious impact on women, both in Europe and in the whole world;

8.2. gender mainstream their rescue and recovery packages, give women an equal voice in their design and in assessing their success, and make sure women’s needs are covered in the packages;

8.3. use tools such as sex-disaggregated statistics and gender budgeting to evaluate the impact of the crisis itself and of such packages;

8.4. take measures to ensure that gender balancing − in particular, with regard to more gender equality in decision making − is taken into account when reforming and redesigning the system of financial institutions and regulatory and oversight mechanisms to avoid future crises;

8.5. make reaching de facto gender equality a priority, from sharing household and care responsibilities, to closing the gender wage gap, to ensuring equal access to decision-making positions in finance, the economy and in politics.

9. The Assembly recommends that the parliaments of Council of Europe member states:

9.1. apply the recommendations contained in Resolution 1706 (2010) on increasing women’s representation in politics through the electoral system, and Resolution 1715 (2010) on the wage gap between women and men;

9.2. monitor the gender-sensitivity of the governments’ response to the financial and economic crisis, as well as of the de factoimplementation.