

Hearing on
**Gender-based investments
in national Recovery and
Resilience Plans**



8 November 2022 | 9:30 - 11:00



Minutes

INTRODUCTION

- The negative impact of the COVID-19 crisis on women's social and economic situations triggered a debate on the urgent need for a gender-sensitive policy response to the pandemic.
- The Recovery and Resilience Facility, as the EU's biggest financial instrument supporting recovery in Member States, is an opportunity for the economic empowerment of women.
- In this regard, the Section for Economic and Monetary Union and Economic and Social Cohesion (ECO section) of the European Economic and Social Committee (EESC) is currently working on an own-initiative opinion on "Gender-based investments in national Recovery and Resilience Plans (RRPs)". The rapporteur is Ms Cinzia Del Rio, member of the EESC.
- This opinion aims:
 - to provide an overview of how gender equality and economic empowerment have been mainstreamed in the RRF Regulation,
 - to highlight the reforms and investments affecting gender equality included in the Member States' recovery and resilience plans,
 - and to understand if the measures adopted by Member States in the RRFs are effective enough to improve gender equality.
- In addition, the ECO section decided to organise this hearing in order to bring together experts from organised civil society and academia, as well as decision-makers, to discuss in particular:
 - the measures taken by Member States in their recovery and resilience plans,
 - the current methodology for assessing their results,
 - and potential incentives (through taxation, by promoting investment in work-life balance, and also in care services, training, improvements to working conditions, etc.) to increase gender equality in the Member States;
 - the tools/methodologies which can best be used to assess the impact of the investment incentives;
 - how networks of mutual learning can be established between Member States to ensure a sustained effort in supporting equal opportunities between the genders.

CONTRIBUTION BY THE SPEAKERS

Mr Félix Poirier, Policy officer, Recovery and Resilience Task Force, and **Ms Claudia Piferi**, Policy officer, Directorate-General for Economic and Financial Affairs, European Commission

- The Recovery and Resilience Facility (RRF) contained a legal requirement for Member States to explain how their plan contributes to gender equality and equal opportunities for all. Additionally, many of the Country-Specific Recommendations, provided within the European Semester, were relevant for gender equality issues. One example is Italy, which received the specific recommendation to improve women's participation in the labour market through access to child- and long-term care.
- Within the current phase of implementation, the monitoring of the gender equality objectives is inclusively managed by including equality groups in the committees that are created at national levels.
- Gender mainstreaming was present in all RRFs and examples of gender equality aspects were found across all six pillars. Many plans included gender equality aspects regarding Pillar 1 (Contribution to the green transition), notably the training of women in green skills and the energy efficiency of childcare facilities (as found in BE, CZ, FI, SI, and ES).
- Tools for monitoring support for gender equality have been created by two delegated acts:

- Delegated Regulation (EU) 2021/2106, which establishes 14 common indicators for Member State reporting, four of which require the disaggregation of data by gender;
- Delegated Regulation (EU) 2021/2105, which provides a methodology to track RRFs' measures with a focus on gender equality.
- These two acts account in total for 131 measures with a focus on gender equality in 26 RRFs.
- As should be noted, performance will be measured ex post in the RRF context. To date, 115 billion euros have been paid to Member States (which includes 56 billion euro in pre-financing – paid out once a plan is approved). 16 measures with a focus on gender equality have already been implemented. For example:
 - Italy has created funds to support women's entrepreneurship;
 - Greece has established a new framework to improve work-life balance to close gender gaps in employment;
 - Portugal has aimed to make improvements within the digital sector and has provided new digital equipment to schools in order to promote equal participation in STEM;
 - Spain has introduced new obligations for employers to ensure equal pay for men and women as well as establish pay transparency.
- All of this is public information, which can be found on a scoreboard on the Commission's website.

Ms Irene Rioboo, Researcher, European Institute for Gender Equality (EIGE)

- The EIGE is currently working on a project on "Gender equality and gender mainstreaming in the COVID-19 recovery", which was requested by the Swedish presidency of the Council of the EU. It covers three areas:
 - The "legal case", which provides a gender assessment of the RRF regulation and identifies opportunities and challenges for gender equality and gender mainstreaming.
 - The "policy case", which analyses how the RRF gender equality provisions have been addressed in the RRFs of 27 Member States.
 - The "economic case", which was used to assess the effect of selected COVID-19 related national policy measures (e.g. taxes and benefits) on gender gaps in income and earnings in the 27 Member States.
- Key findings and messages:
 1. The COVID-19 pandemic severely impacted the labour market situation of both women and men, but for women the crisis aggravated the pre-existing labour market disadvantages.
 - ➔ We should apply a gender perspective when assessing the effectiveness of tax-benefit policies in order to provide an evidence base for the design and implementation of effective tax-benefit policies in times of crisis.
 - ➔ Suggested actions: (1) design public policies that account for the existence of intra-household inequality, and (2) acknowledge the existence of non-standard employment and caregiving responsibilities when designing gender-sensitive support schemes.
 2. Gender equality is largely absent from the plans beyond the standalone explanation on gender equality.
 - ➔ We should make gender equality a priority of the EU's recovery from the COVID-19 crisis and comply with the RRF's general objective of mitigating the adverse social and economic impacts of the crisis on women.
 - ➔ Suggested actions: (1) dual approach, (2) intersectional perspective, and (3) incorporate gender perspective into the twin transition.
 3. The lack of a sufficient tracking methodology in the RRF and the fact that most Member States have not used gender budgeting tools will prevent a systematic assessment and monitoring of the budget allocated to gender equality in the RRFs.
 - ➔ We should ensure that the implementation, monitoring and evaluation of the RRF and the national plans adopt a gender perspective.
 - ➔ Suggested actions: (1) institutionalisation of gender mainstreaming at all levels and processes related to the national plans, and (2) where necessary, consult the relevant gender equality civil society organisations..

Ms Barbara Martini, Researcher in Policy Economics, University of Rome Tor Vergata – On the RRF and Gender Equality in Italy:

- First of all, it should be highlighted that the initial conditions matter. When looking at the data displaying the percentage of women's inactivity rate across Member States, it is visible that the female unemployment observed in Italy is among the highest in Europe (assumption based on data of the second quarter of 2022). Therefore, it would have been a mistake to omit gender equality in Italy's RRF.
- It is striking that most of the Italian plan is focused on Mission 1 (Digitalisation, innovation, competitiveness, culture and tourism) and Mission 2 (Green revolution and ecological transition), while gender equality measures are only featured in Mission 4 (Education and research) and Mission 5 (Inclusion and Cohesion). Missions 4 and 5 (and therefore spending on gender equality objectives) accounts merely for roughly 26 percent of the total spending.

- While the Italian plan is innovative, the investment channelled towards improving gender equality aspects is low. The overall percentage of projects with direct effect on women is even lower – accounting for only around 5%. In terms of legislation, improvement was observed. 30% of new employment (from the investment plan) must be given to women. Further, any businesses receiving money from the Italian RRP must submit regular reports on its gender balance.
- A major issue that Italy faces is the fact the gender distribution between industries is highly skewed. Women work mostly in the service sector. There is only a low percentage of women working in industry. A problem may be that if the industry is asked to employ 30% of women, it will be hard for businesses working in this sector to find appropriately skilled women. Would it be a good or a bad idea to increase women's employment in industries that are segregated? How would this impact economic growth? We must answer these research questions in economic terms – independent of ideologies.
- The success of the RRP's improvement of gender equality in Italy will depend on the implementation phase.

Ms Iga Magda, Associate Professor at the Warsaw School for Economics and Vice President of the Institute for Structural Research

- On promoting gender equality:
 - Awareness must be raised that gender inequality exists. We need to employ tools that measure the size of the gender pay gaps within companies, especially regarding the adjusted gender pay gap. We need more understanding of how the inequities are being produced.
 - Merely enhancing childcare will not automatically remove inequalities. Speaking from the Polish perspective, it must be highlighted that there are many additional obstacles that hinder women from accessing the labour market. These include the lack of public transportation or lacking flexibility in employment contracts.
 - There is a direct link between inequality in pay and inequality in unpaid domestic work. When women earn a greater share of the household income, a greater burden sharing of unpaid domestic and care work can be measured.
 - We need to abolish stereotypes as early as possible in a child's development. There is more and more evidence of how divergent educational pathways are for boys and girls. This is especially the case regarding reading and digital skills. We further need to remove stereotypes and the inequalities resulting thereof also at company level through social dialogue.
 - The major reason for the existence of the gender pay gap is the segregation of women into lower paid professions. We therefore need to increase the number of women working in digital jobs. We notice that even women and men that graduate within the same field of studies (including STEM subjects) tend to get employed in different types of jobs. On average this means that women are more likely to be employed in jobs that pay less.
 - Lastly, we should note that we cannot focus on the inequalities in the labour market alone, as it is not a separate issue. It is connected to other societal factors that also have a gender dimension.
- On incentives for the promotion of gender equality:
 - Incentives to improve gender equality do work, and governments are in a powerful position to introduce them. One example is the requirements for receiving funding from Horizon Europe for university level research. These incentivised many universities to reconsider the topic of gender equality at the work place.
- On the tools:
 - there are many tools to assess the level of gender equality. Firstly, data that is desegregated by gender and age is a good start, but education should also be taken into account. Education is a crucial factor for gender equality, and explains a lot of the inequality observed.

Ms Cristina Antoñanzas Peñalva, General Deputy Secretary, Spanish General Union of Workers (UGT) –
On the impact of RRF funds on gender equality in Spain:

- Spain has made a move to work with trade unions and with companies. The country developed legal regulations for companies which oblige a company that employs more than 50 workers to abide by the gender equality programmes. The latter affects the positions and jobs women may get employed for (such as executive positions), with the aim of eliminating the gender gap. In addition, the country has developed strategies for care (minors and the elderly). So far, we have observed that beyond the projects that are designed to have direct effects, none of the others seem to effectively improve gender equality as of yet. As regards digitalisation, a focus has been put on women.
- From the UGT point of view, we do not know if and what kind of indirect impacts these measures will have on gender inequality. For this reason, we think that we need a cross-cutting overview of equality issues. We need disaggregated data by gender and age.

- The UGT considers that we need to increase the participation of social agents and also establish dialogues with the social stakeholders. We hope that by the beginning of next year we will be able to assess whether these projects had their desired effect on eliminating gender inequality in Spain.

Ms Sarah Perret, Head of the Personal and Property Taxes Unit, OECD Centre for Tax Policy and Administration

- The OECD recently published a report entitled "Tax Policy and Gender Equality: A stocktake of country approaches". This report is the first cross-country analysis of national approaches to tax policy and gender equality. It covers 43 countries from the G20, the OECD and beyond. The report analyses, in particular, to what extent countries take gender equality into consideration their tax policies.
- Key findings of the OECD's report and recommendations:
 1. We need more focus on assessing the implicit gender biases in tax systems. Indeed, implicit gender biases are increasingly common in the OECD countries, and even if tax provisions are gender-blind, they will affect men and women differently (because of differences in the level and the nature of their income, differences in consumption, etc.). Therefore, gender-blind tax provisions end up being not gender-neutral. We found that only a minority of countries surveyed actually assess these implicit gender biases.
 2. The access to gender disaggregated data needs to be increased. Lack of data will make it impossible to find the implicit biases in a country's tax policies. Especially in areas such as "consumption" and "property and wealth ownership", gender disaggregated data is mostly absent.
 - ➔How to respond to gender biases in tax systems? Explicit bias which worsens gender inequalities should be removed. Implicit bias which worsens inequalities should be reconsidered. Explicit bias which reduces gender inequalities should be evaluated and implicit bias which reduces gender inequalities should be promoted.
 3. Gender budgeting has a key role in improving gender equality. The concept can be understood as the use of analytical tools, as a routine part of the budget process, so that budget policy as a whole (tax and spend) is more effective at meeting gender equality goals. It encompasses ex-ante and ex-post gender impact assessments as well as the inclusion of the gender dimension in a performance setting. Moreover, gender budget tagging should be considered as well as adding a gender perspective in evaluations, performance audits and spending reviews. Recent work has highlighted the importance of gender and capital budgeting. It entails paying attention to the gender aspects of capital investments, as women, men and gender-diverse people often use assets differently due to their different social roles, work patterns or preferences. In addition, leveraging gender budgeting within a broader infrastructure governance framework can help to make more informed capital decisions that progress gender equality. Gender budgeting is increasingly used across the OECD.
 - ➔We need to ensure that there is sufficient information about gender budgeting in order to close gender gaps (including gender pay and employment gaps) across countries.

Q&A

Following the presentation, the floor was opened to comments and questions from EESC members and the audience (via sli.do). During this debate, **Ms Petraitiene, Ms Ochedzan, Mr Balon, Mr Doz Orrit, Mr Boland, Mr De Mello and Mr Palmieri** took the floor and raised the following concerns:

- How can Member States be involved to a greater extent to improve gender equality? Which country is doing the best and could be held up as an example?
- The European Commission has an important role to play in improving gender equality. We should establish a catalogue of best practices across Member States, so that other Member States can also use them and learn from them. The Commission should be responsible for standardisation and for ensuring the implementation of practices across Member States in order to bridge the gender gap.
- In Poland, we have not yet received any payments from the RRF. Polish society needs the money nonetheless. The Commission needs independent pathways to be in contact with civil society and not just the government when deciding how to solve the problem posed by the current situation in Poland. Civil society should be able to take the floor and talk about societal needs.
- It is one of the most important topics in Europe. However, even if the measures that we propose are the right ones, they are not enough for the very conservative regions in Europe. The state of minds is the problem in these regions. We also need soft tools in these regions – especially education (civil and political education). In our committee, we should set up a campaign on gender equality especially targeted at those regions in which the hard tools would not be effective.
- Spain received RRF funds first because the first level of distribution was fulfilled, but not the execution side. And it is a general problem in the EU. It is especially serious when the monetary policy has changed from expansionary policy to contractionary policy, which has an impact on Member States.

- According to UN figures, the pay gap is still 23%. The care industry is largely dominated by women and this gap is getting bigger. Many women do unpaid work. How do we measure this social type caring work in terms of GDP?
- If we want to make investments based on gender equality in companies, where are the RRP funds for civil society?
- What France is doing in this matter? What are the possibilities of aid subject to conditionality (to get gender data to rely on)?
- Is it good or bad increasing women's employment in industry where they are already segregated, and what is the impact on growth? Giving women the opportunity to work in every sector will increase productivity. There is a strong link between the participation of women and productivity.

Following these contributions, **Ms Piferi, Mr Poirier, Ms Rioboo, Ms Martini, Ms Antoñanzas and Ms Perret** responded to questions from the members and the audience:

Ms Piferi and Mr Poirier:

- Involving stakeholders: it is the role of the Member States, and the EC encourages them to do so at local and regional levels. As regards the implementation of the RRP, the EC encourages them to organise annual events. Moreover, for the REPowerEU plan, and the proposed changes to the RRP (now discussed by the EP and the Council), the EC is proposing having a summary of the consultation with the stakeholders in the plans, also to explain how the inputs have been taken into account.
- Peer learning between Member States: the EC has a regular dialogue with representatives of Member States in the framework of the experts group; currently we are organising an exchange between Member States which will take place in December and allow them to create this forum of discussions to exchange good practices regarding the implementation of the RRP.
- Information on the French plan and spending: it is available in the scoreboard of the EU¹ where we publish data on the share of the number of measures in each plan that contribute to gender equality and we also publish information on the achievement of milestones and targets.
- Tracking spending: according to the regulation of the RRF, we do not know how much is spent by the MS, as the disbursement is made upon achievement of milestones and targets that are in the plan and have been agreed at the moment of approval of the plan. The EC is currently working on the mid-term evaluation to be published in 2024 and there will be a part on the impact on gender equality.
- In Poland, as in several other Member States, there is a monitoring and implementing committee. They have to include gender equality representatives and the EC will monitor this when Poland makes its first request for payment under the RRF.
- Good practice: For example, under the French RRP, there is an obligation to implement a plan for equal opportunities in public services. There is also an investment to support through dedicated grants the employment of people with disabilities.

Ms Rioboo

- Gender equality is largely absent from the RRP. It is true that Member States have proposed some actions that are relevant in terms of the gender equality perspective but they do not fully integrate the gender dimension in the plans with all the implications that it should have. We should include gender mainstreaming in the design of the policy, in its implementation and also in its monitoring. EIGE has several tool kits that could help policy-makers in gender mainstreaming.
- The RRP of Spain and Italy are good examples, as they establish gender equality as a cross-cutting objective, and this together with the use of gender mainstreaming methods. You will find examples in our report to be published in 2023.

Ms Martini

- Solving gender issues is not only about economic incentives for businesses. It is a cultural, social and economic problem.
- As regards differences in quotas and in rates of employment in businesses, considering the employees in certain part of Italy, there are fewer women. It is the reflection of a cultural problem: the gender issue must be dealt with in a multidimensional way. There are different pillars there: if one crumbles the entire process crumbles.
- The fact that women are concentrated in some sectors of the economy is something that has to do not only with the level of productivity but also with growth, and the attitude in our communities. This needs to be resolved on the basis of education policies aimed at encouraging women to also enter other sectors of the economy.

Ms Antoñanzas

- In Spain, specific measures were put on the table to deal with the issue of gender equality within the RRP. But we do not yet have data. It is missing. We do not know how these specific measures are implemented. We want

¹ [Recovery and Resilience Scoreboard \(europa.eu\)](https://european-council.europa.eu/media/e3000420/1668224/Recovery_and_Resilience_Scoreboard_(europa.eu).pdf)

to see the impact. Alongside the measures there are also the investments and we also want how to know they will improve gender equality.

- There is also the issue of promoting gender equality in the care economy.

Ms Sarah Perret

- We need to make sure that we include a cross-cutting perspective on gender equality in all policies (macroeconomic, budgetary and fiscal). We are still working on this issue of gender-neutral tax to develop good practices in OECD countries.

CONCLUSIONS

Ms Ody Neisingh, EESC rapporteur SOC/723

- In our SOC opinion, we focus on providing recommendations on women entrepreneurship, transforming the financial ecosystem into an inclusive one.
- The financial aspect of gender equality is still one of the blind spots in our policies. It is time to look at our financial ecosystems and cashflows in order to check if these are fair. Regarding investments, all-male founded teams receive almost 92% of all venture capital invested in Europe. As per funding, in early stages, only 1% of funding goes to female-led companies, and it never rises to more than 30% in later stages, even though teams with female founders and mixed-gender teams are found to outperform their male counterparts.
- We suggest to make diversity of teams conditional for receiving public funding and by doing so inspire recruitment and retention of female talent in the financial and investment sector. Involving more women means better return on investment, better decision-making, and it helps also to create a more natural healthy and safe culture in a sector. We believe that by improving the position of women in receiving funds, there will be a positive 'trickledown effect' that leads to better financial and social outcomes. When women venture capitalists do make the decisions, they are twice as likely to invest in female founding teams, thus increasing women employment. Start-ups with a female founder fill their staff with 2.5 times more women. The only way to change the numbers is to make sure that women have access to budgets, funds and investments.
- Some recommendations that I picked up from the hearing today highlight the importance of data. We need good data to adjust current measures and to develop good policies.
- Another very useful recommendation stresses that we need training in education to fight imposter syndrome. We need to address women's thoughts of 'not being good enough', which may keep women from starting their own businesses. For this reason, we need female role models and networking. Further, we also urgently need to address gender stereotypes in education. Another recommendation I have is that all people working within the EU institutions should receive training on gender budgeting and mainstreaming. There is a further need to increase efforts on conducting gender impact assessments.

Ms Cinzia Del Rio, EESC rapporteur ECO/584

- Thank you to all the speakers. You helped us to gain an external view on this topic. We have met with the representatives of the Commission, while preparing this opinion some time ago. All of these consultations have contributed to our discussions.
- Conclusions from the hearing:
 1. The general measures on gender-based investments are fragmented. While there might be some good practices on nurseries in one MS, how is this individual measure going to contribute to an overall improvement of gender equality and women's opportunities to join the workforce – which are the heart of this opinion. Further, we have very different starting points across MS.
 2. We do not have separate sets of data per gender. We have said this over and over again. The Commission has since made the effort to provide four indicators. However, if the MS are not ready and willing to gather this data now, there will be no opportunity to collect it ex post. The lack of this data would take away our chance to have any ex-ante awareness of the RRF's impact on gender equality.
 3. Why do we keep thinking that care work needs to be carried out by women? Irrespective of whether we talk about the care for children or the elderly, the current state of care work contributes to the segregation of the labour force. We should not just make investments in sectors in which women are already employed. We need to ensure that women can also join other sectors. I see a clear role for public authorities here, which need to provide incentives. Further, the civil service should carry out gender budgeting.

Mr Stefano Palmieri, President of the ECO Section, EESC

- We will keep a close eye on the monitoring of the RRFs and its effect on gender equality in our section. As this is a cross-cutting issue, with an impact on all sections, this topic becomes a question of cultural change. We need to discuss amongst us and exchange our experience on best practices examples and the tools that actually work in practice. We need to keep pushing and working on this issue by following the implementation of the RRFs closely.