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Women and the economic and financial crisis

Report
Committee on Equal Opportunities for Women and Men
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Summary

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 financial and economic crisis was bound to have a different impact on women and men.

Women are indeed first among the groups which suffer disproportionately, having fewer and less effective buffers to cope with economic hardship, even if this is not always reflected in the media reporting on the crisis. The financial crisis which triggered the economic crisis, however, was literally "man-made". This crisis could probably have been avoided if there had been more women in decision-making positions.

A holistic approach is required if sustainable gains are to be achieved in addressing this crisis and preventing further ones. 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 pay 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. 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, as well as making economic sense.

The Parliamentary Assembly should thus address a number of specific recommendations to national parliaments, to member states of the Council of Europe and to the Committee of Ministers to ensure that the required holistic, gender-mainstreamed approach is applied and that the necessary measures are actually implemented.

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A. Draft resolution

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 financial and economic crisis was bound to have a different impact on women and men.

2. Women are indeed first among the groups which suffer disproportionately, having fewer and less effective buffers to cope with 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, piercing 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 anyway.

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. The overconfidence, irresponsible risk-taking, the lack of consideration of all stakeholders, the greed and the preference of short-term individual benefits resulted in the crisis in the financial world. Very few women were involved in the decision-making processes which led to the financial crisis, because very few women were in those posts. 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 and take a more holistic approach and 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 for gender-balancing (to have a balanced number of men and women) in the boardrooms and top leadership and decision-making positions. Diversity in the boardrooms will produce healthier approaches to problem-solving as well as promoting the making of healthier, strategic, long-term decisions. 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.

7. A holistic approach is required if sustainable gains are to be achieved in addressing this crisis and preventing further ones. 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 pay 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, as well as making 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 gender balancing b in particular, the need for more gender equality in decision making g is taken into account when reforming and redesigning the system of financial institutions and regulatory and oversight mechanisms to avoid a future crisis;

8.5. make reaching de facto gender equality a priority, from sharing household and care responsibilities, over 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 facto implementation.

B. Draft recommendation

1. The Parliamentary Assembly refers to its Resolution … (2010) on "Women and the financial and economic crisis". It underlines the risk that the few modest gains made by women in the world of work in the past – joining the workforce, starting their own businesses, and, on occasion, piercing the "glass ceiling" – may be wiped out by the crisis. It deplores the fact that there were few gains to be wiped out in the first place when it comes to 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.

2. The Assembly thus recommends that the Committee of Ministers:

2.1. pursue its declared aim of bridging the gap between de jure and de facto gender equality in Council of Europe member states with new vigour, in particular by instructing the competent committee to draft an additional protocol to the European Convention on Human Rights in order to enshrine the right to equality for women and men therein, as well as the necessary exception allowing positive discrimination measures for the under-represented sex;

2.2. implement the recommendations contained in Recommendation 1899 (2010) on "Increasing women's representation in politics through the electoral system" and Recommendation 1907 (2010) on "the wage gap between women and men", as well as in other relevant Assembly texts, as soon as possible;

2.3. give priority to gender-mainstreaming and gender budgeting also in its own work, and the work of its committees, in particular as far as equal participation of women and men in political and public decision making is concerned;

2.4. encourage member states to promote and ensure gender balance in leadership and decision-making positions while reforming the financial institutions and also in public and private sector businesses.

C. Explanatory memorandum, by Ms Nursuna Memecan, rapporteur

1. Introduction

1. The Parliamentary Assembly has already debated the current economic and financial crisis.[1] Its harmful impact on women, in particular, has, however, not yet been studied by the Assembly. For this reason, Ms Wurm (Austria, SOC), tabled a motion for a resolution on the subject on 4 May 2009 (Doc. 11891). The motion pointed out that European women were, on average, poorer than European men, less likely to be gainfully employed, more likely to be earning less, and also more likely to be working part time (not necessarily of their own choosing) already before the crisis struck.

2. As the motion rightly pointed out, the crisis has affected women badly, as well: much attention has been focused on the male-dominated industries such as the construction and the automotive industry. However, the retailing, services and tourism sectors, in which many women are employed, have been equally badly affected. It is thus urgent to address the gender dimension of the impact of and solution to the economic recession in national and European recovery plans. At the same time, it is important to ensure that such a crisis cannot repeat itself. Since the financial crisis which started the recession was literally "man-made", it is important to ensure that women be equally included in the decision-making processes in the political, economic and financial spheres.

3. The Committee on Equal Opportunities for Women and Men appointed me its Rapporteur on the subject during the June 2009 part-session and organised an exchange of views with two eminent experts at its meeting in Paris on 8 September 2009.[2] This report is due to be debated by the Assembly already during the April 2010 part-session, together with other related reports. I am glad that it was possible to fast-track this report, before the crisis ends without its lessons being learned.

4. I am also glad that the committee agreed at its meeting in November 2009 to broaden the subject matter of this report to not only include the impact of the financial and economic crisis on women (which reduces women to mere victims, as so often), but also portray women as actors of change in establishing a new financial and economic world order, so to speak.

5. Women's increased participation in the labour market is one of the most important evolutions concerning the economy. However, because of the "glass ceiling" and the financial and the economic crisis, women have still not been able to reach the positions where they can positively contribute to economic growth. At this point, we must transform the crisis into an opportunity, by making laws, supporting NGOs working on the subject and creating more gender awareness.

2. The "man-made" financial crisis

6. Decision makers in the financial services sector are widely blamed for starting the financial crisis (although politicians, supervisors, regulators and even imprudent households and businesses share some of the blame). As Professor Anne Sibert of the Birkbeck University of London put it on 18 May 2009: "Bankers imprudently counted on a continuation of the United States housing boom long after most economists predicted its demise; they were overtly sanguine about sustainable leverage ratios; managers of insurance companies and pension funds failed to exercise sufficient caution when they purchased collateralised debt obligations and asset-backed securities they did not understand or know the value of."[3]

7. It is no secret that there are few women in the financial services sector, and even less in decision-making positions in that sector,[4] so it should come as no surprise that a debate quickly started on whether the bank that went down first and started the financial dominoes off, Lehman Brothers, would have gone bust if it had been Lehman Sisters. There is substantial economics literature on the effect of gender on attitudes towards risk, and most of it appears to support the idea that men are less risk averse than women in their financial decision making. There is also sizeable literature documenting that men tend to be more

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1. Thus, for example, a debate was held on 23 June 2009, which resulted in the adoption of Resolution 1673 (2009) on "Challenges of the financial crisis for the world economic institutions".
2. Exchange of views with: Ms Jane Hodges, Director of the ILO Bureau for Gender Equality, and Ms Martine Lévy, Vice-Chairperson of the European Women's Lobby (EWL).
3. Anne Sibert, *Why did the bankers behave so badly?* published on the Internet site, Vox, on 18 May 2009.
4. Women hold only 17% of the corporate directorships and 2.5% of the CEO positions in the finance and insurance industries in the United States. In Iceland, home to a particularly spectacular collapse, it appears there was just one senior woman banker, and she quit in 2006. Ibid.

overconfident than women.[5] Combined with a behaviour-distorting bonus system which rewards the short term over the long term, it is clear that the extreme male dominance of the financial services sector was – and is – not a good piece of news.

8. My favourite columnist, Nicolas D. Kristof of the *New York Times*, reported on 8 February 2009 that the consensus at the 2009 annual World Economic Forum in Davos, Switzerland, was that the optimal bank would have been Lehman Brothers and Sisters – an opinion not only I share. It is indeed high time to feminise the boards of banks and other big companies, following the good example set by Norway, which has required at least 40% of women on (some – indeed the most important) company boards for a few years now. The only question is whether banks and other big companies will have to be forced, for example via legislation and the threat of sanctions, to change their ways (which seems increasingly likely, considering recent news on oversized bonuses even for banks and businesses on state-financed "life support"), or whether they will see the light themselves,[6] perhaps encouraged by awareness-raising campaigns.

3. The impact of the financial and economic crisis on women

3.1. Employment/unemployment

9. The economic crisis which followed the financial one has impacted on practically everyone, whether they are women or men, and whether they live in developed or developing countries. Everyone's quality of life has been reduced. However, the impact on women has been much greater than on men[7] – and this in the context of women already having less of everything before the crisis struck. A small reminder: the World Trade Organization (WTO) has pointed out that 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 women account for 70% of the world's poor.[8]

10. Evidence from previous crises suggests that women are first amongst the groups which suffer disproportionately, having fewer and less effective buffers to cope with economic hardship. Specifically with regard to women and girls, gender-based vulnerabilities, including limited legal benefits and protection, lack of decision-making authority and limited control over financial resources, are likely to leave them less equipped to cope with the crisis than men.[9] Furthermore, as the European Women's Lobby has pointed out, the crisis has been obscuring the enormous disparities between household and paid work. The female participation rate in the labour market has fallen in a number of countries, with women falling back on essential services, on an unpaid basis.[10] In other words: in Europe, women are very likely to have low-paid, insecure jobs, often in the informal sector of the economy, and are thus amongst the first to get laid off – that is, if they had paid jobs in the first place.

11. The International Labour Organization (ILO) has found that the number of the jobless worldwide reached nearly 212 million in 2009, following an unprecedented increase of 34 million compared to 2007, on the eve of the global crisis.[11] While the impact was evident both in developed and developing countries, it varied depending on the gender dynamics of employment. For example, in some developed economies, men are experiencing heavier job losses than women as sectors where mostly men work – like construction and automotive industries – suffer from the sharp decline. However, in other contexts, female joblessness is now rising at a higher pace due to public sector budget cuts for education, health and social services, reduced orders and increased factory closure in export-oriented industries (particularly textiles and garment manufacture), decline in service industries (especially tourism), and losses in the retail industry. ILO studies

5. Ibid. One study even advances the notion that steroid feedback loops may help explain why male bankers behave irrationally when caught in bubbles (Coates and Herbert, 2008, cited, ibid).
6. In Belgium, France and the Netherlands, bills similar to the Norwegian model have been tabled, while in Austria a similar measure has already taken effect following a 10-year preparatory period (no sanctions have so far been applied for non-compliance).
7. See the presentation made to the committee on 8 September 2009 by Ms Jane Hodges, Director of the Bureau for Gender Equality, ILO Geneva, on "The impact of the current global economic crisis on women", available from the Secretariat (AS/Ega Inf (2009) 14).
8. Press statement by WTO Deputy Director-General Valentine Sendanyoye Rugwabiza of 10 March 2009.
9. Ibid, p. 2.
10. Statement to the Committee by Ms Martine Lévy, Vice-Chairperson of the European Women's Lobby (EWL), on 8 September 2009.
11. ILO press release, 26 January 2010.

also reveal that vulnerable workers – such as young women or those without union representation – will accept indecent working conditions (poor pay, long working hours, loss of benefits) rather than face dismissal.[12]

12. According to the *Global Employment Trends for Women* released in 2009, a distinction should be made between the continued disadvantaged position of women in labour markets around the world and the impact of the economic crisis. Between 2008 and 2009, the unemployment rate for women increased by 0.8 percentage points and for men by 0.7 percentage points. This means that the gap in unemployment rates by sex increased slightly to 0.6 percentage points between 2008 and 2009 which is the same gap as 10 years ago.[13]

13. According to the *Global Gender Gap Report*, there is not a profound difference between women and men concerning the official unemployment rates. For example, in France the female adult unemployment rate was 8.53% and the male adult unemployment rate was 7.44%. But these ratios do not take into consideration the over-representation of women in part-time work which is not included in the unemployment statistics, nor those women who have given up looking for a job (so-called "discouraged workers": workers who are not included in the unemployment statistics of their country because they do not actively seek work although they do want to work, because they feel that no work is available to them, they have restricted labour mobility, or they face discrimination or structural, social or cultural barriers).

14. Women's labour participation rates across the European Union vary from 36.9% to 73.2%.[14] According to the statistics published by Eurostat, in Latvia the harmonised unemployment rate among women jumped from 9.6% to 19.3% between January 2009 and December 2009 which is the most significant increase in the region. And also in Spain, it increased from 16.5% to 19.4%. On average in the European Union, it rose from 8.1% to 9.3%.[15]

15. In 2009, the only two regions where there was a significant difference in unemployment rates in favour of women (officially, at least) were East Asia, Central and South-Eastern Europe (non-European Union) and the Commonwealth of Independent States where the male rate exceeded the female rate by 1.2 and 0.8 points respectively, according to *Global Employment Trends2010*.[16] However, a recent ILO report specific to the Asian region came to the opposite conclusion, since women make up a greater share of the so-called "buffer workforce" in Asia (casual and contract labourers, temporary workers, rural migrant and seasonal workers, and employees in subcontracted and small-scale enterprises) and since there is a stronger tendency for women than men to fall outside of the labour force rather than continue with the job search (so-called "male breadwinner bias").[17]

16. In the United States, since December 2007, although much of the slowdown has occurred in traditionally male fields such as automotive or construction, a few traditionally female fields such as health and education have shown job growth or minimal job loss. That is why many reports have focused on the job losses among men in the labour force. But the substantial job losses that have also occurred at the same time among women in sectors such as retail, hospitality and personal and business services are not discussed. The number of unemployed women is now 6.3 million (as of December 2009). An increase of 2.8 million unemployed women can be attested to since the recession began.[18]

17. Even women entrepreneurs are badly hit. Access to adequate finance is critical to any business' success. However, women entrepreneurs had limited access to financial resources even before the crisis, as unlike other borrowers, women have few other sources of financing. With the tightening of the credit market, women are further squeezed out.

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12. AS/Ega Inf (2009) 14, p. 2.
13. ILO website.
14. Press briefing, European Women's Lobby: *Women in the EU; Facts, Figures and Quotes*, published on 3 March 2010.
15. http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&language=en&pcode=teilm020&tableSelection=1&plugin=1
16. International Labour Organization (2010), *Global Employment Trends2010*.
17. ILO: Asia in the global economic crisis: Impacts and responses from a gender perspective, February 2009.
18. Heidi Hartmann, Ashley English, Jeffrey Hayes, *Women and Men's employment and unemployment in the Great Recession*, Institute for women's policy research, February 2010.

3.2. Social services, wage equality and remittances

18. A smaller share of unemployed women collect unemployment insurance benefits compared with unemployed men. Between December 2007 and November 2009, 36.8% of unemployed women received unemployment benefits, on average, compared with 40.3% of unemployed men.[19]

19. Furthermore, there is an important gap between the salaries of men and women. In the fourth quarter of 2009, in the USA, women working full time earned only 81% as much as men who worked full time. Median usual weekly earnings of full-time wage and salary workers in the fourth quarter of 2009 for women are US $670 compared to US$825 for men.[20] On the European continent, one can also easily observe the gender wage gap. In Austria in 2009, concerning the wage equality for similar work, female to male ratio was 0.48 and in France this ratio was 0.47 according to the *Global Gender Gap Report*.[21] The Parliamentary Assembly has just adopted a resolution and a recommendation on the wage gap between women and men, based on a report by my colleague Mr Wille from Belgium.[22]

20. Recessions affect women and men differently. Particularly in lower income households, the loss of women's income may have greater long-term negative implications than a similar loss in men's income. Because of the austerity measures which affect the quality and availability of public services, women and girls assume greater care responsibilities.[23]

21. In some member states of the Council of Europe, remittances in 2009 dropped by up to 43% from 2008. Generally, micro-enterprises commonly rely on remittances, micro-finance institutions and informal lenders. While micro-finance institutions have proven to be an effective way of reaching the smallest businesses, many of them owned by women, it is crucial to maintain their liquidity so that they can continue to lend to micro-enterprises.[24] That is why the fall in remittances is one of the reasons why women are much more affected by the crisis than men.

22. Even the non-commercial sector of micro-credit is hit: while micro-credit has made huge inroads in the last decade in allowing the poorest women in developing countries to access loans, funds for such programmes are likely to be a low priority for states and wealthy business trying to weather the crisis "at home" as a priority. Indeed, the state response to the economic and financial crisis (bail-out programmes for banks and insurance companies considered "too big to fail"), coupled with investments in particular in "shovel-ready" infrastructure projects and the automotive industry (all of which benefit male-dominated sectors), risk further exacerbating the negative impact of the crisis itself on women, as badly needed investments, for example, in the care and education sectors are shelved, not to mention projects aimed at empowering women.

3.3. Impacts on women in developing countries

23. The initial effect in the developing world is on women, mainly young women, working in export-oriented industries. For example, in South-East Asia, garment, footwear, textile, electronic, tourism and seafood-processing occupies an important place in economic activities and unskilled female workers are over-represented in these sectors: approximately 75%. They are at the lowest levels of casual, temporary, low paying, insecure employment with minimal or no social insurance support. When global demand for the products they produced decreased, they became the first to be laid off. In Thailand, despite the significant progress in women's participation in the productive economy, women remain structurally discriminated against in terms of occupational segregation and prejudice, leading to lower positions and wages (the ability of women to rise to enterprise leadership was 5.46% in 2008 – decreasing to 5.32% in 2009 – and estimated earned income was US$6 695 for women and US$10 732 for men in 2008, but in 2009 this number decreased to US $5 860 for women and US$9 443 for men in Thailand).[25] Apart from the wage freezes, women also faced reductions in working hours or were pressured into less secure contracts, as companies have taken advantage of the crisis. As a consequence, the ratio of women working in the informal economy increased.[26]

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19. Institute for Women's Policy Research (2010), *Women and men's employment and unemployment since the Great Recession*.
20. http://www.bls.gov/news.release/pdf/wkyeng.pdf.
21. World Economic Forum, *The Global Gender Gap Report*, 2009.
22. Resolution 1715 (2010), Recommendation 1907 (2010), Doc 12140.
23. Tackling the global jobs crisis, International labour conference.
24. International Labour Conference (2009), *Tackling the Global Jobs Crisis*.
25. See the *Global Gender GapReport*, and data from Oxfam.
26. Richard King, Caroline Sweetman, *Gender Perspectives on the Global Economic Crisis*, OXFAM, February 2010.

4. Recovering from the crisis: involving women

4.1. Rescue and recovery packages and their effects

24. In Turkey, after the beginning of the financial crisis, in 2008, an important measure was taken to decrease the unemployment rate among women: a temporary amendment was added to the Law 4447 on Unemployment Insurance which covers the period between 15 May 2008 and 15 May 2010. According to this amendment, the social security insurance fees of women who work at private companies will be covered by the unemployment fund of the state. The state covers the social security fees of each woman employed within determined ratios: 100% for the first year, 80% for the second year, 60% for the third year, 40% for the fourth year and 20% for the fifth year. As of November 2009, 30 251 women have been employed with the help of this amendment.

25. The National Assembly of France passed a female quota bill on 20 January 2010 according to which large companies must have 40% of women on their boards. The companies would have three years to make 20% of their boards women and six years to reach the 40% quota. This bill now awaits debate in France's Senate before it can become law. Norway passed a law in 2002 and became the vanguard for supporting the existence of women in economic decision-making bodies by law.

26. There are some campaigns like Cartier Women's Initiative Awards which aims to support and encourage women entrepreneurs who are the most vulnerable category of entrepreneurs in their most vulnerable phase. This project started in 2006 and since its inception, it has accompanied 27 promising female business-owners and recognised 10 laureates among them: five in 2007 and five in 2008. Similarly, Goldman Sachs is sponsoring an international project called "10,000 women", which aims to train 10 000 women worldwide in five years to foster shared economic growth through business and management education for women. This kind of project helps the more vulnerable actors of the economy, women, get more involved in business at the time of the financial crisis which makes their status more vulnerable than ever.

27. One of the main conclusions the ILO has reached in responding to the crisis is that a holistic approach is required if sustainable gains are to be achieved. The gender perspective must 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 pay gap, to stimulate entrepreneurship and to develop professional household support services. This inclusive human rights and economic efficiency approach is crucial in the face of the diverse impact that the crisis is having on women and men.[27]

28. The ILO June 2009 "Global Jobs Pact" recognised that crises should not be used as excuses to create even greater inequalities nor undermine women's acquired rights. On the contrary, they are an opportunity to shape new gender equality policy responses. Recovery packages during economic crises need to take into account the impact on women and men and integrate gender concerns in all measures. In addition, in all discussions on recovery packages, both regarding their design and assessing their success, women must have an equal voice to that of men.[28]

29. Unfortunately, the reality is such that few, if any, recovery packages adopted so far have taken these recommendations into account. There is thus a risk that not only a great window of opportunity for empowering women and reaching more gender equality in the world of work will be missed, but that the economy will recover before any of the lessons that needed to be learned from the crisis have been learned, setting the world up for the next crisis, which then promises to be even bigger. In addition, the current crisis risks eradicating women's slow gains in the past two decades, making them even more vulnerable when the next crisis hits.

4.2. Existence and role of women in decision-making bodies

Women in boardrooms

30. According to OECD surveys about the existence of women on boards, over 46% of large firms in OECD countries have no women on their boards, while only 23% have more than one woman. Women still represent less than 13% of the board members in the United States and 11% in Canada.[29]

27. AS/Ega Inf (2009) 14, p. 1.
28. Ibid, pp. 5-6.
29. www.un.org/womenwatch/daw/ws2009/documents/DESA_Survey_Factsheet.pdf.

31. European Commission statistics indicate that all the governors of the central banks in the European Union are men, and women make up only 17% of the key decision-making bodies of those organisations.[30] Only one of the six members of the executive board of the governing council of the European Central Bank is a woman.

32. In the United States, where women make up 75% of the employees in the financial services industry, women held 12.6% of the executive positions in the top 50 United States commercial banks, with one bank having a female chief executive officer and seven banks having female chief financial officers. There were only eight women among the chief executive officers of the 100 largest credit unions. Women make up 8.6% of venture capital decision makers in the United States.[31]

33. Furthermore, according to the statistics of Catalyst, in which the share of women in boards of Fortune 500 companies was analysed, women held 15.2% of board seats in 2009 but women's share amongst board chairs was limited to 2%. At the nominating/governance committee chair level, women held 16.8% of leadership positions. In 2009, almost 90% of companies had at least one woman director, but less than 20% had three or more women serving together.[32]

34. A report by Ernst and Young argued that struggling economies need to encourage efforts of women as leaders, entrepreneurs and employees. "What is good for women is good for men, business and the global economy".[33] And also, aside from the intrinsic benefits, this offers gender equity; there is some suggestion that women's assessment of risks may take more factors into account than men's. This may not make women more risk averse, but it may allow for more informed decision making, perhaps lowering the likelihood of negative outcomes such as those recently witnessed in the high-stakes, male-dominated world of international finance.[34]

35. In France, CERAM Business School management professor Michel Ferrary found in a study that companies in the CAC 40 that had high numbers of women in the senior ranks performed better than those that did not. In 2008, Hermès was the only large firm whose stock price increased, by 16.8%, and it had the "second largest feminised management," at 55%, and thus has a good representation of executives with a mind for what its customers want. Other firms with high ranks of women managers (Sanofi, at 44.8%; Sodexo, at 43.39%; and Danone, at 38%) all performed better than the CAC 40 average. Meanwhile, at large French banks, Ferrary reports, BNP-Paribas has held up best, with a stock decline of 39%, and 38.7% of its managers female. Competitors Credit Agricole, where 16% of managers are women, fell 62.2%, while Dexia, whose senior ranks are 28% women, dropped 83%.

36. Another analysis, also by Michel Ferrary, points out that when women are more than a few people in an organisation, they do not feel marginalised and can impose their values on the organisation. Thus women help the organisation increase economic performance, productivity, employment and economic growth. Again in this research, Mr Ferrary points out that women behave more prudently than men and men prefer to take high risks while managing.[35] The prudent attitude of women can balance the brave attitude of men and prevent the next crisis. That is why gender awareness must be taken into account. Governments must support the existence of women in managerial positions by legislating (like in Norway and France) and conducting campaigns for ensuring gender awareness.

37. Furthermore, according to a study of Fortune 500 companies, companies with more women board directors had significantly higher financial returns, including 53% higher returns on equity, 42% higher returns on sales and 67% higher returns on invested capital.

38. The advantage of gender diversity within companies can also be seen in the examples given below, concerning French car makers Renault and Peugeot. Renault with 23% of women in management has shown better economic performances than Peugeot with 18.6% women on the board. The same applies for banks BNP Paribas (with 41.4% of women in management) and Société Générale (38%). Similarly, the companies Danone, Hermes and Sodexho, which have more than 40% female managers, are doing better than their competitors.[36]

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30. Ibid.
31. Ibid.
32. Catalyst, *2009 Catalyst Census: Fortune 500 women board directors*, 2009.
33. Nikki Van Der Gaag, *The impact of the global financial crisis on girls and young women*, DSA Talk, 2009.
34. Richard King, Caroline Sweetman, op. cit.
35. Michel Ferrary, "Les femmes influencent elles la performance des entreprises?" *Travail, Genre et Société*, 2010.
36. Ibid.

39. According to the CEO of Avon, when a woman gains money, she will spend it on the education, health care and basic needs of her children. Thus it becomes a long-term benefit for society and the impact of women in economics is considered to be very important. That is why Avon prefers to employ women not only at lower posts: five of 11 board members of Avon are women and also six out of 13 top-level senior leaders are women.[37]

40. The CEO of the Coca-Cola Company, Mr Muhtar Kent, from Turkey, pointed out the importance of the existence of women in boardrooms during his speech in Davos. Three years ago, when he became the CEO of Coca-Cola, there were only 44 women in top management (which consisted of 440 people). The ratio of women was only 11%. At this point he underlined that 80% of the food shopping is done by women. That is why the existence of women in the top management of the food sector is very important. Because of that, Mr Muhtar Kent doubled the number of women in top management from 11% to 28% in three years and he aims to reach 50% of women in the top management of Coca-Cola.[38]

Women in political decision-making bodies

41. The Assembly has noted similarly low levels of women in political decision-making bodies, including at parliamentary level. Women still hold less than 20% of parliamentary seats and ministerial portfolios worldwide, and less than 5% of heads of state are women.[39] The country which has the highest ratio of women in its parliament is post-conflict Rwanda with 56.3% of women at lower or single house election seats. The second place belongs to Sweden with 46.4%, the third one is South Africa with 44.5%. The number of women ministers in the 27 member states of the European Union who hold portfolios relating to socio-cultural issues (36.7%) such as social affairs, health, children, family, youth, older people, education, science, culture and sports is much higher than portfolios relating to the economy, finance, trade, industry and agriculture (17.7%), according to the report of the European Commission published in 2008.[40]

5. Conclusions and recommendations

42. The financial and economic crisis – which was literally "man-made" – has had and continues to have a specific, nefarious impact on women, both in Europe, and in the whole world. This impact is often overlooked: in particular in the media, but also by politicians. Women have little political and economic influence and are thus becoming the main victims of a crisis they had little (if any) responsibility for, and whose further course they have little power to influence. If we take a holistic, gender-mainstreamed approach to this crisis, it could be an opportunity to empower women to be actors of change and thus to avoid the next crisis.

43. Although some measures have been taken to counter the impacts of the financial crisis on women in some countries, the current economic crisis jeopardises the progress that has been made on girls' education and goals for gender equality. A recent study by the World Bank and the OECD notes that for the Millennium Development Goal of gender equality to be achieved by 2015, an investment of about US$13 billion a year is needed. As governments and institutions look to cut budgets, this kind of spending may well be vulnerable. The Netherlands, Finland and the United Kingdom are among those countries where some measures for gender equality have been delayed or cancelled and no new measure has been taken except support to new jobs in the care sector, according to the draft report from the European Commission to the European Council.

44. Women are becoming more involved in the field of economics. Ms Elinor Ostom became the first woman to win the Nobel Prize in economic sciences in 2009. The role of women in economics is no longer limited to working at home or women entrepreneurship. Projects to make women participate in the business world in an era of financial crisis have also contributed to the formation of this perception. When women start to work, the income of the family increases and this will ensure the augmentation of consumption, which in turn can help activate the economy and defeat the crisis.

45. I thus consider that the Assembly should recommend that member states gender mainstream their rescue and recovery packages, while giving women an equal voice in their design and assessing their success. A holistic approach is needed, which includes such measures as facilitating women's access to decision-making positions in finance, the economy, and in politics, and uses tools such as sex-disaggregated statistics and gender budgeting in evaluating the impact of the crisis and of different measures to counter the crisis on women. This crisis, and our duty to do everything in our power to avert the next one, demands that

37. Nick Reilly, "Women: the answer", *Newsweek*, 21 September 2010.
38. Meral Tamer, "Davos'ta kadınlardan en çok alkışı Muhtar Kent aldı", *Milliyet*, 31 January 2010.
39. Assembly Resolution 1706 (2010) on increasing women's representation in politics through the electoral system.
40. United Nations, *2009 World Survey on the role of women in development*.

the gender equality agenda – from sharing household and care responsibilities, to closing the gender wage gap, to eradicating discrimination against women and sexist stereotypes – becomes a priority for all Council of Europe member states.

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Reporting committee: Committee on Equal Opportunities for Women and Men

Reference to committee: Doc. 11891, Reference 3561 of 29 May 2009

Draft resolution and draft recommendation unanimously adopted by the Committee on 26 March 2010

Members of the committee: Mr José **Mendes Bota** (Chairperson), Ms Gisèle Gautier (1st Vice-President), Ms Mirjana **Ferić-Vac** (2nd Vice-Chairperson), Ms Doris Stump (3rd Vice-Chairperson), Ms Sonja Ablinger, Mr Francis Agius, Mr Florin Serghei Anghel (alternate: Ms Maria **Stavrositu**), Ms Magdalina Anikashvili, Mr John Austin (alternate: Baroness Anita **Gale**), Mr Lokman **Ayva**, Ms Deborah Bergamini (alternate: Mr Renato **Farina**), Ms Oksana Bilozir, Ms Rosa Delia Blanco Terán (alternate: Ms Luz Elena **Sanín Naranjo**), Ms Olena Bondarenko, Mr Han Ten Broeke, Ms Sylvia Canel, Ms Anna Maria Carloni, Ms Ingrīda Circene, Mr James Clappison, Ms Anna **Čurdová**, Mr Andrzej **Cwierz**, Mr Kirtcho **Dimitrov**, Ms Mesila Doda, Ms Lydie **Err**, Ms Pernille Frahm, Ms Doris Frommelt, Ms Alena **Gajdůšková**, Mr Giuseppe Galati, Ms Sophia Giannaka, Mr Neven Gosović, Ms Claude Greff, Mr Attila Gruber, Ms Ana Guţu, Ms Carina **Hägg,** Mr Håkon Haugli, Ms Francine **John-Calame**, Ms Nataša Jovanović, Ms Charoula Kefalidou, Ms Birgen **Keleş**, Ms Krista Kiuru, Ms Elvira Kovács, Ms Athina Kyriakidou, Ms Sophie Lavagna, Mr Terry Leyden, Ms Mirjana Malić, Ms Assunta Meloni, Ms Nursuna Memecan, Ms Danguté Mikutiené, Ms Hermine Naghdalyan, Ms Yuliya Novikova, Mr Mark Oaten, Mr Kent Olsson (alternate: Ms Marietta **de Pourbaix-Lundin)**, Ms Steinunn Valdís Óskarsdóttir, Ms Carmen **Quintanilla Barba**, Mr Stanislaw Rakoczy, Mr Frédéric Reiss, Ms Mailis Reps, Ms Maria Pilar Riba Font, Ms Andreja Rihter, Mr Nicolae Robu, Mr Johannes Röring, Ms Karin Roth, Ms Klára Sándor, Mr Manuel Sarrazin, Ms Albertina Soliani, Ms Tineke Strik, Mr Michał **Stuligrosz**, Ms Elke Tindemans, Mr Mihai Tudose, Ms Tatiana Volozhinskaya, Mr Paul Wille, Ms Betty Williams (alternate: Ms Christine **McCafferty**), Ms Gisela Wurm, Mr Andrej Zernovski, Mr Vladimir Zhidkikh

NB: The names of the members who took part in the meeting are printed in **bold**

Secretariat of the committee: Ms Kleinsorge, Ms Affholder, Ms Devaux