Europe loses EUR 370 billion a year due to the gender employment gap. What's more, it is statistically proven that companies with more gender-diverse management boards produce better results. So, why might it take another 217 years to close the economic gender gap at global level, as estimated by the World Economic Forum? On 17 December, high-level speakers from the worlds of business, politics and NGOs came together, along with members of the Employers’ Group, to discuss how to leverage the immense potential that women could bring to the European economy.

The female workforce – great potential for Europe’s economy

The European labour market will face severe difficulties in the coming years due to its ageing population and its skills shortage. In this context, it is especially difficult to understand why Europe’s female workforce is underutilized. In all EU Member States the employment rate is lower for women than for men, with female employment being as low as 48% in Greece, as of 2017. The picture looks equally grim for high-level positions, with only 29% of members of parliament in EU countries and 23.3% of board members in the largest publicly-listed companies registered in EU countries being female in 2016. Looking at these numbers,
the amount of untapped potential offered by the female workforce becomes clear. Rick Zednik, CEO of the Women Political Leaders Global Forum and keynote speaker at the conference, summarized this discrepancy by stating that being blind to gender means being blind to opportunities.

What’s stopping women? Action is needed

The conference participants discussed many issues that prevent gender equality in Europe’s working environment and presented possible solutions.

Ms Jelić, Vice-president of the EESC Employers’ Group and chair of the conference, raised the issue that although the number of women in business is increasing, they are still partly marginalized in the business world. The question of how women can assert themselves in a business environment that remains male-dominated was addressed by Ms. Korhola, EESC Category 1 Delegate from the CCMI. By describing the career of Angela Ahrendts, senior vice-president of Apple Retail, she showed that, if a woman stays authentic despite not fitting the image of a traditional board member, this can lead to added value through creativity, unconventional solutions and the courage to ask questions. "Gender balance is not about fulfilling a quota, but about changing behaviour in the workplace and notably on boards", added Mr. Lambert, counsellor and head of trade, economic and science & technology policy at the Mission of Canada to the EU.

Transparent data is needed to make progress visible and to show exactly where change has to happen. In order to reach this aim, Equileap has set up a Gender scoreboard — based on the UN women’s empowerment principles — that makes gender equality in companies measurable and goes beyond the traditional method of equating gender equality with the number of women on boards. Based on the data collected, the “Equileap Gender Equality Global Report” displays the top 200 companies and charts the progress made. The European Women on Boards – Ethics & Boards European Gender Diversity Index (GDI) also enhances transparency with regard to women on boards by ranking company data from nine European countries.

“Things move when money moves”, stated Ms van Maasdijk, Executive Director of Equileap, meaning that when money moves towards the “business case of gender equality” change will happen faster. The data collected by Equileap allowed to create investable indices. Five investment funds are tracking the data, of which two are in Europe, with a total of USD 600 Million invested. Furthermore, few women are currently participating in fund projects. Creating an investment fund for women or focusing existing funds on the inclusion of women could help. Also, the role of women as investors should be strengthened and promoted.

In her presentation, Ms Visser, managing director of the Centre for Inclusive Leadership, agreed that companies need to understand which specific benefits they can expect to see from promoting women to decision-making positions, as they are driven by profit. The “She Decides, You Succeed” project has focused on how to convince companies to promote more women to decision-making positions. After having analysed the situation in five European countries, “She Decides, You Succeed” put together a toolkit that presented the benefits of women on boards to companies. Furthermore, a video was created that presented the seven main benefits that companies would enjoy when promoting women into decision-making positions. These included better quality decision-making, improved corporate governance and an increased growth rate.

The mismatch between traditional female sectors and the needs of the industry adds another challenge to using women’s power. Despite the majority of bachelor’s and master’s students in the EU being women, more men enrol in sought-after study programmes, such as IT and sciences. Breaking stereotypes, changing the working culture and promoting role models is needed to empower women in these sectors.

In terms of policy, a framework should also be created to enable women to achieve their career goals. Mr Laksafoss, senior advisor at the Confederation of Danish Employers, emphasized the need for proper care infrastructure, granting women and men the necessary flexibility to work. The effectiveness of arrangements in this area has been demonstrated, as the countries with the highest employment levels often also offer good levels of flexibility, e.g. flexible working hours and childcare. In order to achieve this, social partners must come together, there must be policy support at national level, a change of culture and norms has to take place and incentives must be put in place to keep men and women on the labour market. The EU can help e.g. through country specific recommendations.

Initiatives for small companies can be a good focus point to encourage women to go into entrepreneurial activities. Ms Weidel, head of unit, COSME Programme, Entrepreneurship, SME Envoys and Relations with EASME at DG GROW, presented current projects that aim to raise the low number of female entrepreneurs in Europe. The e-platform European gateway for women’s entrepreneurship “WEgate” and the “Women entrepreneurship” sector group of the Enterprise Europe Network connect (potential) female entrepreneurs, help to share best practices and present role models. However, it is still challenging for EU initiatives, such as WeGate, to meet demand at local level.

Empowering women in business and politics is possible and profitable

By showcasing three case studies, Mr Zednik clearly demonstrated what focusing on women in business and politics can achieve. The first case study showed how Iceland’s women harnessed their collective power after a general strike. This changed the country - Iceland had the first female head of state elected in a national election, is currently one of the wealthiest countries and has the smallest gender gap worldwide, according to the World Economic Forum. According to Mr Zednik, this clearly proves that “an economy where women and men are valued equally is a thriving economy” and that “role models matter”.

Secondly, the example of the company Sodexo showed that big complex organizations can also succeed in re-structuring to
achieve a greater gender balance. It introduced the SWIFT (Sodexo Women's International Forum for Talent) programme, enabling 3000 women to participate in mentoring programmes in 2015 alone. Between 2009 and 2015 the number of senior female leaders nearly doubled at Sodexo and today the majority of the board of directors are female.

Thirdly, Grameen Bank, a micro-credit institution from Bangladesh, showed that focusing on women also pays off on a small scale. Women are generally better at repayment and tend to use the given funds for re-investment, as well as to feed and educate their children, which helps to diminish poverty. Therefore, 97% of Grameen’s Bank borrowers are women. Mr Zednik sees the lesson learned from Grameen as: “If you are looking for this elusive, high-reward investment – look to women”.

The case of Canada, which was presented by Mr Lambert, also shows what can be achieved when the government focuses on women. Canada’s women are creating enterprises today at a much faster rate than men and Canada is first on EY’s Senior Civil Service Women’s Leadership Index. This was achieved by focusing on trying to change the culture in traditionally male-oriented sectors, including: focusing on women in trade agreements, advancing women in leadership positions and encouraging start-ups led by women, especially through funding programmes. However, women in Canada are still also under-represented in senior management positions in the private sector.

“Things move when money moves”, to quote the words of Diana van Maasdijk, Executive Director of Equileap, during our debate – words that sum up my mission to highlight the importance of women in the economy. Women will be, and already are, the largest disruptive force in business.

This point was clearly backed up by Rick Zednik from the Women Political Leaders Global Forum, when he cited the fact that Iceland had become the global role model for gender equality. Following a strike by all the women of Iceland in 1975, gender balance was implemented across the country. As a result, Iceland became the ninth wealthiest country in the world and was the second wealthiest in 2018, riding out the financial crisis of 2008 without any serious damage. A new sustainable economy for all has become the norm in Iceland. Zednik gave further examples, including how Bangladesh has had continued economic growth thanks to initiatives which include empowering women through microcredit schemes.

Stephane Lambert, Trade Policy Counsellor, Mission of Canada to the EU, reiterated how Canada too has identified women in the economy as a priority. This was now impacting a drive for change on the part of institutional investors: “adoption of board diversity policies has significantly improved the number of women on boards”. Canada has created specialised tools for women entrepreneurs and women in business, with a special focus on trade, including collaborating with FTA partners, increasing procurement opportunities with the private sector and encouraging women to participate in international trade.

Sadly, Europe seems a long way from such initiatives. Could this provide an opportunity for the Employers Group of the EESC to put forward global initiatives to be considered by the new Commission?

The conference clearly showed that women will be key for the economy and general competitiveness in Europe – and therefore also key for the EESC Employers’ Group. As Ms Sharma, Member of the EESC Employers’ Group and initiator of the conference, states: “women have to be seen as value and worth investing in”.

Ms Jelić summarised the meeting by pointing out that the large number and diversity of the findings indicates that there is still a lot to be discussed. However, the aim was clear: harnessing the disruptive force of women to build a stronger European economy. As Mr Zednik stated: “gender lenses have prevented us from reaching our full potential for too long”.

There were inspiring examples of how some of Europe’s leading companies are finally starting to value women on boards and the contribution of a more diverse governance structure. The economic results, but just as importantly the sustainability of these companies in times of crisis, are proving the worth of women in the corporate world.

What I did miss most, however, was the businessmen who were not in the room. The information given by all the speakers was invaluable in highlighting the strength and importance of women both economically and socially - but I don’t need convincing because I have seen the changes women make. My concern now is, how do we get to those who still need to be convinced (the dinosaurs) ?

I would like to finish with one statistic highlighted by Torsten Laksafoß Holbek of the Danish Employers’ Confederation which really struck me, one I had not heard before: “There is a loss of EUR 370 billion annually due to under-representation of women in the labour market” (Eurofound research). Can Europe really afford to sustain such a loss, and as the Employers Group, do we not have an obligation, or an opportunity, to provide solutions to turn such a loss into an investment?

About the author:

Madi Sharma
Member of the Employers’ Group
Founder and director of Madi Group
REFORMING THE WTO: The EESC establishes an ambitious set of proposals

The issue is clearly amongst the priorities of the work ahead of the G20, whose last resolution states clearly that: “The system is currently falling short of its objectives and there is room for improvement. We therefore support the necessary reform of the WTO to improve its functioning. We will review progress at our next summit.”

In this context, the REX section approved unanimously my opinion on Reforming the WTO to adapt to developments in World Trade on 19 December 2018. The EESC takes part to the debate, with the support of all its three groups representing all the different sectors of organized civil society including employers, trade unions and various interests groups, by elaborating an ambitious set of proposals in order, not simply to reform, but rather to re-launch the WTO. The EESC proposal takes into account the major developments in the current world trade system including “imbalance between the contribution large emerging countries make to the multilateral trading system and the benefits they derive from it”, increasing number of protectionist measures, emergence of over-capacity in certain industrial sectors due to massive subsidies.

The opinion that is submitted to the January Plenary Session contains two sets of proposals: (a) more urgent ones for the short term, generally inspired by the “concept note” tabled by the EU, and (b) more ambitious and systemic ones for the medium term that will enable the WTO to be adapt fully to the new multilateral challenges in coherence with other multilateral organizations. These two aspects are connected because the first set of reforms are necessary to save the sole guardian of international trade, while the second set is critical in order to ensure the support of public opinion and to frame the rules of 21st century international trade.

Finding solutions to overcome the current crisis

The above proposals are targeted at various issues. The most urgent of these is a swift solution to get the DSB back on track (extension of the term of the current judges, extension of the number of judges, and so on) in order to avoid paralysis in December 2019. But the updating of some existing rules is also urgent given the economic impact ongoing trade distortions have had on EU industry: the agreement on subsidies and countervailing measures, the definition of state-owned enterprises, the coverage and the transparency of the current Government Procurement Agreement (GPA), the possible graduation for the Special and Differential Treatment. The same is true for the elaboration of new WTO rules in fields that are of the utmost importance for the EU: data protection in international trade in compliance with the GDPR, high-level food safety, animal welfare and environmental standards in agriculture. On the way trade negotiations are conducted, there is a strong support to favour plurilateral WTO agreements as far as they are open and transparent on issues like e-commerce, investments, micro, small and medium-sized enterprises, environmental goods and services.

But the support of public opinion and governments in many Member-States in the EU for a reform of the WTO will only be obtained if more systemic changes can be achieved in the very organization of the WTO and its missions.

Opening up discussion on systemic reform of the WTO

Members of the study group had the opportunity to discuss with various stakeholders in order to exchange views on the more fundamental reforms that are needed. Some of them are internal and aimed at designing a more efficient organization: narrowing
Beyond Katowice COP24

The agreement on the 'Katowice Climate Package' is worth applauding but there is still a lot to do. The best news from Katowice is that the spirit at the COP24 clearly showed the ever-growing enthusiasm for action by civil society. It is companies and other civil society actors who bring about change in practice.

Since expectations were not high ahead of the COP24 climate conference, reaching an agreement can be considered as a victory of multilateral cooperation. Despite considerable differences in the views of the various countries and country groups, consensus could be found. This provides the business environment with better long-term stability and predictability, which is crucial for the development of technologies and investment in production and infrastructure.

The agreed rules on monitoring and reporting are welcome, as they increase the necessary transparency regarding the amount of emissions and the actions to reduce them. These rules also contribute to bringing all countries on board and pave the way towards a more level playing field.

The negotiators could not, however, agree on the rules on market mechanisms. New impetus is now needed to foster global carbon markets. This must be considered as a matter of increasing cost-effectiveness in a transparent and reliable manner.

The agreement provides some guidance on how to proceed with respect to raising the level of ambition of emissions reductions. All in all, Governments still have a lot to do in setting the right conditions for achieving the demanding goals of the Paris Agreement, particularly in the light of the message of the IPCC report.

The Paris Agreement calls for a carbon-neutral world in the second half of this century. Every effort must now be focused on defining and realising the long-term path towards this highly ambitious goal.

What should the EU focus on?

The global goal requires a major shift in the European Union’s approach as well. Instead of focusing solely on its own greenhouse gas emissions, the EU should consider how it can contribute to achieving the greatest climate benefits from a global perspective.

In the light of the ever-falling share of its own emissions in the global context, the EU should continue its active climate diplomacy to encourage other parties to take ambitious climate action.

In terms of practical measures, the EU can most successfully contribute to combating climate change by exporting technologies and solutions for reducing emissions and increasing carbon sinks. Another way is to produce world-market products with lower emissions than those of its competitors. Trade policy plays a role here by enhancing fair conditions for European companies to compete in global markets.

A strong boost for innovation – from research to market entry – is also needed to place the EU at the global forefront of climate solutions. At the same time, there is considerable global demand for scaling-up of existing solutions.

In the spirit of sustainable development, the EU should be ambitious in striving for win-win-win solutions with respect to economic, social and climate benefits. It means looking for and
investing in measures that help strengthen the EU economy, enhance the well-being of its citizens and mitigate climate change simultaneously.

**Businesses for climate action**

A considerable number of business representatives participated in COP24 by attending the numerous side-events and observing the progress of negotiations. The International Chamber of Commerce (ICC) played the role of coordinator as the official Focal Point for Business and Industry at the climate convention. The World Business Council for Sustainable Development (WBCSD) is another active global organisation in climate issues.

Ever more companies place the climate challenge at the heart of their business strategy and develop their operations and product portfolios to respond to the climate-conscious demands of customers and shareholders. New business ecosystems are being built across sectors and between big companies and SMEs. Moreover, a growing number of private and institutional investors are taking the “carbon risk” of their investment targets into account.

Based on this positive progress, maximum use should be made of market mechanisms in promoting climate action. A global carbon pricing system would be an effective way of further boosting decarbonisation, by bringing all market players on board on an equal footing. It would level the playing-field for export businesses in world markets. It would also eliminate the competitive advantage of imported goods that are cheaper due to lower climate requirements.

**COHESION: A common European value**

The slogan “Cohesion, a common European value” was adopted following a number of institutional consultations based on proposals put forward by 21 key academic, scientific and media representatives and sets out Romania’s approach to its presidency of the Council of the European Union in 2019. The Romanian presidency aims to support the work of the Council of the European Union at this dynamic and complex time, by promoting the three dimensions of cohesion:

Firstly, we need to strengthen cohesion in terms of political action, which will help us reforge the ties between Member States, European institutions and Europeans. We therefore see cohesion both as a common European value and as an expression of unity between the EU’s countries and regions.

At the same time, the economic dimension of cohesion is a catalyst for closing the development gaps between Member States and regions and consolidating the single market. We have also considered this aspect of economic cohesion from the perspective of the new Member States, which have to integrate fully into the single market so that all Europeans can reap the benefits of it.

Last but certainly not least is the social dimension of cohesion, which entails the need to guarantee social convergence and safeguard the four fundamental freedoms of the European Union’s internal market.

The Romanian presidency of the EU Council has broken down the key priority of cohesion into four strands:

- A Europe of convergence;
- A safer Europe;
- Europe, a global actor;
- A Europe of common values.

---

About the author:  
**Tellervo Kylä-Harakka-Ruonala**  
Vice-President of the Employers’ Group  
Vice-President of the Sustainable Development Observatory
Two of the key challenges facing the Romanian presidency of the EU Council are managing Brexit and the EP elections in May 2019.

The Sibiu Summit in May 2019 will analyse and discuss the outlook for the EU post Brexit.

The 2019 elections will be particularly important because of the prevailing unstable geopolitical situation.

While the major European powers are losing their grip, others are coming to the fore. Several north European states have begun to cooperate more closely, headed up by the Netherlands. This group, popularly known as the new hanseatic league, is opposed to the plans to step up the distribution of financial risk across the euro zone and wants the EU’s fiscal rules to be applied more strictly.

With a weaker Germany, these countries will insist on playing a stronger role in selecting the members of the chief EU institutions. At the same time, the central and eastern European countries will also be calling for a stronger presence in the European institutions.

However, misunderstandings linked to the implementation of the EU’s recommendations on the rule of law in Poland, Hungary and Romania could undermine their chances of influencing the negotiations.

As a result, the EU will be faced with challenges on two fronts in 2019. The first will be to prevent arguments within the bloc spreading due to the negotiations on the selection of leaders.

The second will be to manage a more fragmented political landscape, with traditional parties losing ground to emerging groups, some of which are extremely critical of European integration.

The EU’s leaders will need to tackle these challenges at a time when the bloc’s key states are politically fragile, while other countries are playing with fire with regard to financial risk and still others are critical of the Union’s trend towards federalism.

Even more importantly, an inward looking European Union focused on its own institutional problems will probably be less effective in managing external challenges, whether trade disputes with the US, the reform of the World Trade Organization or China’s increasingly strong presence in Europe.

In the banking sector, the three key factors influencing risk in the euro zone are: geopolitical uncertainty, the stock of non-performing loans and the potential build up of non-performing loans in the future, and cyber crime and disruption to IT systems. These are followed by the re-evaluation of risk on the financial markets, where interest rates are low and banks are reacting to rules.

With regard to energy, we need strategic energy diplomacy because the energy sector is changing dramatically and understanding that change will not be easy. We are not talking merely about technological change, but rather about a total overhaul of the energy economy. We have got used to shaping energy policies in one way, and in the last four or five years the...
energy economy has changed utterly. What was cheap is now expensive; what was expensive has become cheap! What was centralised in the energy system is now becoming decentralised, and things that were decentralised are becoming centralised. And it’s all happening very quickly! Economic practices clearly cannot keep up and if the economy cannot keep up, then decision makers and policy are lagging even further behind.

A few years ago, nuclear and coal-fired energy were cheap, whereas solar and wind power were expensive. Now, nuclear energy has become prohibitively expensive, which is a problem as we need it to reach the 2050 targets. Coal, which was seen as very cheap, is also becoming very expensive. Wind and solar energy are on track to become the cheapest forms of energy.

Other key issues will be linked to the defence industry, cyber security and migration management.

One important issue for the EESC’s Group I will be the need to come up with a new strategy and additional action at EU and Member State level to support entrepreneurship and SMEs.

Flagging up the importance of supporting entrepreneurship and SME competitiveness as a mature, proactive and effective policy which can make Europe stronger given the challenges currently facing it could be another opportunity for the EESC.

The issue of EU macroregions, with particular emphasis on the Danube Strategy in view of the rapid geopolitical changes in the Black Sea region, could be interesting, together with the Three Seas Initiative (Intermarium), which was endorsed by the European Commission president in September 2018.

In his momentous speech delivered in Romanian on 11 January at the Romanian Athenaeum in Bucharest, Mr Tusk, President of the European Council underlined the following:

1. ”I am very proud and happy that in this first half of 2019 I will be managing our common, European matters together with you, as part of your first ever EU presidency.”

2. ”…not because we are at the Athenaeum tonight. But because I know how resilient and creative the Romanian nation is.”

3. ”To a large degree it will now be up to Romania, how, and if, Europe will overcome the challenges of the future. It depends only on you, whether, for Europe, Romanian politics will be a good example, or a dire warning.”

4 ”What is at stake during the Romanian Presidency, as well as the informal European Council in Sibiu, is nothing less than the way we envisage our European future together.”

5. ”To those in the European Union who might think that playing outside the agreed rules and cutting corners means strength, I say: you are wrong.”

6. ”To those working hard to defend European values, our freedoms and rights, I say: keep fighting”

7. ”Remember that there will always be challenges”

8. ”Romania has the power to fascinate and enchant.”

9. ”And I would like to appeal to all Romanians, to defend, at home and in Europe, the foundations of our political civilisation – freedom, integrity, the truth in public life, the rule of law and the constitution”.

The head of the Romanian government will present the priorities and objectives of the Romanian presidency of the Council of the European Union at the EESC plenary session on 24 January 2019.