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## Empowering women in the economy

### Report<sup>1</sup>

Committee on Equality and Non-Discrimination

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### Summary

In spite of recent significant progress, gender inequality remains a serious problem, particularly in the economy, with unjustified differences in remuneration (gender pay gap, later translating into a pension gap), difficult access to employment, slower career progression, gender segmentation (over-representation of women or men in a given economic sector) and low numbers of women in high-level positions in major firms (glass ceiling).

Changing this situation is both possible and necessary. In the last few years, innovative policies and legislation in several Council of Europe member States have included the introduction of quotas for the under-represented gender on management boards, obligations of transparency on levels of remuneration in private companies and a form of gender equality certification or labelling.

Barriers to women's economic empowerment are to a large extent of a cultural nature. Therefore, cultural measures, including in the areas of training and education, as well as awareness raising and information, can play an important role in promoting equality. STEM (Science, Technology, Engineering and Mathematics) education in particular should be promoted among women and girls as they are severely under-represented in this area that is highly promising in terms of economic development and career opportunities.

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1. Reference to committee: Doc. [14046](#), Reference 4218 of 20 June 2016.



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## A. Draft resolution<sup>2</sup>

1. In spite of the significant progress achieved in the last few decades, inequality between women and men is still rife, in Council of Europe member States and beyond, and is particularly evident in the economy.
2. Gender inequality in the economy manifests itself in various forms, including difficult access for women to the labour market and to career progression, especially at top level (glass ceiling). Unjustified differences in pay levels (gender pay gap) are a blatant form of discrimination based on gender in the labour market.
3. Women are under-represented in management jobs, and over-represented in non-standard, part-time and precarious work, which generally holds fewer opportunities for professional development and career advancement. Gender differences also exist among autonomous workers and entrepreneurs, with over 50% more self-employed men than women, and the gap widening as the size of the business grows.
4. Gender segmentation of the economy also contributes to disparities, as sectors with a predominant female work force, such as education, social work and care, tend to feature lower remuneration levels. Women are under-represented in particular in the area of STEM subjects (Science, Technology, Engineering and Mathematics), which offer better employment and professional development opportunities.
5. The Parliamentary Assembly has consistently advocated gender equality in the economy through different measures, including positive actions such as reserved quotas on corporate boards, and work-life balance reconciliation measures, and with texts such as [Resolution 1719 \(2010\)](#) and [Recommendation 1911 \(2010\)](#) on women and the economic and financial crisis, [Resolution 1825 \(2011\)](#) and [Recommendation 1977 \(2011\)](#) "More women in economic and social decision-making bodies", [Resolution 1921 \(2013\)](#) on gender equality, reconciliation of work and private life and co-responsibility, and [Resolution 1939 \(2013\)](#) on parental leave as a way to foster gender equality.
6. The situation has improved in some Council of Europe member States thanks to a variety of measures ranging from positive discrimination, to reconciliation measures including flexible work arrangements and parental leave schemes. Awareness raising, training and life-long education have also contributed to this positive development. However, the improvement is achieved at a slow pace and not in all countries equally.
7. The experience of more gender-equal societies shows that equality between women and men in the economy is a precondition for advances in other spheres, including public and political life.
8. The Assembly is concerned that inequalities in the workplace have a severe impact on the economic well-being of women, not only in the short but also in the longer term, as the combination of lower pay, precarious employment and limited career advancement translate over time into considerably lower pensions and wealth. It notes that the various manifestations of discrimination based on gender in the economy are interconnected and linked with gender inequalities within the household. This correlation should always be borne in mind both when analysing various forms of inequality and when designing possible countermeasures.
9. The Assembly believes that education plays a crucial role in combating the cultural factors that hinder women's participation in the economy, particularly gender stereotypes limiting women's freedom to choose education and careers, and reserving for them a disproportionate burden of unpaid household and care work. Training and life-long education, in addition, would contribute to countering gender segregation in the labour market. The study of STEM subjects, in particular, should be strongly encouraged among women and girls, in view of their growing importance and the current gender imbalance in this area.
10. In the light of these considerations, the Assembly calls on Council of Europe member and observer States and States whose parliaments enjoy observer or partner for democracy status with the Parliamentary Assembly, to:
  - 10.1. as regards women employees:
    - 10.1.1. encourage public and private companies to adopt policies aimed at enhancing gender balance and equal opportunities in the work place, through human resources management policies in areas including recruitment, training and career progression;
    - 10.1.2. require public and private companies to introduce transparency policies on salaries, based on making remuneration scales public by sector and type of job, with a view to guaranteeing equal treatment for equal work;

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2. Draft resolution adopted unanimously by the committee on 5 June 2018.

- 10.1.3. consider introducing a certification system acknowledging that a company's remuneration schemes are not discriminatory, in particular on grounds of gender;
- 10.1.4. introduce legislation and policies on work-life balance measures, including flexible work arrangements (part-time work, teleworking, flexible hours), as well as attractive parental leave schemes;
- 10.1.5. provide affordable childcare services for children of all age groups and encourage companies to do likewise;
- 10.1.6. introduce incentives to childcare, such as tax deductions or vouchers for expenditure related to childcare;
- 10.1.7. promote, also through financial and fiscal incentives, companies' policies to encourage women to return to work after maternity, including professional training and guidance;
- 10.2. as regards women in management positions:
  - 10.2.1. introduce quotas reserved for the under-represented sex on company boards of directors, of 30% or more, with financial and non-financial sanctions for non-compliance, such as the dismissal of the entire board in severe cases;
- 10.3. as regards women's entrepreneurship:
  - 10.3.1. promote women's access to funding for the creation of businesses and land ownership, in particular through special credit lines at reduced interest rates;
  - 10.3.2. provide women with free or affordable training opportunities and guidance for the creation of businesses, specifically designed for women;
  - 10.3.3. encourage mentoring and coaching programmes for women entrepreneurs and enhance gender equality in the work of business incubators;
- 10.4. as regards education:
  - 10.4.1. introduce citizenship education in school curricula with a focus on gender equality, based on a holistic approach encompassing equality between women and men in private and public life, including in education and participation in the work force;
  - 10.4.2. provide training on gender issues and equality to teaching and non-teaching school staff, with a view to combating gender stereotypes in education, including as regards educational and career guidance;
  - 10.4.3. encourage girls to choose STEM disciplines (Science, Technology, Engineering and Mathematics) through educational guidance activities throughout their school career and at university;
  - 10.4.4. encourage education institutions at school and university level to explore new approaches to recruiting students in STEM disciplines, with a view to improving gender balance in the student population;
  - 10.4.5. promote equal access of women and men to information and communication technology and to lifelong education in this area;
  - 10.4.6. introduce into schools' economy and finance programmes the knowledge of legislative and financial instruments that make it possible for women to be better integrated into economic life and which would ensure gender equality;
- 10.5. as regards information and awareness raising:
  - 10.5.1. promote information and awareness-raising campaigns to counter gender stereotypes, particularly regarding the world of work, including through relevant role models and testimonials;
- 10.6. as regards data collection:
  - 10.6.1. promote data collection and analysis on the impact of innovative gender equality-oriented management practices.

## B. Explanatory memorandum by Ms Elena Centemero, rapporteur

### 1. Introduction

1. The Parliamentary Assembly has worked on gender equality in the economy from different angles. Relevant adopted texts include [Resolution 1719 \(2010\)](#) and [Recommendation 1911 \(2010\)](#) on women and the economic and financial crisis, [Resolution 1825 \(2011\)](#) and [Recommendation 1977 \(2011\)](#) “More women in economic and social decision-making bodies”, [Resolution 1921 \(2013\)](#) on gender equality, reconciliation of work and private life and co-responsibility, and [Resolution 1939 \(2013\)](#) on parental leave as a way to foster gender equality.

2. However, in spite of significant progress achieved in the last few decades, gender inequality is still a serious problem. This is reflected in all areas of public life, including political representation, and is particularly evident in the economy. In addition, as recent studies show, the situation is evolving very slowly. In Europe, the average difference in remuneration for similar jobs between women and men, or the “gender pay gap”, stands today at approximately 23%. The number of women in top jobs of major firms is derisory.

3. Changing the situation is possible: figures show that inequality levels vary widely from one country to another, and that some of them have seen women’s participation in the economy grow considerably, thanks to a variety of measures ranging from positive discrimination (quotas on the boards of public companies) to measures to reconcile private and working life, not to mention awareness raising, training and life-long education which are certainly crucial to achieving progress in this area.

4. It is commonly accepted that gender equality depends on a variety of factors which are closely intertwined. The experience of the more gender-equal societies shows that equality between women and men in the workplace is a precondition for advances in other spheres, including public and political life. That is why it is crucial to ensure women’s empowerment in the economy.

5. This report focuses on the experience of women and men in the workplace and the world of economy at large. It analyses the different barriers to women’s progression in professional life, their negative impact both on individual lives and overall economic development, and how this problem could be addressed.

6. Discrimination takes place in various forms: firstly, more difficulties for women in obtaining access to the labour market, and in making progress in their career. Secondly, as already mentioned, unjustified differences in pay levels for women and men are still widespread. This is one of the most visible forms of discrimination against women in the labour market. It has heavy consequences on the economic well-being of women not only in the short but also in the longer term, since lower wages translate over time into lower pensions.

7. Gender segmentation is another feature of the labour market. Women are often over-represented in some sectors, which become “feminised” (education, social work and health, for instance), and under-represented in science, engineering and technology. This type of segmentation tends to exacerbate inequalities, in particular in earnings: sectors in which women are the most represented often offer lower average remuneration.

8. In addition, women are disproportionately represented in “non-standard” (temporary employment, part-time and on-call work, temporary agency work and other multiparty employment relationships) and precarious work, which generally holds fewer opportunities for professional development and career advancement.

9. Women are still vastly under-represented on corporate boards: data from the Organisation for Economic Co-operation and Development (OECD) show that the female share of seats on the boards of the largest publicly listed companies in the 28 OECD member States in 2014 was only 20%.

10. Gender differences exist also among autonomous workers: 8.3% of female and 12.4% of male workers are self-employed without employees, the gap growing considerably when it comes to expanding the business, as, on average in OECD member States, only 2.2% of women, versus 5.5% of men are self-employed with employees.

11. These different manifestations of inequality are interlinked. At the same time they are connected to gender inequalities within the household. This correlation should always be taken into account, both in analysing the various forms of inequality and in identifying possible countermeasures.

## 2. Women employees: the gender pay gap

12. The gender pay gap is a critical issue and, according to the World Economic Forum, no country has entirely bridged it. The average gender pay gap in European Union member States is 16.7 %.<sup>3</sup> The difference in salaries depends on a variety of factors. Education plays a part, since women have a high education level – higher than men – but they specialise in subjects less valued in the labour market. Relatively few women choose science, technology, engineering and mathematics disciplines (STEM), which offer better perspectives in the labour market. Maternity has been for a long time a barrier to accessing jobs and to career advancement. This remains true, but it is worth noting that fertility rates and female employment rates are positively correlated. This is due to the fact that countries where the female employment rate is higher are often those that provide adequate support to parenting, in particular in terms of childcare infrastructure and financial support to families.

13. Our societies feature die-hard cultural elements, such as the division of labour within the family, which are reflected in the world of work and contribute to perpetuating differences in remuneration between women and men. The burden of unpaid work is still unequally shared between women and men. The assumption that, following parenthood, women would become less motivated professionally and fathers would become more so, is still widespread. Gender segregation by sector also has an influence: industries with a higher share of women employees often offer lower salaries.

14. At the hearing held on 23 June 2016, Sam Smethers, Chief executive of the London-based charity The Fawcett Society, indicated that the gender pay gap amounted to 19% in the United Kingdom, but that it was particularly high in part-time work where it reached 30%. The pay gap had an accumulative effect throughout a working life: eventually it translates into an even more considerable pension gap, which amounts to approximately 40%. Figures at European Union level are similar: the European Institute for Gender Equality (EIGE) indicates that in 2012 the gender gap in pensions stood at 38%. This is the result of a sum of gender inequalities over a lifetime: in addition to the difference in salary, a “motherhood penalty” (linked to the time spent out of paid work because of maternity and childcare) and the segregated labour market also have an impact. Today, pension systems do not reflect the nature of modern working life, which has become fractioned. Employees tend to change job several times throughout their life, but they often struggle to have a pension proportionate to the length and value of their entire career.

15. Researcher Katie McCracken of Opcit Research highlighted that women’s empowerment is linked to a variety of factors, some of which are individual (subjective, personal) and some others structural (related to the structure of society and to legal frameworks). Cultural and family practices, media, social norms and expectations cut across this distinction. Discrimination is also of a mixed nature, partly individual and partly structural.

16. Awareness of this situation is growing and political will to tackle it is gaining momentum. Both ethical considerations and economic indicators support this vision. Why should someone’s work be worth 20% or 30% less than someone else’s, based solely on their gender? Why should a country forego the opportunity to increase its wealth because of an out-dated segregation, traditional gender roles and other cultural barriers to women’s access to work which have been inherited from the past? Indeed, research indicates that economic development would increase substantially if women and men could contribute to it on an equal basis. Ms Smethers referred to interesting estimates about the gross national product of the United Kingdom, which would increase by 600 billion pounds if the gap were closed. In other words, the gender pay gap leads to a large loss in productivity. In the United States, economist Heidi Hartmann, President of the Institute for Women’s Policy Research, estimated that if women and men were paid equally, the stimulus effect would lead to a growth of the economy of at least three or four percentage points.<sup>4</sup>

17. While the political will is gaining new impetus, it is not always easy for policy makers to find the best way to empower women in the economy. As a consequence, it is crucial to identify the measures (legislation and public policies but also self-regulation within companies) that have proved the most effective in countering inequalities.

18. Professor Paola Profeta of Bocconi University provided our committee with information on the policies considered by economic researchers to be the most effective. Policies on early childcare, for instance, have a positive impact not only on child development but also on social mobility. They include creating adequate infrastructure and providing accessible childcare services, but also financial incentives, such as tax deductions

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3. EU factsheet “The Gender pay gap in the European Union”, 2016.

4. “Closing The Gender Wage Gap Would Create ‘Huge’ Economic Stimulus, Economists Say”, Laura Bassett, *Huffington Post*, 24 October 2012.

or vouchers, for expenditure related to childcare. Paternity leave policies also play an important role, thanks to their manifold effects: on female employment, on company culture and on people's mindsets (besides the obvious benefits, within the family, for the father-child relationship). Measures should also be taken, within companies, to encourage mothers to return to work, as a significant share of women left work for good after the birth of their second child. Flexible work arrangements (including teleworking and flexible work schedules) increased productivity and improved work-life balance and the sharing of domestic responsibilities. It should also be possible to work part-time in quality jobs (today, part-time work is typically reserved for less-qualified positions). Transparency obligations are also an interesting practice. Due to lack of transparency, it is difficult for individual women to detect and quantify the discrimination that they face at work in relation to salary. As a consequence, provisions requiring organisations to make public their gender pay gap and the gap in bonuses (as enacted, for instance, in the United Kingdom) may prove a good remedy.

19. In Iceland, innovative measures in this area were introduced by the "Equal Pay Act", voted by the Althingi (parliament) in April 2017. The new regulations require public and private companies with 25 or more employees to have their pay system scrutinised and certified by external auditors as gender equal. The new law introduces financial sanctions in the case of non-compliance. In addition, companies are exposed to possible action by the trade unions. The aim of this law is to focus on gender equality in the development of careers and the pay system in companies by making the criteria transparent. The aim is also, more generally, to promote a gender equality mindset among both employers and employees, and to encourage women to apply for all positions, including those traditionally viewed as typically reserved for men.

20. The respect of the standards identified in the guidelines entitles the company to be "certified" (a special logo was created to this end). The analysis and certification system provides for gradual implementation with subsequent steps. At first, it will apply to companies with more than 215 employees (large companies), to be scrutinised by the end of 2018. The second step will concern companies with more than 25 employees and must be completed by 2021. Small companies with less than 25 staff members are not subjected to these regulations, in view of the relatively high cost of the procedure. Although a large share of Icelandic companies falls into this category, the law is estimated to cover about 60% of the workforce.

21. The certification process involves various phases: at first, the remuneration system used by the company's managers is analysed. At this stage, possible unjustified differences in wages between women and men may emerge. In a second phase, companies must set up a Gender Equality Action Plan that is subject to the control of the Centre for Gender Equality (a national body established by the Ministry of Welfare). Subsequently, the company enforces gender equality policies to tackle the possible unbalances that may have emerged. The analysis of the wage system is conducted by external auditors, based on guidelines approved by the Ministry of Welfare. Auditors follow specific training, also supervised by the government.

22. The Gender Pay Act was designed thanks to extensive negotiation and co-operation with the social partners (both trade unions and employers' associations). It is the latest development of a long process, following a number of gender equality laws and policies that paved the way for it over the last few decades. They include measures of reconciliation between work and family life, such as a parental leave scheme, and a law on gender quotas on the boards of large companies. As the enforcement of this piece of legislation has just begun, it is too soon to assess the impact of the new regulations. The first results will not be available before 2019.

23. The gender pay gap is a complex issue, requiring interventions in various areas. The measures I have mentioned seem to me a good mix of cultural, social and economic elements. Policies in support of gender equality are a good investment for any country. They add value to the economy and, as mentioned earlier, contribute to economic growth. They generate a virtuous circle by leading to an increase in the share of women in decision-making positions, both in the economy and in politics, which in turn contribute to eradicating the remaining forms of discrimination. Gender equality policies should be allocated adequate funding and be high on the priority list of leaders. Unfortunately, this is not always the case.

### **3. Gender quotas in senior management of companies**

24. In 2006, Norway introduced radical measures to improve gender balance in the high-level management of large companies, namely a 40% quota reserved for female directors of listed companies. The new regulations came into force in 2008 and provided harsh sanctions, including the forcible dissolution of non-complying firms.

25. Nine years later, a comprehensive study on the effect of female quotas,<sup>5</sup> based on the answers given by 404 top managers to a questionnaire sent to 127 companies, provided a mixed image of the impact of these regulations. Public limited companies, to which the law applies, rapidly reached the minimum 40%

female board members prescribed. This share has remained constant since 2009. However, the number of public limited companies decreased from 452 when the law was introduced to 257 in 2013, as many of them changed the company type. In any case, these companies are large, but there are not many of them. On the contrary, there are over 250 000 private limited companies, which are not covered by the law. In this group, the share of female board members is much lower, approximately 20%, and has remained virtually unchanged over the last decade. This shows that without relevant legislation – and sanctions – no change happens.

26. An often-mentioned side effect of the quota law, the fact that the few experienced executive women ended up cumulating seats in multiple companies, has declined and has now almost disappeared. In 2013, women had 2.46 board seats on average and men had 2.25.

27. The impact of the quota law on the general public's mindset has not been automatic and in some respects it still appears limited: managing the work–private life balance, for instance, is still more challenging for women executives than for men, according to respondents of the questionnaire I mentioned. This can be interpreted as a sign that a heavier burden of home and care tasks is still shouldered by women. In addition, while the number of women board members has increased remarkably, there has been no change regarding the chief executive officers: none of them in Norway's 60 largest companies is a woman.

28. In spite of some shortcomings, Norway's quota law is recognised as a turning point and has triggered interest at European and global level. Legislators in a variety of countries, including Belgium, France, Germany, Iceland and Italy, have taken inspiration from this model. Portugal joined fairly recently: a law passed in June 2017 introduced a 33.3% gender quota in the administrative and supervisory bodies of public sector companies from January 2018, and of listed companies from January 2020

29. I had the opportunity to learn more about the French quota law<sup>6</sup> in January 2017, through a fact-finding visit that I conducted in the wake of the deadline for the minimum threshold of 40% to become applicable. This law, initiated by Mr Jean-François Copé together with our fellow committee member, Ms Marie-Jo Zimmermann, was voted in 2011 by a large, cross-party majority. It is aimed at companies listed on the stock exchange and non-quoted companies with at least 500 employees and a €50 million turnover over the previous three years. In addition, it applies to public companies regulated by commercial law, such as industrial and State-owned companies.

30. My interlocutors in Paris, who represented private companies, the professions and public gender equality bodies, agreed that the law has produced substantial positive effects. Not only has the threshold been reached in most of the target companies, thanks to a generally compliant attitude, but qualitative changes may also be observed. Diversity has generally had a positive effect on company boards: members are now on average younger and better educated. They also appear to be more independent and more open to innovation. Ms Brigitte Longuet, an experienced lawyer with a deep knowledge of the world of liberal professions and of the situation of women in other economic sectors, shared with me a very positive assessment of the law. The change in mindsets within large companies was clear. The increased diversity in senior management is unanimously recognised as an asset.

31. Some of the people I met highlighted the shortcomings of this piece of legislation: in particular, its lack of sanctions for non-compliance. In fact, the law does not even indicate clearly which authority would be in charge of monitoring its enforcement. Changes have been brought about by the compliant attitude of the companies involved, but are not secured. In addition, the scope of the law is limited as it does not cover small and medium-sized companies. Some of these shortcomings may be addressed by slightly amending the law. Last year, an assessment of its implementation was carried out jointly by two equality bodies, the Haut Conseil à l'égalité entre les femmes et les hommes and the Conseil Supérieur de l'égalité professionnelle entre les femmes et les hommes. The report provides a range of recommendations, mainly aiming to make the enforcement of these regulations easier and more effective.

32. Ms Elisabeth Richard, a manager at the large energy company ENGIE, was appointed as the person in charge of "the place of women". She explained to me that her company had introduced a variety of measures to increase women's representation at all levels in the wake of a visit from a member of the French Government, who had enquired about the situation in this area with the top management. These efforts by

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5. "The female quota's effect on Norwegian business", edited by Mari Teigen, Oslo, 2015.

6. Law No. 2011-103 of 27 January 2011 on balanced representation of women and men in boards of directors and supervisory boards and professional equality

various stakeholders and their impact are encouraging. The “quota law” remains, in my opinion, the most effective of all measures adopted in the last few years. The positive impact it appears to have on corporate culture, and in the longer run on the mindsets of the public at large, makes it particularly useful and necessary.

33. In 2011, similar regulations were introduced in Austria, Belgium, Italy and the Netherlands. As previously mentioned, our committee had an exchange with Ms Lella Golfo, a former member of the Italian Parliament and one of the initiators of Law 120/2011, which set a 20% gender quota on the boards of listed companies to be attained by 2012, to become 33% by 2015. When the preparation of the bill started, in 2009, only 5,6% of members of these boards were women. Urgent, radical measures were needed, and the Norwegian system was chosen as a model. Under this law, quotas are designed to be temporary: they only apply to three mandates of the management boards, equalling nine years in total. CONSOB (the public authority in charge of monitoring listed companies and the functioning of the stock market) and the government’s Department for Equal Opportunities have the mandate to monitor the enforcement of the law. They are also in charge of applying sanctions for non-compliance, which include a fine of between 100 000 and 1 million euros and the dismissal of the entire board.

34. According to Ms Golfo, the law had a remarkable impact, exceeding expectations not just quantitatively, but also qualitatively. Women in the top management of target companies increased from 5,6% to over 30%, as prescribed. The quality of boards also improved: as I discovered in France, the quota law led to management boards being composed, on average, by younger members with higher education levels.

35. Women’s rights organisations carried out intense awareness-raising and lobbying work for the quota law to be adopted as opposition among parliamentarians was strong. Female members of parliament were fewer than they are now (not to mention that not all of them voted in favour) which shows, if necessary, how political representation of women is linked to the situation of women in society at large. The Marisa Bellisario Foundation, chaired by Ms Golfo, worked also to raise awareness among large companies. It reacted to the objection that there were not enough women prepared for top management roles and distributed a compilation of 2 500 curricula vitae of female candidates with relevant profiles. In Italy, like in other countries, the quota law has triggered a cultural change: even many former opponents now agree that its impact has been positive. The similarities between quotas on boards of public companies and electoral quotas are striking. In both cases, the choice of introducing quotas was the result of a long, hard campaign to combat the representation gap. In both cases, it may be useful to consider quotas as a temporary measure. In both areas, the impact is rapid and conspicuous, and it is accompanied by cultural changes that can be expected to last in the longer term.

36. In November 2017, the European Union Commissioner for Justice and Gender Equality, Věra Jourová, announced new proposals to promote gender quotas on company boards. Companies where female non-executive directors are under-represented (under 60%) would be required to prioritise women in considering candidates for this kind of post. I welcome this initiative and I hope that European Union member States will support it (in the past, several of them have resisted previous similar initiatives, on various grounds).

37. In view of the similarities I have mentioned between quotas in corporate management and electoral quotas in politics, and as a strenuous supporter of the latter, I cannot but promote positive discrimination in the senior management of companies. Both the reasoning that led to their adoption in a number of countries and the observation of their impact prove that they are effective and necessary measures, in particular in the short term.

#### **4. Women’s entrepreneurship**

38. Women not only work for companies, whether at executive level or otherwise, some also create their own businesses. Gender differences exist also in this area. As Ms Valerie Frey, a researcher at the OECD, explained to our committee, cross-national comparative data are scarce, but statistics on self-employment help to shed light on the situation. As far as small businesses are concerned, about two thirds of entrepreneurs are men and one third women. It appears that fewer women than men wish to be self-employed. The reasons are partly subjective: some women seem to lack the necessary self-confidence (I find this element striking and I will comment further on it). Objective factors also contribute to this entrepreneurship gender gap. More difficult access to financing, as shown by research in several OECD member States, plays an important role.

39. Differences between male and female-run businesses also concern the size (on average, women create and run smaller companies) and, sadly, earnings (the gender gap in this respect is even bigger than in salaries). Even women entrepreneurs bear a larger burden of unpaid work than their male partners and therefore find it difficult to strike a balance between household and paid work. The business areas also tend to

be differentiated: women are often entrepreneurs in the industries that are traditionally associated with female employees, such as care services. They tend to have a higher level of education than male entrepreneurs, but in fields not necessarily linked to their business. On a more positive note, companies' survival rates were similar in the two groups.

40. One of the most interesting parts of my mission to France was the visit to the business incubator *Paris Pionnières*. Dozens of "pioneers" share a working space to create new companies. Today the Paris start-up scene is thriving, and it is encouraging to see that an organisation inspired and managed by women is at the forefront of this phenomenon. This "girl power incubator" as it defines itself, provides not only a physical space, but first and foremost technical support, training activities, legal advice and other services to its members. Ms Marie Georges, its current President, is a highly educated professional who created her own business ten years ago, thanks to the support of this organisation. She made clear that the services they provide are not reserved for female entrepreneurs. On the contrary, the key word is "diversity": *Paris Pionnières* itself, and the start-up companies that are created thanks to its support, benefit from the ideas and the work of women and men belonging to different generations. I had the opportunity to meet representatives of three new companies. One of them, currently developing a smartphone application, explained that the input from one of the associates, a man in his sixties, was crucial to create a tool that may be used by young and older persons.

41. The experience of this incubator is a good practice that deserves to be shared and whenever possible replicated in other contexts. It shows that while public authorities have a duty to adopt measures to empower women, individual entrepreneurs and companies also have a role to play. Indeed, they can make a difference.

42. As regards what legislators and policy makers can do, the OECD formulates a range of recommendations to its member States. Ensuring equal access to finance for women and men should be a top priority. Good practices in this area may also be found in non-European OECD member States: in Korea, for instance, a special fund was created for female entrepreneurs, while in Mexico a fund had preferential rates for women. Policies to support the internationalisation and innovation of firms are also advisable, as innovating often means challenging traditional cultural schemes and gender segregation in business. Awareness-raising campaigns, training, mentoring and coaching programmes are also recommended by the OECD.

43. Once again, I have to note that subjective and cultural factors are stumbling blocks on women's way to empowerment. It is disappointing to hear that women are prevented from establishing independent businesses to the same extent that men do through lack of self-confidence. The stereotyped roles subtly and persistently imposed on them by society from an early age are difficult to shake off and clearly have a long-lasting impact. I consider this as a confirmation that education, awareness raising, vocational guidance and a consistent fight against gender stereotypes should all be part of women's empowerment policies.

## 5. The gender digital divide

44. At the 61st session of the United Nations Commission on the Status of Women (CSW), in March 2017, the issue of the gender digital divide was often referred to. The notion that access to the internet is unequal, with wide differences across geographic regions, social-economic groups and between men and women is well-known to stakeholders. The fact that women are particularly affected by the digital divide has been acknowledged by research and political debates in the last five years and was recently confirmed by the International Telecommunication Union (ITU) annual report released in early 2017.<sup>7</sup> Worryingly, this report also indicated that the gender digital divide is growing. The United Nations Educational, Scientific and Cultural Organization (UNESCO) established a Working Group on the Gender Digital Divide in September 2016. The decision to create the working group stemmed from the worrying finding that the gap in male and female access to the Net was 11% globally (it has since reached 12% according to ITU) and 29% in the least developed countries. About 200 million fewer women than men worldwide own a mobile phone, the most common tool to go online in developing countries.

45. "The internet empowers the people who have access to it", states a study published by Betterplace.lab, an online project that set itself the mission to "spread knowledge, inspire through stories and fight for a digitisation that benefits humanity" and was represented at a side event organised by the German Government at the Commission on the Status of Women. In other words, while information technology has

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7. ICT Facts and Figures 2016, International Telecommunications Union, Geneva, 2017.

changed the world faster than any previous technological revolution, with a deep impact on the economy, public administration as well as creativity, political participation and social inclusion, this unfortunately does not apply to everyone.

46. Betterplace.lab's report "Bridging the digital gender gap" is based on research carried out in six countries ranking very differently in the human development index scale, from Ethiopia to Germany. Research found that this specific type of gender gap is more pronounced in developing countries. However, in different forms, it also exists in wealthier nations. Even in Germany, 6th country out of 188 for human development, with a 126,6% mobile coverage (over 126 mobile phones per 100 inhabitants) and 75% of the population having mobile broadband internet access, "the playing field is not even when it comes to gender and the digital world". Although in everyday life access to information technology is equal for everybody, women lag behind men in terms of internet literacy.

47. Substantial differences are also to be found in the Information Technology industry. Women make up just 15% of all employees in mathematical and technical professions, the study recalls, and just 20% of all IT graduates. Maren Heltsche, a programmer and board member at Digital Media Women, a network for women in the German digital economy quoted in the report, says that the IT industry is a completely male-dominated work environment, in which women feel uncomfortable. "It's not enough to simply motivate women to undertake IT studies, they also need to be encouraged to stay in the industry after completing their studies", she concludes. In addition, the gender salary gap in this industry is 24%, as opposed to 20% in German industry in general.

48. The start-up world is also male-dominated. Hans Raffauf, co-founder of the company that developed Clue, a women's health app, found at the time of recruiting staff that women deemed themselves unsuitable for the job and he had to convince them of their skills. In this area, women's lower self-confidence meets a lack of belief in women's skills by the banks: women have less chance than men of getting funding from private lenders to create start-ups.

49. To counterbalance the obstacles that women meet in accessing and prospering in the IT world, specific support is needed, to be provided both from the public authorities and on a peer to peer and network basis. Dozens of networks are active in this field. To mention just a few of the biggest ones:

- Women Who Code (WWCode), a global non-profit organisation "dedicated to inspiring women to excel in technology careers" has established local networks in a number of European capitals but also in smaller cities such as Belfast and Bristol (United Kingdom) or Cluj-Napoca (Romania);
- Digital Media Women is based in Hamburg and has branches all over Germany;
- Fintech Ladies Europe defines itself as an "exclusive circle of C-level women working in the financial and fintech industry". Its first networking events took place in the form of dinners in financial capitals Zurich, London and Frankfurt;
- Paris Pionnières, which I visited in January 2017, has a more general mission, but a vast share of those who take part in its activities are involved in IT-related start-ups;
- QVC NEXT Lab, a mentoring and support project launched by the Italian branch of American multinational QVC targeting women-led start-up companies was launched in Milan on 4 May 2017. I attended the official presentation event and I found this initiative very promising;
- European Women in Technology, held in Amsterdam in 2016 for the first time, has become an important yearly event and aims to provide European women in the IT community with networking opportunities.

50. I would also like to mention an outstanding example of multi-stakeholder partnership, the European Centre for Women and Technology (ECWT), launched in 2008 and based in Norway. The ECWT gathers together over 130 organisations as well as individuals from government, business, academia and the non-profit sectors. They all work to increase the participation of girls and women in technology in general, and information and communication technology in particular.

51. Public policies and funding should promote and support such women's networks, which have proved effective in a variety of contexts.

52. The visibility of women in technology is also a major issue. It was observed that textbooks and science museums present women inventors as unusual or exceptions to the rule. Today, although women represent a minority among researchers and engineers, they are nonetheless a significant minority. Their contribution to research and innovation should be made visible through unbiased information.

53. In 2016, the University of Catalonia's research team on Gender and ICT organised a seminar on "Academic sexism and ethical implications of women's under-representation in technology". Professors Montse Serra and Mireia Farrús argued that increasing the share of women in technology is not enough. In fact, the goal should be "feminising technology", which means integrating elements traditionally regarded as feminine, such as empathy, protection and care, into scientific research and technology. This would make the technology workplace more attractive for women and, they add, contribute to improving the world.

## 6. The gender confidence gap

54. Various sources suggest that women and men have different attitudes in the workplace. Women are said to be more hesitant to speak up in meetings, apply for jobs, negotiate their salaries and take the initiative to start a business. Research shows that women underestimate their skills and are less willing to compete. It also shows that confidence is a driving factor in women's education and career choices. A number of these studies are referred to in a publication of Harvard University of 2015.<sup>8</sup> This work, moving from the premise that "making progress towards understanding the nature of the confidence gap is an important step to removing remaining barriers to gender equality" found that even at top management level women are less confident than men. Breaking through the "glass ceiling", in other words, does not automatically lead to overcoming this specific barrier.

55. A study conducted by American and European researchers for the *Journal of Personality and Social Psychology* on women and men from 48 countries, showed that the patterns previously observed in the western world (the average level of self-esteem is lower in women than it is in men, and it increases for both genders with age, from adolescence to mid-adulthood) can also be found in other regions. However, the magnitude differs: the gap seems to be wider in more industrialised countries than it is in the developing world.

56. These works leave various questions pending, including whether someone's level of self-confidence is a pre-determined personality trait, or rather a reflection of the environment and in particular of traditional gender roles. As a consequence, it is not clear whether women's lack of confidence is a consequence of discrimination in the labour market, or one of its causes. I find it more plausible that, as *The Guardian* journalist Jessica Valenti observes, "the confidence gap is not a personal defect as much as it is a reflection of a culture that gives women no reason to feel self-assured".

57. I strongly agree with all those (including economists and entrepreneurs) who believe that bridging the gender confidence gap may help to reduce discrimination in the workplace. The question is how to achieve this. Since the issue is largely of a cultural nature, cultural instruments are best-suited. We should, in particular through education, create a culture that values self-assured women. Role models certainly have a positive impact. Successful women should be given the opportunity to share their story and should not hesitate to do so. The exhibition #InspiringWomen, organised by the Committee on Equality and Non-Discrimination in April 2017 in Strasbourg (committee members presented women who had inspired them to undertake political work) is a good example of role modelling. The exhibition proved very successful and could be replicated in other contexts, contributing to the Council of Europe's work to raise awareness in this area.

58. Samantha Cristoforetti, an engineer, fighter pilot in the Italian Air Force and European Space Agency Astronaut who took part in mission Futura, became very popular in Italy during the 199 days she spent on the International Space Station, between 2014 and 2015. In addition to the scientific work conducted on the Station, the ESA and Cristoforetti did an excellent communication job, with outreach activities aimed at children and young people, videos regularly posted on YouTube about the astronauts' everyday life and regular tweets through the @Astrosamantha Twitter account. Astronaut Cristoforetti became a role model. This does not mean that women should be expected to have her extraordinary physical and intellectual skills to expect to succeed in life. However, the story of a woman who not only broke through the glass ceiling, but also flew thousands of kilometres higher, is an example that may inspire and reassure many women and girls.

59. Media, both on- and off-line, may also contribute significantly to changing mindsets, by conveying a non-stereotypical image of women. At present, this is made more difficult by the limited presence of women in leading positions within media outlets. I would like to mention an interesting action promoted by FKA, Iceland's women business leaders association. A National Day of Women in the Media was launched in 2016, with the aim of reversing the disproportion between women and men for one symbolic day. Women make up about 38% of interviewees on Icelandic radio and television (against a global average of 25%), the remaining 62% being men. For one day, in October 2016, media deliberately swapped these figures. The initiative triggered a

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8. Confidence Men? Gender and Confidence: Evidence among Top Economists, Sarsons and Xuo, Harvard, 2015.

debate among the Icelandic public and contributed to raising awareness. Replicating this experience at international level would be timely and useful. The Council of Europe is probably in the best position to promote a European or International Day on women in the media.

## **7. Promoting Science, Technology, Engineering and Mathematics (STEM) education and careers**

60. The demand for professionals in Science, Technology, Mathematics and Engineering (STEM) is growing worldwide. These fields of expertise are crucial to industry, research and development and most other areas. They are also central when it comes to meeting modern challenges related to sustainable development. The growing demand for professionals in this field is generally met with a significant labour shortage. This limited supply, combined with the high education levels required, place STEM professionals among the most sought-after in the labour market, which means more opportunities and better pay.

61. Women are significantly under-represented in STEM. Lower participation starts in education, with fewer girls choosing scientific studies at school and at university (on the other hand, the gender ratio of law, business and medicine graduates is almost equal). The gender imbalance increases further after their studies, when only half as many female STEM graduates choose a STEM career as their male peers.

62. UNESCO estimates that women account for only 28% of researchers across the world, with the gap deepening at the higher levels of decision-making. The European Union “She figures 2015” report<sup>9</sup> confirms that women are under-represented in science and technology occupations in Europe. However, it also contains some encouraging information: for instance, the propensity of integrating a gender dimension into research content is increasing in European Union member States.

63. In view of the shortage of qualified labour on one hand and women’s under-representation on the other, promoting the study of STEM among girls and the choice of careers in the area after the studies is clearly the way to go. In addition, this would promote women’s access to a better paid job, with the effect of reducing the current gender salary gap.

64. Public education policies in this area are crucial and international organisations provide useful indications to governments. The Council of Europe intervened already ten years ago with Committee of Ministers Recommendation CM/Rec(2007)13 on gender mainstreaming in education (educational and career guidance section), which gives practical tools to promote gender equality in and through education, with the aim of countering negative gender, sexist and sexual stereotyping and, ultimately, achieving gender equality benefiting society as a whole.

65. The OECD’s 2015 publication “The ABC of gender equality in education – Aptitude, Behaviour, Confidence” provides useful indications to this end. The study depicts a “worrying situation”, as it appears that girls are not encouraged to pursue scientific studies and their teachers show less belief in their skills than in those of boys. As a result, girls are less motivated and even the highest-achieving among them have lower levels of confidence in their ability to solve science and mathematics problems. “Gender disparities in performance do not stem from innate differences in aptitude”, says the report, “but rather from students’ attitudes towards learning and their behaviour in school, from how they choose to spend their leisure time, and from the confidence they have” the report said.

66. Awareness-raising activities may contribute to improving the situation. UNESCO, for instance, promotes an International Day of Women and Girls in Science (11 February) as a yearly opportunity to take stock of the situation and launch positive initiatives. UNESCO also manages the SAGA (STEM and Gender Advancement) project, which aims to improve the situation of women and reduce the gender gap in STEM fields in all countries and at all levels of education and research. To do so, an inventory of gender equality policies in this field was undertaken. This project also provides tools for evidence-based policy making and carries out capacity-building activities in member States for data collection on gender in STEM.

67. I would like to mention a particularly good practice from the Netherlands: the “Long Term, Interrelated Interventions to Increase Women’s Participation in STEM (Science, Technology, Engineering and Mathematics): the deployment of role models”. This action targets the whole chain of education, from primary to higher education, as well as the labour market. A database of over 200 female role models was set up and these women meet and share their experience with girls from schools at all levels.

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9. She figures 2015, European Commission, Brussels, 2016.

68. In the United Kingdom, a national programme called HE STEM took place in England and Wales between 2009 and 2012. Its aim was to increase participation in STEM disciplines and enhance the skills of the national workforce in this area. Over 90 higher education institutions took part in the programme. The aim of the programme was to experiment new ways of recruiting students and of teaching these disciplines. A preliminary evaluation, carried out immediately after the end of the programme, concluded that the main goals had been reached, particularly in terms of raising awareness among students. It would be interesting to assess whether the impact of this programme is continuing in the medium term.

69. The promotion of STEM studies is carried out in a variety of contexts to tackle the qualified labour shortage and is not necessarily aimed at women and girls. However, it is important to integrate a gender dimension in the information and awareness-raising activities. The message that should be conveyed is that science and technology are vital for the advancement of society and good for all those involved in these domains.

## **8. Conclusions**

70. Discrimination and inequalities based on gender have multiple facets. The research carried out to prepare this report, the contributions of experts gathered through a large number of hearings and the elements collected through fact-finding visits have all made it evident that there is no simple recipe to counter discrimination and achieve equality. A variety of measures are necessary, ranging from quotas on companies' boards to transparency on remuneration, to education and training. Promoting STEM disciplines is crucial, as it contributes to countering gender segregation by sector and inequalities in remuneration. Measures to facilitate the reconciliation between work and private life are also necessary. It should also be noted that necessary measures may vary from country to country, and priorities depend on their specific social, cultural and economic landscapes.