

“#nextGenerationEU” Leaves Women Behind

Gender Impact Assessment
of the European Commission Proposals
for the EU Recovery Plan

by
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Preliminary Study

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LIST OF ABBREVIATIONS

CSR	Country Specific Recommendations
EC	European Commission
EIGE	European Institute for Gender Equality
ERDF	European Regional Development Fund
ERI	European Recovery Instrument
ESIF	European Structural and Investment Funds
EP	European Parliament
ES	European Semester
EU	European Union
FRA	Agency for Fundamental Rights
GDP	Gross Domestic Product
ILO	International Labor Organization
JTF	Just Transition Fund
MFF	Multiannual Financial Framework
NDICI	Neighbourhood, Development and International Cooperation Instrument
RRF	EU Recovery and Resilience Fund

EXECUTIVE SUMMARY

This study aims to provide an overview of potential gender impacts of the European Commission's May 2020 proposals for a European Recovery and Resilience Fund in response to the COVID-19 pandemic and its social and economic consequences. To this end, a preliminary gender impact assessment of the “#nextGenerationEU” proposals has been carried out. It puts forward recommendations on how to prevent potential negative or equality-jeopardising impacts, thus identifying the changes required in the legislative documents and the implementation process to pave the way for positive gender equality impacts of the EU Recovery Plan.

The Gender Impact Assessment (GIA) of the EU Recovery and Resilience Fund (RRF) uses a 4-step approach:

1. Review of the EU regulatory framework to give an overview of gender equality obligations for EU institutions and the European Union as a whole.
2. Provide an overview of the impact of the Covid-19 pandemic and lockdown on the social and economic situation of women and men and their diversity implications for gender (in)equalities.
3. Review how gender equality issues are integrated into the Recovery and Resilience Fund and assess potential gender impacts of the different instruments.
4. Develop recommendations to pave the way for positive gender equality impacts of the EU Recovery Plan.

Taking an intersectional perspective, the following highly relevant gender equality dimensions were selected as a basis for the Gender Impact Assessment of the Commission proposals:

- employment and related issues
- infrastructure investments

- care and unpaid work
- work-life balance
- gender-based violence
- sexual and reproductive rights
- social situation and protection
- governance issues including gender equality in decision-making
- “dual approach” to gender equality:
 - targeted actions &
 - gender mainstreaming/budgeting
- GM/GB obligations in planning, implementation and M&E

However, there are limits to the depth of the study. Besides the tight timeframe, the Commission proposals are somewhat vague, and in particular, the allocation of large amounts of money within the different instruments is highly indeterminate. Furthermore, information and data about the socio-economic impacts of Covid-19 and related measures were minimal at the time of preparation of the report. Due to these limitations, the gender impact assessment remains at a relatively general level, restricting the possibilities of evaluating quantitatively different gender equality dimensions. A methodology for classifying programmes according to the following three categories is applied, building on a method developed by Frey et al. (2007, 25f):

1. *Gender equality-jeopardising*: Programmes and instruments reproduce gender roles or contribute to reinforcing existing gender roles and norms, and negative effects cannot be ruled out.
2. *Gender equality-stable*: No impacts on gender relations are to be expected, or specific explanation is provided as to why gender aspects are not relevant in the programme area.

3. *Gender equality-promoting*: Programmes promote changes in gender roles and norms or address and devote adequate funds to redressing gender inequalities. Objectives to strengthen gender equality are well defined and translated into activities, funding provisions and performance indicators.

Key issues of gendered social and economic impacts: Highly asymmetrical and gendered effects of the Covid-19 crisis

- The Covid-19 crisis has considerable effects on health and social and economic well-being, especially where women are concerned. First and foremost, women have been leading the health response: women make up the majority of the health care workforce, exposing them to a higher risk of infection.
 - At the same time, women are also shouldering much of the burden at home due to school and childcare facility closures and longstanding gender inequalities in unpaid work.
 - The unpaid care sector has acted as the primary buffer of the Covid-19 economic lockdown. It is the most resilient sector that keeps society going in any crisis, taking care of daily and generational reproduction. Following the lockdown, it has taken on a vast amount of public sector work, such as education, health care, and policy meetings, as well as a great deal of the market economy with a broad range of online home-based production and service delivery.
 - Women are also at higher risk of job and income loss, and face increased risks of violence, exploitation, abuse or harassment during times of crisis and quarantine. Indeed, women are more likely to work in one of the four sectors (accommodation/food services; real estate, business and administrative activities; manufacturing; and the wholesale/retail trade) which the ILO (2020) considers to be at high risk in terms of job losses and reduced working hours.
- Changes in unemployment rates do not show the full impacts of the crisis on the labour market; there is strong evidence suggesting that many people drop-out of the labour market, the majority of whom women working in care-related sectors, e.g. estimated 20% drop-out of women for Italy. In April, there was a sharper decrease in the number of job-seeking women than men in Italy. The increase in the female “inactivity rate” was more pronounced in the age groups 35-49 (+ 10.4%) and 25-34 years (+ 8.8%), phases of life during which many women also have children to take care of. In Germany, 27% of mothers reduced their working hours to look after their children, compared to 16% of fathers (Kohlrausch/Zucco 2020, 9).
 - Among parents of young children, women are more affected by work-life conflicts resulting from Covid-19 than men. Women with young children (up to and including 11 years old) have been more considerably impeded from spending the amount of time they wanted to on their paid work than men (24% vs 13% respectively).
 - On average, only 45% of women’s working time is paid, whereas 67% of men’s total working time is remunerated (OECD, 2020). 80% of care in the EU is provided by informal carers, 75% of whom are women, many of them with migrant backgrounds.
 - Even before the crisis, gender-based violence was widespread within the EU. According to the data released by EIGE, 33% of women aged 15 or over in the EU have experienced physical and/or sexual violence, and 55% have experienced sexual harassment. There is a documented rise in domestic abuse during times of crisis and natural disasters. As normal life shuts down, victims – who are usually women – can be exposed to abusers for long periods and cut off from social and institutional

support. For example, there was a 32 % jump in reported domestic violence in France in just over a week, with Lithuania observing 20 % more reported domestic violence over a three-week lockdown period than over the same period in 2019. In Cyprus, calls to helplines have increased by 30%.

- Women are at higher risk of poverty: 23.3 % of women and 21.6 % of men in the EU remain at risk of poverty or social exclusion (EIGE). Women are potentially more exposed to material hardships due to the Covid-19 crisis, especially if they are heads of single-parent households.

Women are under-represented in economic and political leadership positions. The gender imbalance has become far more noticeable during the Covid-19 crisis, especially in bodies convened to deal with the Covid-19 crisis and design economic stimulus and recovery measures.

Why gender equality must be at the core of recovery

1. Investing in care infrastructure has more significant employment stimulus effects

Investing in care infrastructure is an essential and more effective path to recovery and employment creation than investment in physical infrastructure (De Henau, Himmelweit 2020). The employment effects of investing in care are at least two times greater than investing in construction, even when discrepancies in working hours and wages are adjusted for, demonstrating that these greater stimulus effects are not due to poor wages and working conditions in care. Investment in care also yields far more employment for women, whose jobs have been most at risk, and is not substantially less beneficial for men. Hence why the investment in care is well allocated both to create employment and to make the stimulus package more effective. Figure 1 shows the effects of investing 2% of GDP

in either construction or care in terms of increases in total employment rates for women and men, for EU-28 and selected countries. For some countries, such as Germany, the overall effect of jobs created for men by investing in care is equal to the number of jobs created by investment in construction, while the amount of jobs created for women is six times higher. This would decrease the gender employment gap, whereas investment in construction would increase it by creating very few jobs for women.

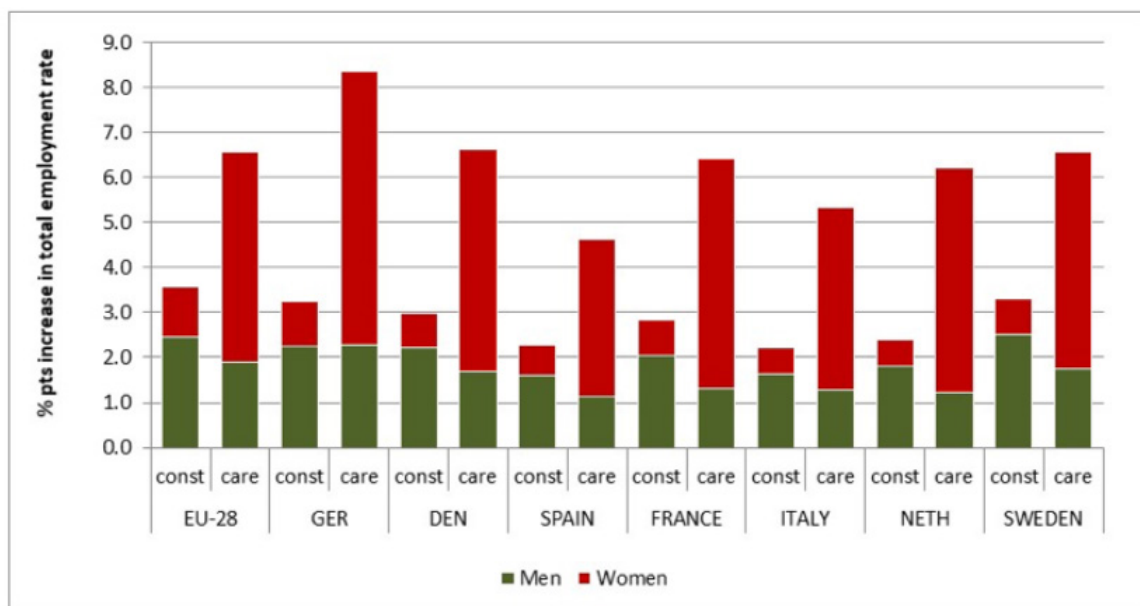
2. Macroeconomic gains from gender equality

There is growing worldwide evidence of macroeconomic gains from gender equality (EIGE 2017). The European Institute for Gender Equality (EIGE) calculated that the cost of employment loss associated with women's care responsibilities is about EUR 370 billion per year for the EU. Investing in an effective, comprehensive gender equality strategy is therefore a strategic investment as half of the €750 billion recovery instrument could be recovered each year.

Moreover, the study shows that up to 6 million additional jobs for women could be created by 2050, increasing per capita GDP by up to 5.5%, reducing poverty and inequality, and improving the well-being of children (EIGE 2020c). Women dropping out of the labour market inevitably leads to reductions in national GDP and household income. Furthermore, women drive 70-80% of consumer spending, also thanks to their role as caregivers. Hence, if women's participation in the labour market and their income decreases, this will also harm national wealth and the effectiveness of economic policies.

The cost to the EU of gender-based violence against women was estimated to be EUR 259 billion (EIGE 2014), an annually recurring cost which amounts to more than one-third of the EUR 750 billion recovery instrument. Investments in ending violence against women will save billions and

Figure 1: Employment effects of investing 2% of GDP on construction or care



Source: Jerome de Henau, Susan Himmelweit (2020).

create a more democratically resilient and human rights-based European Union.

3. Building resilience through gender equality

Building resilience in the European economy through gender equality: investment in care and social innovation is needed to create an enabling environment in which all women and men, in all their diversity, can fully enjoy their fundamental human rights. Combatting gender-based violence and promoting gender equality requires investments in public services, health, education and awareness-raising, women's economic empowerment, social security and income support, support for the home-based economy, and gender mainstreaming and equal opportunities strategies in all measures proposed by the recovery instrument.

Main results of the Preliminary Gender Impact Assessment

The Recovery Plan, and especially the legislative proposals, are gender blind. The significant funds, in particular, fail to address the challenges related to the Covid-19 crisis in the care sector and the specific challenges for women, nor do they address increasing inequalities.

The report includes a more detailed assessment of a selected range of programmes and instruments from the overall package, including the European Recovery Instrument, the European Recovery and Resilience Facility, Invest EU, the Strategic Investment Facility and the EU4Health programme. All programmes assessed in detail are classified as gender equality-jeopardising.

The EU Recovery Fund focuses on economic stimuli for sectors with high shares of male employment, for instance, the digital, energy, agriculture, construction and transport industries (see figure 2), while many of the sectors profoundly affected by the Covid-19 crisis have high shares of female

employment.¹

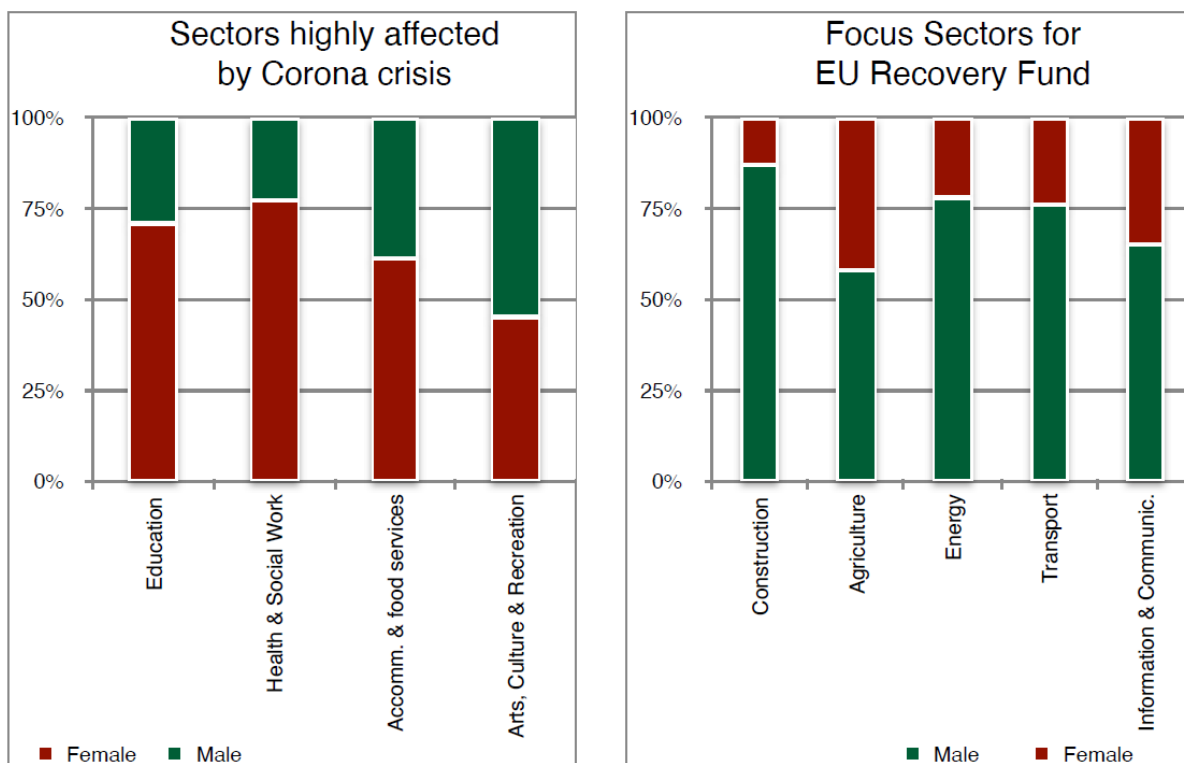
The core focus is on a transformation towards a digital and green economy. As it does not address any gender issues related to this transformation, it is highly gender risky. Similarly, neither recovery of the care sector nor a transition towards a care economy, an important basis for generating resilience, are included in the plans.

Linking the European Recovery and Resilience Facility (mobilising € 560 billion) to the European Semester also poses potential gender risks. Research on the previous country-specific recommendations, a core coordination instrument in the European Semester, shows that most recommendations are gender blind. This process impedes democratic and transparent deliberation within

crucial economic and budget policy decision processes.

Focussing on a green and digital economy means a large share of funds mobilised for economic stimuli is allocated to sectors with high percentages of male employment, such as energy, agriculture, construction and transport industries. Figure 2 shows very high proportions of male employment in the sectors at the core of the EU Recovery Plan, while sectors profoundly affected by the Covid-19 crisis have high shares of female employment. Overall, the Recovery Plan will therefore counteract the goals declared by the European Union to increase gender equality in the labour market. Indeed, the current focus of the Recovery Plan will contribute to increasing gender inequalities in employment in the EU.

Figure 2: Share of female and male employment in selected sectors, EU-27, 2019



Source: Eurostat

1 The analysed sectors were chosen using the preliminary scientific data on the sectors hit hardest by the Covid-19 crisis (OECD, 2020). The classification methods for grouping industries varies from country to country. What is commonly called the HORECA sector (Hotel-Restaurant-Café) actually corresponds to the European NACE definition of "Accommodation and food service activities"). The wholesale and retail trade, which has also been affected by the crisis, was not included in this sector as the European NACE categorisation of industrial sectors groups it together with the repair of motor vehicles and motorcycles, which would give misleading information regarding the proportions of women and men in the sector.

Key recommendations

- The focus of the recovery and stimulus instruments must be shifted to include investment in sectors with the highest employment potential to use the funds effectively.
- Include a focus on investment in care in the Recovery Plan in addition to a just digital and green transition, because it not only has highly positive employment and economic recovery effects but also addresses the key challenges towards building truly resilient European economies.
- Focus on building a just, digital, care-based and green transition.
- All “#nextGenerationEU” proposals and projects should comprise robust ex-ante and ex-post gender impact assessments, sex-disaggregated data and the application of Gender Budgeting in the planning, implementation, monitoring and evaluation of all funds and instruments.
- National recovery and resilience plans, which are a prerequisite for Member States to receive funds under the Recovery and Resilience Facility, should include mandatory national gender equality plans for recovery and strategies to address gender issues emerging in the crisis, including gender-based and domestic violence.
- All governance, management and implementation bodies should be required to consult gender equality experts and shall be gender-balanced.
- Increase funding to the European Institute of Gender Equality as the main body in the provision of gender equality expertise within European institutions.
- Amendments to the legislative proposals to include a focus on transition towards a digital, green and care economy, clear binding gender equality objectives and activities, and targets and indicators related to strengthening gender equality.
- Adopt a “dual approach” in all programmes and instruments: dedicated funding for gender equality and comprehensive requirements for gender mainstreaming and gender budgeting. This includes setting up particular budget lines to strengthen gender equality related areas in the scope of each of the specific programmes and instruments. Furthermore, specific budget items shall be reserved within programmes to fund the establishment of gender expertise and support networks of female professionals and gender experts in the programme areas.
- A vast amount of previous work and expertise on Gender Budgeting and Gender Mainstreaming has been incorporated into the MFF, the annual EU budgets and funds, and budgets at all other levels. This information was sourced from EIGE, independent experts, the European Gender Budgeting Network, the European Community of Practice on Gender Mainstreaming.² Further development of this expertise and dedicated funding to expand upon and adapt it to the Recovery Plan programmes is recommended.
- Ensure adequate participation of civil society groups and non-profit organisations with gender equality expertise in issues related to the recovery programmes and instruments.
- Establish specific transparency mechanisms for tracking the use of funds in all programmes to ensure public access to information regarding expenditure within all funds and beneficiary entities.

2 <http://standard.gendercop.com>. As many others, this group of gender experts working on gender mainstreaming in EU Funds, especially the ESF has been discontinued.

1. INTRODUCTION

Objectives of this study

This study aims to provide an overview of potential gender impacts of the European Commission's May 2020 proposals for a European Recovery and Resilience Fund in response to the COVID-19 pandemic and its social and economic consequences. To this end, a preliminary gender impact assessment of the “#nextGenerationEU”

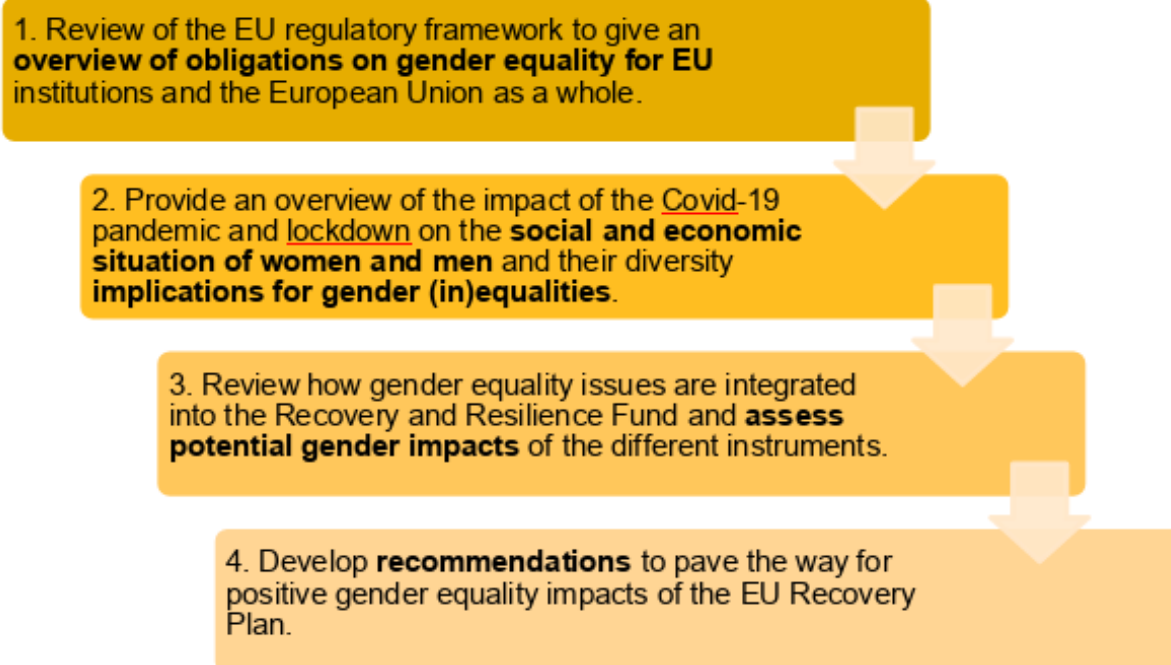
proposals has been carried out. It puts forward recommendations on how to prevent potential negative or equality-jeopardising impacts, thus identifying the changes required in the legislative documents and the implementation process to pave the way for positive gender equality impacts of the EU Recovery Plan.

2. APPROACH AND METHODS FOR PRELIMINARY GENDER IMPACT

The overall method and approach used in this study are briefly presented in the following.

The Gender Impact Assessment (GIA) of the EU

Recovery and Resilience Plan uses a 4-step approach to provide an overview of the gender impacts of the Commission proposals:



Taking an intersectional perspective, the following highly relevant gender equality dimensions were selected as a basis for the Gender Impact Assess-

ment of the Commission proposals:

- employment and related issues
- infrastructure investments

- care and unpaid work
- work-life balance
- gender-based violence
- sexual and reproductive rights
- social situation and protection
- governance issues including gender equality in decision-making
- “dual approach” to gender equality:
 - targeted actions &
 - gender mainstreaming/budgeting
- GM/GB obligations in planning, implementation and M&E

Several issues limit the depth of the study results:

- The Commission proposals are somewhat vague, and in particular, the allocation of large amounts of money within the different instruments is highly indeterminate. Thus, the very ambiguous determination of how and on what funds will be spent considerably restricts a more specific impact assessment.
- Information and data about the socioeconomic impacts of Covid-19 and related measures were minimal at the time of preparation of the report. The evidence regarding the effects of the pandemic on men and women is still mostly incomplete in many areas, in particular in respect of the micro- and macroeconomic gender effects of the Corona crisis.
- Not only the use of funds but also the provisions related to governance and decision-making have considerable potential gender impacts. The legislative acts include highly complex rules related to governance and decision-making, making it difficult to grasp its full implications.
- Finally, this study was carried out within a very tight timeframe.

Due to these limitations, the Gender Impact As-

essment remains at a relatively general level, restricting the possibilities of evaluating and quantifying different gender equality dimensions. The summary assessment of the selected instruments therefore follows a qualitative approach. The following categories are used in the overall assessment, building on a methodology developed by Frey et al (2007, 25f):

1. Gender equality-jeopardising: Programmes and instruments are assessed as gender equality-jeopardising if they are designed in a way which reproduces gender roles or contributes to reinforcing existing gender roles and norms; and negative effects which putting gender equality at risk cannot be excluded. Additionally, programmes which do not address gender inequalities and rely on implicit assumptions about being gender neutral without any assessment are considered gender equality-jeopardising.

2. Gender equality-stable: If no impacts on gender relations are to be expected, or specific explanation is provided as to why gender aspects are not relevant in the programme area, the programme can be classified as gender-stable. In general, only for a very small area of very specific programmes might it hold that those gender aspects are not relevant. None of the EU Recovery Plan programmes fall into this category.

3. Gender equality-promoting: Programmes contribute to promoting gender equality when they support changes in gender roles and norms or address and devote adequate funds to redressing gender inequalities. Promotion of equality can also be assumed where legislative texts include objectives to strengthen gender equality and these objectives are translated into activities, funding provisions and performance indicators.

The results of the assessment provide information to draw conclusions and derive recommendations on how to improve gender equality integration into the Recovery Plan.

3. GENDER EQUALITY OBLIGATIONS

Gender equality is a fundamental value and an obligation of the European Union enshrined in many overarching EU legal and policy documents.³ This section provides an overview of the primary gender equality obligations of the EU and critical political commitments of EU institutions which are of high practical value in the context of the “#nextGenerationEU” proposals.

- Articles 2 and 3(3) of the founding Treaty on European Union (TEU)⁴, Articles 21 and 23 of the Charter of Fundamental Rights (European Union 2000), and Article 8 of the Treaty on the Functioning of the European Union (TFEU)⁵ call for equality between women and men. Article 8 of the TFEU, for example, **explicitly requires the Union to “eliminate inequalities and promote equality between women and men through all its activities”**. This is a requirement for gender mainstreaming. Article 23 of the Charter of Fundamental Rights stipulates “Equality between women and men must be ensured in all areas, **including employment, work and pay.**”
- The Treaty of Lisbon includes a commitment to gender equality through Declaration No. 19, annexed to the Final Act of the Intergovernmental Conference that adopted the Treaty (European Parliament 2018a, 2018b)
- The Europe 2020 strategy (European Commission 2010) includes increasing women’s labour market participation as an objective. Moreover, the Barcelona targets (European Commission 2018b) include a specific target on childcare coverage to facilitate the reconciliation of work and private life for both women and men.

- The issues of **pay gap and organisational diversity** are clear priorities. These European priorities were laid down in the legally binding Directive 2014/95/EU (on disclosure of non-financial and diversity information by certain large undertakings and groups), in the non-binding Recommendation 2014/124/EU (on strengthening the principle of equal pay between men and women through transparency) and in the EU action plan 2017-2019: Tackling the gender pay gap (European Commission (n.d.)).

The **Strategic Engagement for Gender Equality 2016-2019 framework** (European Commission 2015a) highlighted the EU Structural and Investment Funds as the EU’s most important investment tool, including for promoting gender equality through continued monitoring and support for Member States in attaining the Barcelona targets on childcare; action addressing work-life balance faced by working parents and caregivers, supporting companies’ efforts to increase women’s labour-market participation by facilitating Diversity Charter platforms; integrating a gender perspective into the implementation of the European Agenda on Migration (European Commission 2015b), addressing barriers to migrant women’s employment and helping Member States to make full use of the possibilities offered by the European Social Fund (ESF) in this regard; awareness-raising to promote women’s entrepreneurship, including by launching an e-platform for women entrepreneurs, creating a European Network of Women Business Angels and establishing the Network of Women’s Web Entrepreneurs Hubs.

³ This compilation of gender equality obligations builds on EIGE (2020a).

⁴ Treaty on European Union, EU, Brussels. Available at: <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex%3A12012M%2FTXT>

⁵ Treaty on the Functioning of the European Union, EU, Brussels. Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A12012E%2FTXT>

The **2011–2020 Gender Equality Pact** (Council of the EU 2011) includes three main EU ambitions on gender equality:

1. close the gender gaps in employment and social protection;
2. promote better work-life balance for women and men throughout the life-course;
3. combat all forms of violence against women.

The **Gender Equality Strategy 2020-2025 “A Union of Equality”** (European Commission 2020a), which underscores the Treaty obligations, vows to “give a new impetus to gender equality” and sets out several key priorities:

Be free from violence and stereotypes:

The EU will do all it can to prevent and combat gender-based violence, support and protect victims of such crimes and hold perpetrators accountable for their abusive behaviour.

The Commission will develop and finance measures to tackle abuse, violence as well as forced sterilisation and forced abortion in women with health problems or disabilities.

Eradication of trafficking in human beings, amongst whom women and girls form the vast majority of victims.

Thrive in a gender-equal economy:

Close gender gaps in the labour market

Increase women’s participation in the labour market.

Improve workers’ work-life balance of workers.

EU cohesion policy supports women’s entrepreneurship, their (re)integration into the labour market and gender equality in specific, traditionally male sectors.

Promote women’s participation in innovation under the Horizon Europe European Innovation Council.

Promote women-led start-ups and innovative small and medium-sized enterprises.

Promote the presence of women in deci-

sion-making positions in private equity and venture capital funds and support funds investing with gender diversified portfolios through the Invest-EU programme.

Achieve equal participation across different sectors of the economy

Address gaps in digitalisation and ICT

Address horizontal segregation, stereotyping and gender gaps in education and training

Eliminate the gender pay gap and address the pension gap

Close the gender care gap

Equal sharing of care responsibilities

Availability of childcare, social care and household services, in particular for single parents

Improve availability and affordability of quality care services for children and other dependents (through ESF+, ERDF, InvestEU, EAFRD)

Lead equally throughout society

Ensure gender balance in leadership positions in EU institutions and bodies

The Commission aims to reach gender balance of 50% at all levels of its management (by the end of 2024)

Green and digital transitions and demographic change - all have a gender dimension.

The inclusion of a gender perspective in all EU policies and processes is essential to reach the goal of gender equality

The aim is to redistribute power, influence and resources in a fair and gender-equal way.

Address gender equality and women’s empowerment across the world.

Gender equality and women’s empowerment is a core objective of EU external action.

In the EU’s external policies, gender mainstreaming is used in the budget process through the commitment of ensuring that 85% of all new programmes contribute to

gender equality and women's empowerment.

The Commission will integrate a gender perspective in all major Commission initiatives during the current mandate.

Ensure the integration of a gender dimension throughout the financial framework and more specifically, in various EU funding and budgetary guarantee instruments.

The **Commission will look at the gender impact of its activities and at how to measure expenditure related to gender equality.**

The implementation of the Gender Equality Strategy will be based on the **dual approach of targeted measures to achieve gender equality, combined with strengthened gender mainstreaming.** The Commission will enhance gender mainstreaming by systematically including a gender perspective in all stages of policy design in all EU policy areas, internal and external, using intersectionality as a cross-cutting principle.

The **European Pillar of Social Rights** (European Commission 2017a), introduced by EU institutions at the Social Summit for Fair Jobs and Growth in November 2017, lays down 20 key principles as a framework for convergence towards better living and working conditions across the EU. It is structured around three categories: equal opportunities and access to the labour market (including 'key principle 2: gender equality'⁶), fair working conditions, and social protection and inclusion. Linking these elements to future enactment of EU Funds, especially the new European Social Fund Plus (ESF+), seeks to support the implementation of the pillar.

The **Work-life Balance Directive**⁷ champions gender equality and focuses on delivering key elements of the EU Pillar of Social Rights (key principle 9: work-life balance⁸) through legal and policy measures. Among these, the policy measure of making better use of EU Funds to improve long-term care and childcare services is directly relevant in the context of the Recovery Fund.

In 2015, all Member States of the United Nations – including all EU Member States – adopted the 2030 Agenda for Sustainable Development (UN 2015a) and its sustainable development goals (SDGs). **Gender equality is a cross-cutting element** of all 17 global goals, as well as a standalone goal (SDG 5: 'Achieve gender equality and empower all women and girls') (UN 2015b) in its own right. Paragraph 20 of the 2030 Agenda explicitly highlights the importance of closing gender gaps and supporting gender equality by systematically mainstreaming the gender perspective, while the SDG framework also includes a specific indicator on gender budgeting (indicator 5.C.1.). The indicator measures three crucial components which are used to mainstream gender in public finance, namely:

- 1. Addressing well-identified gender equality goals in programmes**, including in those programmes where gender equality is not the primary objective, and **ensure adequate resource allocation** by identifying whether policies, programmes with measures to close gender gaps and sufficient resources are in place and executed;
- 2. Public finance system promotes gender-related goals**, a clear statement of gender-related objectives and allocated resources, and the existence of mechanisms to track resource allocations towards these policy goals;

6 Key principle 2 (gender equality) specifies that "Equality of treatment and opportunities between women and men must be ensured and fostered in all areas, including regarding participation in the labour market, terms and conditions of employment and career progression. Women and men have the right to equal pay for work of equal value."

7 Directive (EU) 2019/1158.

8 Key principle 9 (work-life balance) specifies that: "Parents and people with caring responsibilities have the right to suitable leave, flexible working arrangements and access to care services. Women and men shall have equal access to special leaves of absence in order to fulfil their caring responsibilities and be encouraged to use them in a balanced way."

gender impact assessments, and independent gender audit,

3. Existence of mechanisms **to make resource allocations for gender equality and women's empowerment publicly available.**

Given the Treaty obligations requiring the European Union to “eliminate inequalities and promote

equality between women and men through all its activities” constitute a requirement for gender mainstreaming, the SDG indicator provides clear guidance as to what needs to be implemented throughout the EU Recovery Plan (“#nextGenerationEU”).

4. KEY ISSUES OF COVID-19 SOCIAL AND ECONOMIC IMPACTS ON WOMEN AND MEN IN THEIR DIVERSITY

The Covid-19 crisis exacerbates pre-existing inequalities between women and men in many areas, such as employment, care, gender gaps in income, time management, violence, poverty and representation in decision-making. This section provides an overview of inequalities and current trends⁹.

“The COVID-19 pandemic is harming health, social and economic well-being worldwide, with women at the centre. First and foremost, women are leading the health response: women make up almost 70% of the health care workforce, exposing them to a greater risk of infection. At the same time, women are also shouldering much of the burden at home, given school and childcare facility closures and longstanding gender inequalities in unpaid work. Women also face high risks of job and income loss, and face increased risks of violence, exploitation, abuse or harassment during times of crisis and quarantine.” (OECD 2020b, 1). This OECD statement also succinctly summarises the challenges faced in Europe.

The call for action is equally valid for European institutions: “Policy responses must be immediate, and they must account for women’s concerns. Governments should consider adopting emergency measures to help parents manage work and caring responsibilities, reinforcing and extending income support measures, expanding support for

small businesses and the self-employed, and improving measures to help women victims of violence. Fundamentally, all policy responses to the crisis must embed a gender lens and account for women’s unique needs, responsibilities and perspectives.” (ibid.).

Frontline workers and essential workers are predominantly women

The crisis has highlighted that many essential frontline workers in the EU are in poorly paid and often precarious employment in sectors such as health care, care, household and retail services (European Parliament 2020a, EAPN 2020a). Many of the workers are women, migrants or from ethnic minorities. These workers are vital in dealing with and overcoming the challenges of the crisis.

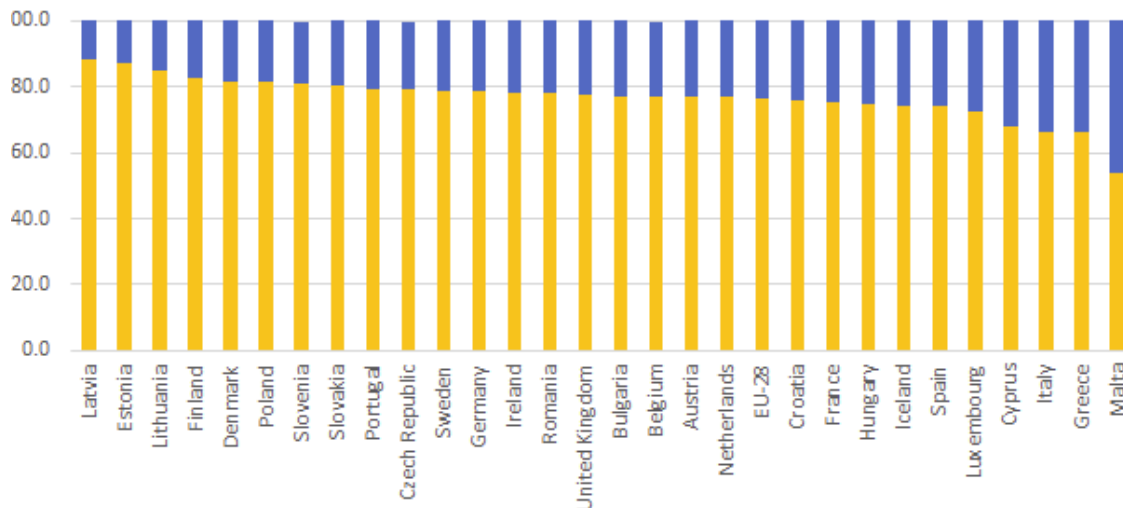
The health care sector is facing unprecedented pressure¹⁰. Health care workers are at the front-line of the Covid-19 pandemic, working around the clock and putting themselves and their families at risk to care for patients. Although both women and men working in this sector are exposed to the virus, women are potentially more at risk of infection because they make up the majority (76 %) of health care workers¹¹ in the EU; 78.6% of people employed

9 Given the tight timeframe for this study and the incomplete data and information on current developments, this overview can only indicate tendencies. However, a clear picture of the action required to prevent gender inequalities from deepening, which is of high relevance in shaping the EU Recovery Plan.

10 This sub-section draws on EIGE data (2020d).

11 Eurostat’s NACE Rev. 2 classification defines health care activities as “the provision of health and social work activities. Activities include a wide range of activities, starting from health care provided by trained medical professionals in hospitals and other facilities, over residential care activities that still involve a degree of health care activities to social work activities without any involvement of health care professionals.”

Figure 1: Share of women and men employed in health care activities, 2018



Source: EIGE 2020d, Gender Statistics Database

in healthcare and social work in the EU-27 in 2019 were women. In healthcare and other care activities, the share of women with a migratory background is high (Kofman & Raghuram, 2015).

The care sector is also highly affected. Workers in this field are potentially exposing themselves or the people they work with to the virus. The proportion of women in care occupations is very high. EIGE research has found that about 76% of the 49 million care workers¹² in the EU are women (EIGE 2020f). These figures are likely underestimated due to the large share of undeclared employment, especially in the domestic care sector. Women with low or medium-level education and migrant women are more likely to work in the long-term care sector, especially as personal carers (EIGE 2020f, 31).

Women make up:

- 93 % of childcare workers and teachers' aides
- 86 % of personal care workers in health ser-

vices¹³

- 95 % of domestic cleaners and helpers¹⁴

These professions are some of the most undervalued and underpaid jobs in the EU.

Where the provision of formal long-term care in people's homes¹⁵ is concerned, it is estimated that 4.5 million of the 5.5 million (82%) care workers in the EU are women¹⁶ (EIGE 2020f, 29). Carers provide different types of care depending on their qualifications and job functions: they might provide nursing care and carry out basic medical services; they could be personal carers, helping people to eat, bathe or dress; or they could be domestic workers carrying out tasks such as cooking and cleaning. Amongst all the women in the workforce, 4.3 % perform social work activities (provided at home or in the community), compared to only 0.8 % of men. Those working at the frontline and providing essential services, predominantly

12 This includes child care workers and teachers' aides, personal care workers in the health service, and domestic cleaners and helpers.

13 This includes those working in home-based settings or in institutions.

14 Eurostat, Labour Force Survey 2018.

15 These workers come under the economic sector category of 'social work activities without accommodation' according to the NACE 88 category. For more information see statistical classification of economic activities in the European Community, <https://ec.europa.eu/eurostat/documents/3859598/5902521/KS-RA-07-015-EN.PDF>.

16 Eurostat, Labour Force Survey 2018 (Ifsa_egan22d).

women, perform some of the most undervalued and underpaid jobs in the EU. Formal carers are subject to high work intensity (e.g. high emotional demands and high workload), adverse social environment (e.g. high risk of abuse, harassment and under-appreciation), atypical working hours (e.g. working at night and/or at weekends, frequent changes to working hours) and low income (EIGE 2020f, 31). Their vital role must be acknowledged, their working conditions improved and their pay increased, and that appropriate health and safety measures are put in place.

During a public health crisis, policy makers must prioritise support for the most vulnerable front-line workers. This means not merely counting the number of jobs and industries affected, but also focusing on the individual workers and the nature of the work they are conducting. The European Parliament (European Parliament 2020b) calls for an improvement of “conditions for key workers: levelling up of wages and working conditions” and “safe working conditions for all workers at the front line of this epidemic”. The World Economic Forum (2020a) also backs a re-evaluation of essential work and an improvement of the quality of jobs.

The unpaid care sector as the buffer during the lockdown

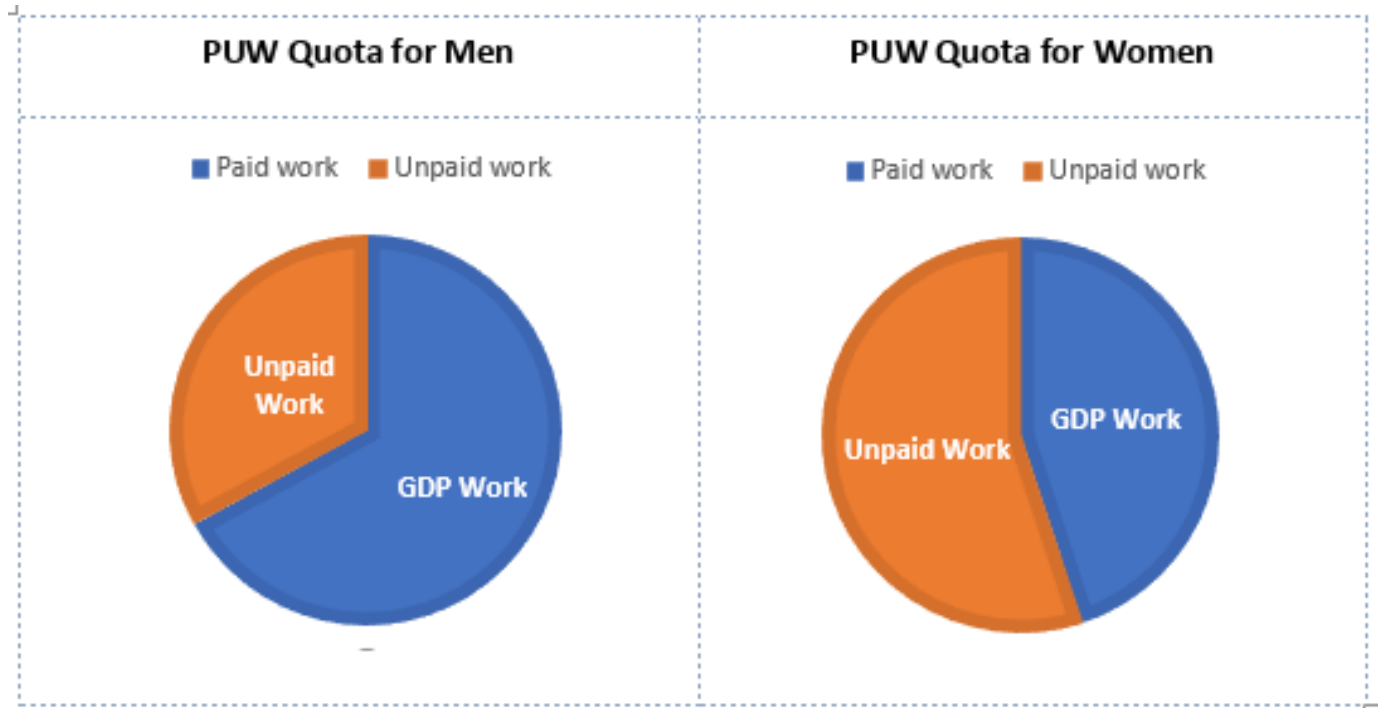
The unpaid care sector has acted as the primary buffer of the Covid-19 economic lockdown. It is the most resilient sector that keeps society going in any crisis, taking care of daily and generational reproduction. Following the lockdown it has taken on a vast amount of public sector work, such as education, health care and other forms of care. Moreover, it has also taken on a broad range of online home-based production and service delivery, including training, coaching, entertainment, administrative work and online shopping. The Covid-19 lockdown demonstrated that households are more than ‘consumption units’; they are life-sustaining reproduction and production units, ready to adopt decentralised work processes while also creating

new opportunities for home-based digital production and services, especially for network companies and the self-employed. Households have proven themselves to be the most resilient and versatile sector of the economy, based on unpaid work. Indeed, the home-based economy was the buffer upon which the entire economy and a great deal of the public sector (education, health) were able to fall back during the lockdown. Investing in the home-based economy is, therefore, of strategic importance in generating resilience. However, this must be done with a clear gender equality perspective to ensure that the burden of those performing the work in households, namely women who carry out the majority of this unpaid work, is significantly reduced.

The unpaid economy is not included as a formal sector in GDP calculations despite being the largest sector of the economy in terms of working hours. OECD statistics show regarding paid and unpaid working hours of women and men for 21 EU countries that, on average only 45% of women’s working time is paid, whereas 67% of men’s total working time is remunerated (see Figure 2). The country with the lowest paid-unpaid-work gender gap (PUW gender gap) is Sweden, where 55.6% of women’s total work is paid, whereas 64.7% of men’s total work is paid, resulting in a gender gap of 9.1%. The country with the highest PUW-gap is Portugal, where 79.4% of men’s working time and only 41.3% of women’s working time is paid, resulting in a PUW gender gap of 38.1%. The unequal distribution comes at a high cost for women and men, employers and society as a whole, leaving women’s abilities and talents underutilised, and this cost increased significantly during the Covid-19 crisis.

The distribution of paid and unpaid working time between women and men is an indicator for investment opportunities in reducing women’s unpaid work and increasing gender equality. This is crucial for unleashing women’s time, talents and capacities to contribute to a gender equal economy and sustainable prosperous economic and social development.

Figure 2: Average Paid-Unpaid-Work-Quota (PUW Quota) for Men and Women in 21 EU



Source: Thera van Osch calculations, OECD statistics.

Aggravated unequal burden sharing of care work within households

Data shows that the distribution of care and household work is unequal between women and men. The Covid-19 pandemic has aggravated the already existing imbalance and burden on women. An April 2020 survey (Eurofound 2020b) observed the lives of people in the EU during the pandemic and confirmed that for many, it was the first experience of working from home. It also found that more women (64%) than men (57%) had no prior experience of teleworking. At the same time, it highlighted that a higher percentage of women began teleworking during the Covid-19 crisis than men (39% women vs 35% men). A further finding is also highly interesting: that figure rises to 46% amongst women with young children (up to and including 11 years old). The research confirms that amongst parents of young children, women are more afflicted by work-life conflicts than men. When taking pre-Covid-19 circumstances as a starting point,

whereby women tended to shoulder a larger burden in combining work and family life, for instance in Austria where almost half of all women are in part-time work and remain predominantly responsible for reproductive work (Bock-Schappelwein et al. 2020, 3f), it is likely that these unequal patterns will now be exacerbated. Single-parent families, where women form the overwhelming majority, face particular challenges (ibid, Frey 2020).

Almost one-third of women with young children reported problems in concentrating on their work, as against one-sixth of men (Eurofound 2020b). Indeed, family responsibilities have impeded more women than men from spending the amount of time they wanted to on their paid work (24% vs. 13% respectively). At the same time, 32% of women with young children affirm that their job prevents them from devoting time to their family, compared with 25% of men. As a consequence, the research found that under the same conditions these women were more likely to feel tense (23% vs 19%), to feel lonely (14% vs 6%) and depressed (14% vs 9%) than men. Women with children struggle more to make ends meet than men with children (32% vs

29%).

This is probably due to additional care needs with schools closed and elderly relatives requiring special assistance (ILO 2020b, European Parliament 2020a, 9). Stress is far greater for those who cannot change their working time arrangements, which is the case for more women (57 %) than men (54 %) in the EU¹⁷. This is especially the case in the public sector across EU Member States, where employees have no control over their working time (65 % of women and 62 % of men). Around 27 % of all women employees work in the public sector in the EU, compared to 16 % of men, meaning many more women employees are subject to less flexibility. The rates are high also for private-sector employees, with 56 % of women and 53 % of men having no control over their working time arrangements.

Even before the Covid-19 pandemic, women in the EU spent 22 hours per week on care and household work while men spent only 9 hours, thus resulting in women performing 13 hours more unpaid care and housework every week (EIGE, 2020c). Within the EU, weekly worked hours (paid and unpaid work) are 49 for men and 55 for women (Eurofound 2019). Research also shows that 39% of women but only 4% of men in the EU state that they are unable to seek work due to caring activities, while 31.1% of women work part-time versus only 8.2% of men. This is particularly the case for those with children (57.4% of women work full-time, compared to 75.5% of men). When viewed this way, the full-time employment rate gap reaches 18%. Increased stress related to care activities is predominantly reported by people in the age group 25-49, rendering a link to having children evident. Indeed, 61 % of women in this age group spend at least 1 hour per day caring for or educating a child or another dependent person, compared to 39 % of men (Gender-Equality Index, 2018). This also holds true for men who live in a partnership and have children. Even in this case, in 2016 men spent less

time performing these care activities than women (67% and 85 % respectively) (EIGE, 2019). With high variations between countries, women in all EU Member States still spend much more time on housework and childcare than men, and thus caring responsibilities are the main reason for inactivity for almost 31% of women, while this is only true for 4.5% of men. Within the EU, the smallest amount of time spent on unpaid care by women is found in Finland (211 minutes), and the largest in Lithuania (308 minutes), with Germany having the median value (269 minutes) (Eurofound and International Labour Organization, 2019).

Public, private and non-profit – on different forms of providing essential care services

Shifts in the provision of essential care services have been observed in recent decades. As pressures on public finance mount, the private sector is increasingly investing in social service provision as “a new asset class for European investors looking to make long-term investments” (HLTF 2018, iii).

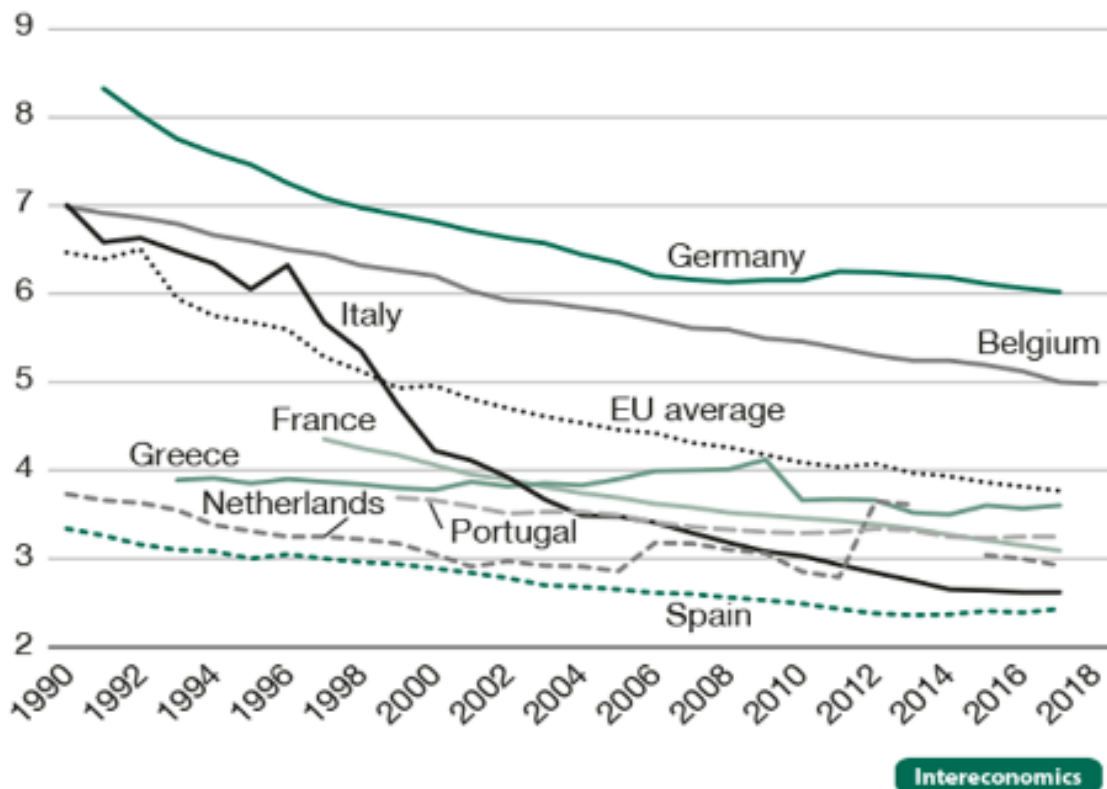
The European Union’s response to the 2008 financial crisis focussed on austerity within the framework of the European Semester, the consequences of which can be observed in the current crisis. Those sectors which are crucial to building a resilient economy, especially public health care, have been subject to severe pressure to cut funding and reduce services. This has happened throughout the Member States, albeit to different degrees and starting from different levels. For the example, in Italy, “[f]rom 2010 onwards, a new phase of spending containment began, lasting until 2015” (Prante et al. 2020, 5). “The Italian population is currently paying the price of prolonged tight budget policies in the Italian national health system. The one-sided focus on fiscal constraints and debt

17 <https://eige.europa.eu/publications/gender-equality-index-2019-report/flexible-working-arrangements>

reduction has deprived the Italian health sector of an important part of its capacity to offer adequate protection to the population.” (Prante et al 2020, 9). While the availability of acute care and intensive care beds is crucial during the pandemic, a trend of reducing their number per inhabitant can be observed across almost all countries in the EU

(see figure 3). In Italy, the number of beds per 1,000 people declined from 7 in 1990 to 2.6 in 2017. In the same period, “public health care spending was similarly affected in Portugal and Spain and to a larger extent in Greece, i.e. the countries hardest hit by the euro crisis and the subsequent austerity policies.” (ibid, 5).

Figure 3: Acute care beds per 1,000 inhabitants, eight largest EMU countries and EU average



Source: Prante et al (2020), based on OECD data.

European health care systems in 2020 are less public than they were 30 or even 10 years ago (Popic 2020): “The logic behind these developments has been that scaling down of the public sector would make health systems more efficient and responsive to the population’s needs. The consequence of this approach has been a slow but steady reduction of public spending on healthcare. OECD Health Data show that since 1990 public spending as a share of the total spending on healthcare has decreased in most European countries. In some countries in Eastern Europe the decline has been even higher than 30 per cent. However, research

shows that these types of policy changes have contributed to the creation of two-tiered health-care systems. In this kind of system, access to necessary care is dependent on one’s capacity to pay for it and solidarity granted by the public system is eroded. And this is happening at a time when the general trend in inequality has spared neither our health nor our health systems, as countries face persistent inequalities in health and in access to healthcare services.” (ibid).

The question of quality of services is also pertinent: a scoping review¹⁸ of hospital services comparing

different providers of hospital services across Europe showed that public hospitals are most frequently reported as having the best economic performance, with private not-for-profit (PNFP) coming in second and private for-profit (PFP) hospitals least frequently reported as superior (Tynkkynen, Vrangbæk 2018).

The public sector is also highly relevant from a gender equality perspective (Rubery, Figueiredo 2016, 3ff), be it as a source of employment growth and integration, of decent work for women or as a promoter of gender equality in the workplace, or as a provider of affordable and high-quality public services which are essential for gender equality, e.g. childcare and care for the elderly. It can also function as a source or space for alternative value systems which could support nurturing, care and community activities alongside but not under the control of or evaluated according to market principles. Thus, when emerging from the Covid-19 crisis and aiming for recovery and resilience, the question as to which sectors are best suited to provide key services and the quality of employment within those sectors must be revisited. This is highly relevant from a gender equality perspective.

Highly asymmetrical effects of the Covid-19 crisis across sectors and the working population

An analysis of the impact of Covid-19 confinement measures on EU labour markets on the basis of the restrictions on economic activity imposed in three EU Member States (Italy, Spain and Germany) reveals very asymmetrical effects of the Covid-19 lockdown measures across different groups of workers (Fana et al 2020, 27). The majority of negative effects “tend to concentrate on the most vulnerable and disadvantaged workers”. This is due to sectors which were forced to closed

down due to Covid-19 lockdown measures such as hospitality, personal services and leisure activities being characterised by low wages and precarious employment conditions in most European countries. These sectors employ a larger proportion of women and young people, workers who are “more likely to lose their jobs because of the lockdown in the short run, and face a very high uncertainty in the mid-term [and] are among the most economically vulnerable.” (ibid). While this category represents around 10% of employment for the EU as a whole, there are significant differences between countries. According to the study, those who are already better off are likely to suffer considerably less. However, there is also emerging evidence that even better-educated women are affected more than men. In Austria, for example, unemployment amongst more highly qualified women in March 2020 increased by seven percentage points more than amongst men (Bock-Schappelwein et al. 2020).

While in previous recessions men tended to lose their jobs faster than women, emerging data show a tendency towards jobs predominantly performed by women being more affected (Alon et al., 2020; Fana et al., 2020). On average, female unemployment has increased more during this crisis¹⁹, albeit that this indicator reflects only a small dimension of the challenges. Women are more likely to work in one of the four sectors classified by the ILO as high risk in terms of job losses and reduced working hours: accommodation/food services, real estate, business and administrative activities, manufacturing and the wholesale/retail trade (ILO 2020b). Literature shows that job loss during a recession has long-lasting, negative effects on future earnings and job security (Davis and von Wachter 2011, Jarosch 2015). Women’s higher exposure to employment loss is likely to increase gaps in the labour market for years to come.

18 The review includes 17 studies representing more than 5,500 hospitals.

19 Between February and April 2020 increase of unemployment showed a higher increase for women (from 6.7% to 7.6%) than for men since (from 6.2% to 6.4%) (Eurostat 2020a).

Moreover, the additional provision of care due to closed schools and elderly relatives requiring special assistance has put further strain on women and reduced their availability for paid work. It is therefore not surprising that the ILO recommends that policy responses factor in these additional difficulties for women (EP 2020a, 10). Nevertheless, the unemployment rate does not paint the full picture of women's current situation, as there might also have been a reduction in "activity rate" due to an inability to actively seek work during strict Covid-19 lockdowns or as a result of care responsibilities, meaning they would be classed as "inactive" rather than unemployed²⁰. In Europe, the percentage of women who are inactive due to family care commitments has reached 31%, the situation has worsened in the last ten years. There were 33.7 million "inactive" men compared to 51.3 million "inactive" women in the EU in 2019. The participation rate has been in decline since the start of the year 2020, hence the effects on employment will likely be much greater than the drop seen in unemployment rates. For example, the Italian National Statistics Institute (ISTAT) estimates that the female inactivity rate in April increased by 2.3 percentage points over the previous month and 4.3 points compared to April 2019, against the respective 1.6 and 3.7 points of the male inactivity rate.

According to the German Institute of Economic and Social Research (WSI), 27% of mothers reduced their number of working hours to look after their children (compared to 16% of fathers). The ILO (2020b) reports that the sharp rise in unemployment impacts young women more than young men. Youth unemployment has seen a steeper rise, already starting from a much higher level (although Eurostat does not publish sex-disaggregated data): in April 2020, 2,776 million young persons (under 25) were unemployed in the EU with a

youth unemployment rate of 15.4 % in the EU and 15.8 % in the Euro Area, up from 14.6 % and 15.1 % respectively in the previous month.

Gender gaps and high vulnerabilities are likely to be aggravated

Not only do gender gaps in employment rates remain high with a rather slow decline between 2010 and 2017 – from 20% to 18% (European Working Conditions Survey 2020), but women are also more likely to be in temporary, part-time and precarious employment than men. These jobs often come with lower pay, weaker legal protection and difficulties in accessing social welfare. Levels of precarious work are particularly high among young women, women with low qualifications and migrant women (EIGE 2020c, 88f). EIGE's latest data show that a quarter of women (26.5 %) employees across the EU are in precarious employment, compared to 15.1 % of men. Furthermore, 80% of care in the EU is provided by informal carers, 75% of whom are women, many of them have migratory backgrounds (European Commission 2020a, 12). A further highly vulnerable group are domestic workers, the majority of whom are women migrants. In many EU Member States, migrant domestic workers are employed as undeclared workers in the informal economy. They are also highly dependent on their employer and may have only little or no knowledge of their rights and how to seek support (FRA 2020). Single parents face major challenges, as they are especially vulnerable in EU-wide comparison. The situation for single parents can be challenging, especially when having to consolidate working from home and caring for children alone. Single parents are more likely to be at risk of poverty than single people or people in couples with and with-

20 It must be noted that the term "inactivity" reveals prevalent male perceptions in economics. It is a highly gender-discriminatory term, as women are not "inactive": they carry out unpaid work which often hinders them from pursuing paid employment. It is indeed well established that during confinement the provision of care and other services has been transferred from the public sector to households, from the paid to the unpaid economy, with far-reaching consequences for social reproduction and for women as the main providers of unpaid care services.

out children (EIGE 2019). Moreover, women make up almost 85% of all single parents in the EU and nearly half (48%) are at risk of poverty or social exclusion, compared to a third (32%) of single fathers (EIGE 2016). Women are more exposed to material hardships as a result of the Covid-19 crisis, especially if they are single parents (European Parliament 2020a, 10; OECD 2020a). The difference in the employment rate between lone mothers and lone fathers is as wide as nine percentage points (78% for lone fathers and 69% for lone mothers). Younger mothers and women with young children are the least-employed parent groups. The majority of single mothers (71%) and 41% of single fathers find it challenging to face unexpected financial expenses (in comparison to 40% of all women and 36% of all men in the EU-28) (EIGE 2016).

Short-time working schemes

As an early response to labour market challenges due to the Covid-19 lockdown, many EU countries have adopted new short-time working schemes or adapted existing ones (Eurofound 2020a). A German analysis (Hammerschmied et al. 2020) confirms that sectors with high shares of women employees are hit comparatively harder. This is also reflected by access to short-time working schemes. In those sectors hit hardest, e.g. hospitality, arts, culture and recreation, the majority of employees are women, despite women only constituting 46% of all employed persons in Germany. Five out of ten sectors with large numbers of people in short-term working schemes are dominated by women employees. This is a stark contrast to the crisis in 2009 when male-dominated sectors were hardest hit.

Furthermore, precarious jobs with no access to short-time working or unemployment schemes are also predominantly carried out by women²¹.

The same holds for the self-employed. Data from Germany shows that there has also been a significant reduction in the number of precarious mini-jobs, e.g. in hospitality, with 11% less than in the previous year. Across all sectors, the decrease in women working mini-jobs was twice as high as amongst men (ibid).

Gender-based violence on the rise

Gender-based violence was already widespread in the EU before the crisis. According to data released by EIGE, 33% of women in the EU aged 15 or over have experienced physical and/or sexual violence and 55% have experienced sexual harassment. 1 in 10 have faced online harassment (EIGE, 2019). More than one-fifth of women (22%) have experienced violence by an intimate partner. There is a documented rise in domestic abuse in times of crisis and natural disasters (WHO 2005, EIGE 2020b), partly because victims (usually women) have to share the same space as an abuser for long periods, far from social and institutional support.

Discrimination, exclusion and stereotyping have become more severe during the lockdown, rendering the structural violation of universal human rights by our economic system more visible. Although no reliable data are yet available regarding the increase in domestic violence, alarming reports of exacerbated violence against women and children in domestic settings were heard from countries in lockdown. Violence against women reflects unequal power relations and gender discrimination in the distribution of paid and unpaid work, unequal access to money, property, decision-making, health and time use. It is still too early to have comparable EU-wide data, but some countries' initial figures already show a spike in domestic violence during lockdown. For example, France saw a 32 % jump in domestic violence re-

21 For example, among „geringfügig Beschäftigte“ in Germany or Austria, jobs with income below a certain threshold, which are not included in social security schemes, such as unemployment insurance.

ports in just over a week and Lithuania observed 20 % more domestic violence reports over a three-week lockdown period than over the same period in 2019 (EIGE 2020b). In Cyprus, calls to helplines increased by 30% (UN Women, 2020)²². In Italy, the anti-violence NGO Telefono Rosa reported a decrease in calls of 55.1% in the first two weeks of March 2020 compared to the same period the previous year²³. The European Parliament stated that cases of domestic violence rose by a third in some EU countries following lockdown. Since women's access to support services has been limited by the lockdown, violence against women has increased in the Western Balkans and in Turkey (WAVE Network).

Rising poverty calls for social rights and poverty reduction to be at the heart of the EU's responses

People in poverty and vulnerable groups such as the elderly, women, people with disabilities, low-income children and families, the homeless, migrants and Roma have been particularly impacted by the Covid-19 pandemic (EAPN 2020). Civil society coalitions have called for the urgent revision of the 2020 Country Specific Recommendations (CSRs) within the European Semester to not only provide economic support to companies and markets but to prioritise direct financial and other support to guarantee people's rights and living standards (EAPN 2020). To prevent a further rise in poverty from what were already "unacceptably high levels" before the Covid-19 outbreak, priorities must also be the protection of public health and guaranteeing access to health care and other key services including housing, social services and education, with particular attention being paid to excluded groups and vulnerable individuals, pub-

lic investments in jobs, and ensuring adequate incomes and livelihood (ibid). The number of people at risk of poverty or social exclusion was 110 million or 21.9% of the population (2018), making the Europe 2020 poverty reduction target of at least 20 million still largely unattainable (EAPN, 2020).

Even before the crisis, women were at higher risk of poverty: 23.3 % of women and 21.6 % of men in the EU remain at risk of poverty or social exclusion (EIGE 2020b). As highlighted above, women are potentially more exposed to material hardships due to the Covid-19 crisis, especially if they are heads of single-parent households (OECD 2020a). The acute risk of poverty for lone parents has a greater impact on women, who tend to bear the responsibility of caring for children after the breakdown of a relationship. Of the 7.5 million lone parents aged 25-49 in the EU in 2017, almost 9 out of 10 were women. Although the risk of poverty and social exclusion is lower among older people than in younger age groups, the gender gap is most extensive in old age and actively disadvantages women (by over five percentage points in 2017: 20.6 % for women compared with 15.2 % for men). Economic inactivity and unemployment substantially increase the risk of poverty and social exclusion for both women and men. For example, 11.6 % of employed women are at risk of poverty and social exclusion, compared with more than 40 % of inactive women. This is particularly concerning for women who experience lower labour market activity, often stemming from their disproportionate care and other household responsibilities.

This crisis may be hitting women more because the most severely affected predominantly employ women (tourism, leisure, education and care). This crisis is also very peculiar since the lockdown has effected a paradigm shift in the work landscape from traditional to smart working. Those workers who are unable to work from home are therefore more affected, which also correlates with the work-

22 The Shadow Pandemic: Violence Against Women and Girls and COVID-19.

23 <https://www.lastampa.it/cronaca/2020/03/19/news/l-altra-faccia-del-coronavirus-e-emergenza-violenza-sulle-donne-ecco-i-numeri-da-chiamare-per-chiedere-aiuto-1.38612088>

ers' incomes. A higher percentage of men (52%) than women (39%) work in telecommute and/or critical occupations, suggesting that women are at a greater risk of unemployment during this crisis than in past recessions. For instance, research in the US has found that many well-paid workers can continue to work from home despite the Covid-19 crisis, while lower-paid workers often cannot. A recent survey found that workers who earned more than \$70,000 per year were able to perform more than 60% of their work tasks from home; for those earning less than \$40,000, that figure is less than 40%.

Again, women are at greater risk due to non-telecommutable employment: 70 per cent of the global health and social workforce (doctors, nurses and care workers) are women. Cashiers and cleaners are largely female as well. They often not only work in precarious conditions for minimum wage but they also do not have the necessary platforms to raise their voices and express their concerns, despite being at greater risk of exposure to the virus. Amongst women in the pre-retirement age (50-64), the full-time equivalent (FTE) employment rate is just 44%, with a 19% gender gap.

Taking into account all of the aforementioned points, the results are accumulating gender gaps which are also reflected in pension incomes. In all Member States, men receive higher pensions than women. The gender pension gap in the EU in 2016 was 37% (European Commission, 2018). 36% of women and 16% of men with lower education qualifications are in the lowest income bracket (EIGE, 2017). On average, a single man earns 14% more per month than a single woman, with this gap widening amongst couples, even more so in couples with children (EIGE 2020b).

Gendered gaps in access to credit

Whilst no gender-specific research is yet available regarding access to credit within the EU during the Covid-19 period, knowledge from elsewhere indicates that it is a matter of high relevance. "Women entrepreneurs are often discriminated against when attempting to access credit. This will be a challenge as credit will be of paramount importance in the survival of firms. Without open and favourable lines of credit, many female entrepreneurs will be forced to close their businesses." (UNCTAD 2020).

Research repeatedly finds that female-owned firms are less likely to obtain bank credit than male-owned firms and that they usually pay higher rates on bank loans (Cavalluzzo et al. 2002; Muravyev et al 2009). Research in Italy suggests that female firm-owners face tighter credit constraints in dealing with banks (Belluci et al. 2010). Whilst that study did not identify higher interest rates for women, another study based on the Italian Credit Registry found that female Italian borrowers did indeed pay higher rates, and that the situation worsened if their guarantor was female (Alesina et al. 2013). Research using a sample of over 80,000 Spanish companies started by a sole entrepreneur between 2004 and 2014 found that when stratified by sex, demand for credit, credit approval ratio, and credit performance, the probability of female applicants being granted a loan in the founding year was significantly lower than for their male peers in the same industry (De Andrés et al. 2019).

An earlier study on support for business start-ups in the context of the Business Development Fund in the City of Munich (Germany) also found striking gender imbalances. The key measure of the Munich support scheme was a public guarantee of commercial credits: Amongst businesses which were granted credit, a much higher percentage of men defaulted on the loan (21% of male founders compared to 5% of female founders). Also, a much greater number of men (29%) than women

(12%) folded their businesses during the period observed²⁴ (Landeshauptstadt München 2006). While this study does not present direct results regarding gendered access to credit, one possible explanation for the higher success rate of women could be the stricter criteria applied.

As literature shows that female entrepreneurs are always subject to stringent constraints when accessing credit, providing a unique window dedicated to women in the #nextGenerationEU would contribute to a reduction of reducing gender inequalities and the more efficient use of funds.

Gender imbalances in decision-making deepening during the crisis

The lack of gender balance has become far more noticeable during the Covid-19 crisis. Despite the WHO having recognised that women must be included in decision-making, there has been no gender balance within the decision-making bodies established specifically for Covid-19. On the contrary, both in direct pandemic measures and in the design of recovery plans, a tendency towards male expertise is evident in many countries. This is of particular relevance because this imbalance impacts the degree to which women's specific needs are taken into consideration (Joint Research Centre, 2020). In Italy, for example, 80% of government-appointed experts in task forces to manage the pandemic were male. The technical-scientific committee was composed entirely of men. Only after several protests were five women appointed to the government's formerly all-male Covid-19 emergency task force and six women to the Civil Protection Covid-19 scientific and technical committee.

Underrepresentation in the decision-making process is a severe problem for women. The percentage of women in the European Parliament in the

second quarter of 2020 is 39.5% (60.5% men). Over the same period, the percentage of women members of the European Commission is 44.4% (55.6% men) and the percentage of women among senior/junior ministers in the different fields of action (portfolios/ministries by BEIS type) of the national/federal governments of the Member States is 31.5% (EIGE).

EIGE data show that in early 2020 only 32.3% of seats in national parliaments were held by women. Regional data illustrate that regional assemblies are also mostly composed of men (66.3%). This imbalance is also evident among the presidents, board members and employee representatives of the largest listed companies in the EU, with only 29.2% women in such positions in June 2020 (European Commission, 2020a). The overall situation is no different in the work environment, only being due to quotas that the percentage of women on boards rose from 12% to 28% in the last 9 years in the EU Member States (European Commission, 2020a). The first four countries to introduce binding quotas in 2018 (BE, DE, FR, IT) had 38 % women on boards, constituting a rise of 28 p.p. since 2010. However, only 7.5% of board chairs and 7.7% of the EU's largest listed companies' CEOs are women. Globally, only 1 in 10 decision-makers in venture capital and private equity firms are female. Nevertheless, there is potential. For example, 72% of partners of private funds identified as operating with a gender focus are women. Furthermore, all-male founding teams receive almost 92% of all capital invested in Europe. Only 32.2% of members of national parliaments in the EU are women. In the 2019 European elections, 39% of elected members were women, compared to 37% of MEPs in 2014 (Gender Equality Strategy 2020-2025). In the EU, women make up 40% of board members of public research-funding organisations and 36% of publicly owned broadcasting organisations.

24 Too little information was available about the selection process to infer gender specific results.

5. WHY GENDER EQUALITY MUST BE AT THE CORE OF RECOVERY

There is convincing economic rationale to put gender equality at the core of any stimulus programme. This section draws on recent research to make the argument that investing in care infrastructure has a larger employment stimulus effect than investment in physical infrastructure. The European Commission repeatedly emphasizes that “creating new jobs will drive our efforts”, for example in its “Europe’s moment: Repair and Prepare for the Next Generation” communication. Thus, taking its own words seriously, it might be wise to invest the money where the prospects of creating jobs and repairing the harm done by the Covid-19 crisis are most promising.

5.1 Investing in care infrastructure has greater employment stimulus effects

Research shows that investing in care infrastructure is an important and more effective path to recovery and employment creation (De Henau/Himmelweit 2020). An input-output multiplier analysis across selected EU countries and the EU as a whole²⁵ shows that investing in care leads to greater employment stimulus than investment in construction.

The employment effects of investing in care are at least two times greater than investing in construction, even when discrepancies in working hours and wages are adjusted for, demonstrating that these greater stimulus effects are not due to poor wages and working conditions in care. “In-

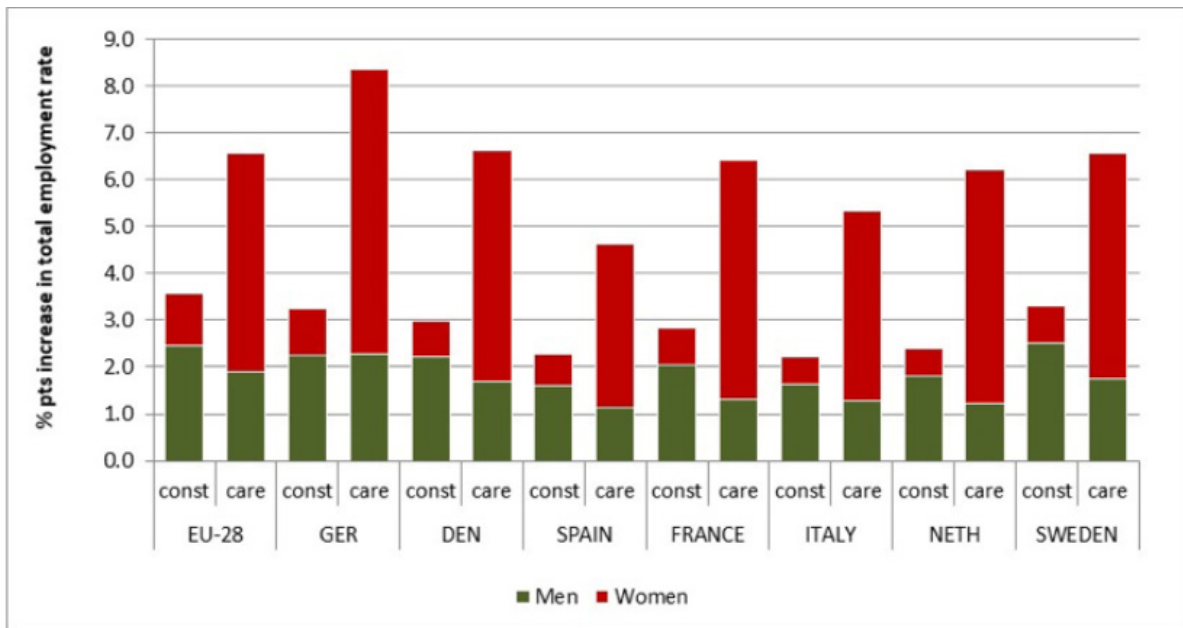
vestment in care also yields far more employment for women, whose jobs [have been the] more likely [...] ones to go²⁶, and not substantially less for men.” (De Henau/Himmelweit 2020, 14). For some countries, such as Germany, the total effect of jobs created for men with investment in care is equal to the number of jobs created by investment in construction, while the amount of jobs created for women is 6 times higher. “The gender employment gap would fall, whereas investment in construction would increase it, while creating very few jobs for women. Further, the fiscal returns from investing in care are higher, allowing greater investment for the same net cost.” (ibid). Investment in care thus has a comparative “fiscal advantage” (ibid, 11) over investment in physical infrastructure. These findings confirm earlier studies with a different set of countries (De Henau et al 2016). Related research highlights the positive direct and indirect employment effects of investment in care and education (ILO 2018, 251ff).

Figure 3 shows the employment effects in terms of increase of total employment rate (in percentage points) as a result of a public investment of 2% of GDP. The respective first bar shows the employment impact of investing 2% of GDP in construction, the second of investing the same amount in care. As is evident in the graph, investment in care would lead to an at least twofold increase in total employment rate in each country and across the EU-28 as a whole. Whilst investment in construction has a somewhat higher impact on male employment (green bar), the effects of investment in care are also considerable for male employment. In the case of Germany, the estimated growth rate of

25 i.e. Denmark, Sweden, Germany, France, Italy, Spain; calculations also for EU-28; UK and US; calculations based on 2015 data.

26 Referring to the effects of the Covid-19 crisis and to the fact that the Covid-19 crisis and especially lockdown measures have seen more women lose their jobs than men.

Figure 3: Employment effects of investing 2% of GDP in construction or care



Source: Jerome de Henau, Susan Himmelweit (2020).

male employment due to investment in construction equals the growth rate of male employment due to care investment.

Investment in care infrastructure therefore has greater employment stimulus effects than investing in physical infrastructure. This is an important lesson for designing recovery plans if job creation is at the centre of priorities.

5.2 Macroeconomic gains from gender equality

Gender inequality comes at a high cost, not only to individual women but also to society and the economy. The total cost of the lower female employment rate in the European Union in 2013 was estimated to have been approximately €370 bn, corresponding to 2.8% of EU GDP (Eurofound 2016, 36). The patterns of women bearing an increased burden of Covid-19 impacts and their worsening

employment situation will lead to increased economic cost if decisive counter-measures are not taken.

A ground-breaking study on the economic benefits of gender equality within the EU (EIGE 2017^o, 2017b) confirmed results of previous studies from other regions of the world. Improvements in gender equality in education and on the labour market could lead to growth of the EU employment rate by 2.1–3.5 percentage points by 2050 (EIGE 2017a, 1f). This would result in between 6.3 million and 10.5 million new jobs by 2050, of which approximately 70% would be occupied by women. According to the 2017 study, improving gender equality could lead to an increase in EU (GDP) per capita of 6.1 to 9.6%, amounting to between EUR 1.95 and EUR 3.15 trillion. Growth rates would differ according to the degree of inequalities. For example, Italy, with one of the lowest female activity rates in Europe (55.9%) would see growth to 60% and a subsequent 7% increase in GDP (Bank of Italy).

However, as gender inequalities continue to increase, if no adequate recovery measures are taken to prevent widening gender gaps in employment and care and to mitigate other impacts such as increased violence against women, this trend is most likely to result in additional reductions in GDP and employment rates. Thus, striving towards gender equality within the EU Recovery Plan is not only a question of legal obligations and individual rights, but also an economic necessity.

5.3 Investments in ending gender-based violence bring significant economic benefits

Ending gender-based violence generates significant benefits both to the individuals affected and to the economy and society as a whole. Violence against women is the most extensive and underreported human-rights violation in the EU. It comes at a huge cost both to the survivor (physical and emotional costs) and to society, including reduced productivity, lost economic output, costs for health services, and legal and social support. EIGE estimated the costs of gender-based violence in the European Union long before the Covid-19 crisis. The cost to the EU of gender-based violence against women was estimated to be EUR 259 billion (EIGE 2014, 16), an annually recurring cost which amounts to more than one-third of the EUR 750 billion recovery instrument²⁷. Investments in ending violence against women will save billions and create a more democratically resilient and human rights-based European Union, creating an enabling environment for effective gender equality.

Discrimination, exclusion and stereotyping have become more severe during the lockdown, rendering the structural violation of universal human rights by our economic system more visible. Although no systematic data are yet available re-

garding the increase in domestic violence, alarming reports of exacerbated violence against women and children in domestic settings were heard from countries in lockdown. Violence against women reflects unequal power relations and gender discrimination in the distribution of paid and unpaid work, unequal access to money, property, decision-making, health and time use.

Decisive action and investment are required to reduce gender-based violence and support and empower its victims to live a life free from all kinds of violence and gain economic independence. . “The EU will do all it can to prevent and combat gender-based violence, support and protect victims of such crimes” – this pledge can only be upheld by substantially increasing the allocation of funds within the Recovery Plan. It is a much better and more effective approach than increasing spending to deal with the consequences of increasing violence.

5.4 Investing in human rights-based economic recovery and building resilience through gender equality

Women have a right to equality – it is a universal human right. Unequal power relations and gender discrimination in the distribution of paid and unpaid work, unequal access to money, property, decision-making, health and time use are obstacles to this right. Breaking deep-rooted unequal gender power-relations and enhancing women’s economic participation and empowerment are key to strengthening their fundamental rights.

To build resilience in the European economy through gender equality, investment in care and social innovation is needed to create an enabling environment in which all women and men, in all their diversity, can fully enjoy their fundamental human rights. It also requires an open mind for

²⁷ Calculations are based on the year 2012.

new economic approaches, thereby building resilience by strengthening those sectors which ensured survival and wellbeing throughout the crisis, above all the care sector in all its forms. Combating gender-based violence and promoting gender equality requires investments in public services, health, education and awareness raising, women's economic empowerment, social security and income support, support for the home-based economy, and gender mainstreaming and equal opportunities strategies in all measures proposed by the "#nextGenerationEU" recovery plan.

6. OVERVIEW OF THE GENDER IMPACTS OF THE EU RECOVERY AND RESILIENCE PLAN

The assessment of the EU Recovery and Resilience Plan (“#nextGenerationEU”) was carried out based on the situational review. As indicated in the introduction, this short-term assessment can only provide a first preliminary overview. For various reasons, the gender impacts of the Commission’s proposals cannot be quantified, not least due to rather vague legislative proposals affording extensive scope to decision-makers, and also due to data and time constraints. The summary assessment of the selected instruments therefore applies a qualitative approach. A central aspect of the assessment is the extent to which far gender relations and gender impacts of Covid-19 have been taken into account in the development of Recovery Plan programmes and instruments. The following categories are used in the overall assessment, building on a methodology developed by Frey et al (2007, 25f):

1. *Gender equality-jeopardising*: Programmes and instruments are assessed as gender equality-jeopardising if they are designed in a way which reproduces gender roles or contributes to reinforcing existing gender roles and norms; and negative effects which putting gender equality at risk cannot be excluded. Additionally, programmes which do not address gender inequalities and rely on implicit assumptions about being gender neutral without any assessment are considered gender equality-jeopardising.
2. *Gender equality-stable*: If no impacts on gender relations are to be expected, or specific explanation is provided as to why gender aspects are not relevant in the programme area, the

programme can be classified as gender-stable. In general, only for a very small area of very specific programmes might it hold true that gender aspects are not relevant. None of the EU Recovery Plan programmes fall into this category.

3. *Gender equality-promoting*: Programmes contribute to promoting gender equality when they promote changes in gender roles and norms or address and devote adequate funds to redressing gender inequalities. Promotion of equality can also be assumed where legislative texts include objectives to strengthen gender equality and these objectives are translated into activities, funding provisions and performance indicators.

This chapter summarises general key points; a more detailed assessment of selected Recovery Plan instruments can be found in Chapter 7.

6.1 Marginal reference to gender equality issues in the “#next-GenerationEU”

The “#nextGenerationEU” EU Recovery and Resilience Plan currently falls far short with respect to legal requirements and political commitments regarding gender equality and gender mainstreaming. There is no systematic link to gender equality whatsoever in the proposal, with only very few rather marginal references of gender equality.

Whilst promising proclamations are made such as, “This is Europe’s moment. Our willingness to act must live up to the challenges we are facing.”²⁸,

28 COM2020 (456), 16.

the European Commission proposals fail to tackle the challenges currently faced by women and the challenges of increasing gender inequalities. The introductory “Europe’s moment: Repair and Prepare for the Next Generation”²⁹ communication which presents the recovery proposal makes reference to women when it emphasises the gender pay gap: “Given women are overrepresented and underpaid in many front-line jobs, the need to close the gender pay gap becomes all the more important.” It also mentions the problem of increased domestic violence: “[t]he lockdown of society also proved to be a time of fear and suffering for victims of domestic violence and abuse, with evidence of a substantial increase of cases. The EU will do all it can to prevent and combat gender-based violence, support and protect victims of such crimes, and hold perpetrators accountable for their abusive behaviour. The Victims’ Rights Strategy will pay particular attention to the specific needs of victims of gender-based violence.” However, these are neither new or additional points, nor are persistent gender pay gap and domestic violence the only challenges facing women. More pertinently, however, the legislative proposals do not even live up to these words.

The flowery words of the general texts are not reflected adequately in the legislative proposals. A number of sentences in the general part of the communication do offer some hope: “All of this reflects the need for the recovery to be fair and inclusive. It must address the disparities and inequalities either exposed or exacerbated in the crisis and promote territorial cohesion. The starting point is solidarity: between people, generations, regions and countries.” And: “The EU will ensure that equality is at the heart of the recovery. A prosperous and social Europe depends on us all, irrespective of sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation. This is

doubly important in a crisis which has had disproportionate impact on a number of groups in society.”³⁰ However, the Commission fails to live up to its own promises in the concrete proposals.

Making vague mention of gender related issues by no means reflects the enormous challenges faced by women and posed by increasing gender inequalities as a result of the Covid-19 crisis and the related measures and impacts, and are insufficient to counteract these tendencies.

The “Budget powering the recovery plan for Europe”³¹ Communication, which provides an overview of the mobilised funds and the different programme and instrument proposals includes a general but unquantified³² commitment to those “measures to support gender equality and non-discrimination” as are necessary for a balanced recovery package.

Most of the other proposed communications and instruments make no reference to gender equality, and those that do, for example the InvestEU programme, do so only very marginally, with very little potential for a positive impact on gender equality, thus jeopardising gender equality.

Each of the focus sectors themselves have significant gender implications, especially the priority afforded to green and digital investments. By not systematically or adequately assessing these potential gender implications with ex-ante gender impact assessments, the programmes pose a significant risk of aggravating already existing gender inequalities. For instance, research into digitalisation identifies highly gendered impacts in many areas, such as in relation to employment creation, job structure and quality, income, revaluation of jobs, social security, working conditions and segregation within the labour market (Pimminger, Bergmann 2020). Inequalities are likely to increase if these significant gender impacts are not taken into account when formulating the programmes.

29 COM2020 (456).

30 COM2020 (456), 10.

31 COM2020 (442).

32 While there is a quantified specific target of at least 25% of spending contributing to climate action.

The obvious lack of gender awareness throughout the package of proposals, the lack of clear and binding objectives to strengthen gender equality, and the complete lack of a gender impact assessment of the Recovery and Resilience Plan, as well as the lack of the requirement of gender impact assessment in implementing the funds renders the entire proposal highly gender equality-jeopardising. This is also problematic as many of the provisions about allocation of funds are rather vague and give leeway in decision-making to Commission-level administrative bodies, managing authorities and implementers.

6.2 Male employment bias: Recovery plan money focused on sectors with high share of male employment: focus on increasing male employment

The EU Recovery Plan focuses on a transition towards a green and digital economy. This is at the core of the proposals. This thereby means the allocation of a large share of funds mobilised for economic stimuli to sectors with high shares of male employment, such as the energy, agriculture, construction and transport industries. The average share of male employment across the EU 27 is approximately 70% or higher, with a 90% male employment in the construction sector. The situation varies somewhat between most countries (see Annex 2). The percentage of male employees in this sector is even higher in countries such as Italy and Spain. Thus, overall, the impact of the Recovery Plan will counteract the European Union's declared goals of increasing equality on the labour market. On the contrary, it is likely that the current

focus will increase gender inequalities on the job market in the EU.

The impact of employment creation, a key goal of the recovery plan, will thus be mainly the creation and retention of jobs for men.

6.3 Focus on sectors with rather low share of total employment – limiting job creation potential

Not only are the priority sectors of the Recovery Plan male dominated sectors, but in general also sectors with a rather small share of total employment. Figure 4 presents total sector employment figures for the EU Recovery Plan focus sectors, with construction accounting for 6.2% of total employment in EU Member States, for instance.

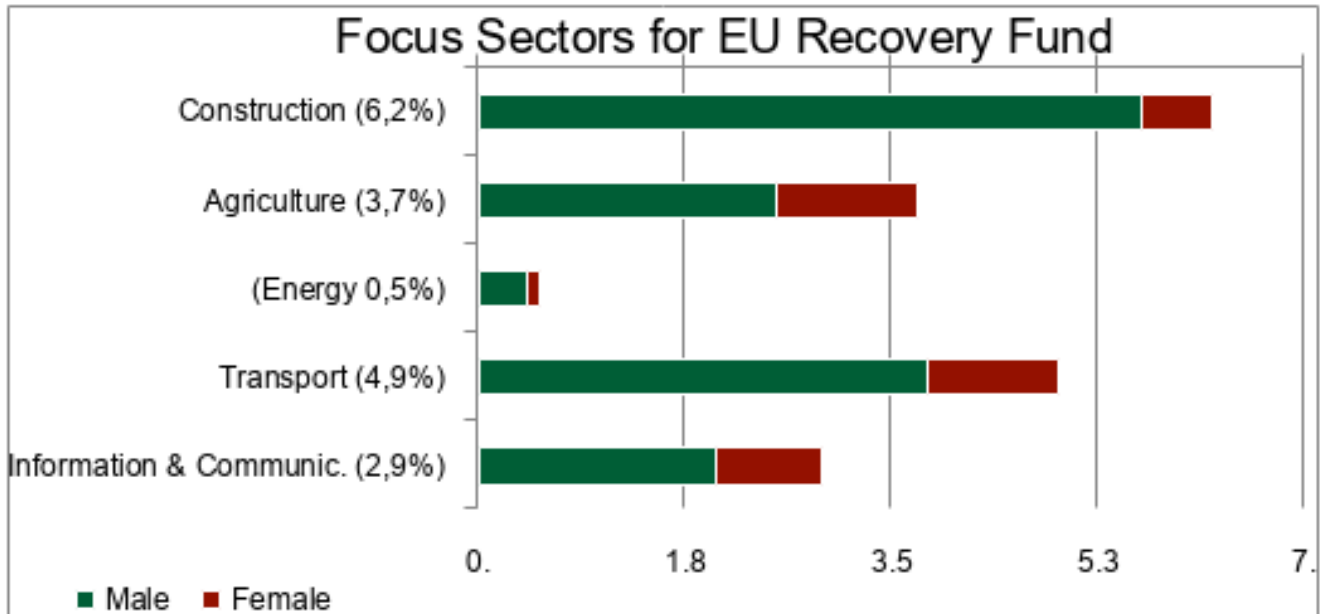
It could therefore be maintained that the full employment creation potential of the Recovery Plan fund is not being exploited, as it mainly focuses on sectors which altogether only account for 18.2% of total employment (14.3% of total male and 3.9% of total female employment).

6.4 EU proposals fall short of realising employment creation potential of investments in care

In contrast to the sectors at the core of the recovery plan, many of the sectors highly affected by the Covid-19 crisis and those that secured survival and provided essential services have high shares of female employment³³. However, the #nextGenerationEU programme fails to focus on investment in those sectors. By failing to ensure priority in-

33 The analysed sectors were chosen using the preliminary scientific data on the sectors hit hardest by the Covid-19 crisis (OECD, 2020). The classification methods for grouping industries vary from country to country. What is commonly called the HORECA sector (Hotel-Restaurant-Café) actually corresponds to the European NACE definition of "Accommodation and food service activities". The wholesale and retail trade, which has also been affected by the crisis, was not included in this sector as the European NACE categorisation of industrial sectors groups it together with the repair of motor vehicles and motorcycles, which would give misleading information regarding the proportions of women and men in the sector.

Figure 4: Share of employment on the total EU employment by sector and gender, EU-27, 2019



vestment in those sectors and people highly affected by the crisis, not only are negative impacts on gender equality to be expected but opportunities to maximise the job-creating potential of public investments will also be missed.

As evidenced by research (see chapter 5.1.), investing in care infrastructure is a more effective path to recovery and employment creation than investment in physical infrastructure, with the job creating potential of care investments being at least twice as large (De Henau, Himmelweit 2020).

6.5 Missed opportunity to build a resilient care economy

The focus of the recovery plan is on a green and digital economy. This key priority is complemented by the link of the recovery proposals to the economic reform process of the European Semester which has a strong focus on structural reforms and increasing competitiveness.

While the pandemic has shown how important a range of care services and a strong public health care infrastructure is in coping with the crisis, the Recovery Plan does not use this as an opportunity to drive transformation towards a resilient

care economy with high quality public services in health care, care, education and other highly relevant resilience-building services and investments.

6.6 Increasing gender inequalities resulting from excess unpaid care work burden

The unpaid care sector has acted as the first main buffer of the Covid-19 related lockdown. It proved to be the most resilient sector that kept society going through the crisis, taking care of daily and generational reproduction and but also taking on a large amount of work from the public sector such as education and health care. However, as evidence shows, capacities for performing these unpaid activities are highly depleted (see chapter 4). This over-depletion of unpaid work, predominantly carried out by women, leads to high macroeconomic losses. It cannot be assumed that women have infinite amounts of time and energy. The excess burden of unpaid work poses an opportunity cost in terms of loss of capacity and productivity in the paid economy.

Investing to reduce the burden of households in care services would not only be of strategic impor-

tance regarding the larger share of unpaid work performed by women; it would also contribute to the prevention of negative economic repercussions and ensure a path towards creating resilience, which in turn would have significant positive macroeconomic effects and create a more gender equal economy.

6.7 Potentially gender equality-jeopardising governance arrangements

The design of governance arrangements in the different instruments leaves large scope for decision-making to be delegated to management bodies. In some cases, there is a large degree of leeway given to the Commission, for example to shift considerable amounts of funds between the areas defined in the InvestEU regulation. At the same time, it reassigns a lot of critical decision-making from parliamentary spheres, where women tend to be better represented, to administrative mechanisms. In the case of the Recovery and Resilience

Facility, this is coupled with a large degree of decision-making power on national budget and reform priorities. These shifts in decision-making imply changes to the extent of access and influence various stakeholders have on budget decision-making outside elected bodies. This often puts gender equality interests at a disadvantage.

Furthermore, established networks – often male dominated – might have greater larger influence in determining the use of funds in certain programmes, while groups representing gender equality and other societal interests might find it difficult or impossible to gain access.

Of the programmes analysed, only InvestEU provides for gender balance in its draft regulation, albeit that the legislative text does not stipulate full gender balance. Moreover, none of the bodies has a mechanism to ensure the inclusion of people with gender expertise in decision-making structures.

7. GENDER ASSESSMENT OF SELECTED INSTRUMENTS FROM THE EU RECOVERY PLAN

This section presents a selected range of instruments from the overall package. The instruments analysed here are primarily selected according to their financial importance, but also to account for a variety of different instruments from all three pillars. Thus, the gender assessment includes:

- the European Recovery Instrument (mobilising EUR 750 bn, to be spent in grants, loans and guarantees)
- the European Recovery and Resilience Facility (EUR 560 bn, of which EUR 310 bn in grants and EUR 250 bn in loans)
- InvestEU (EUR 13.3 bn) including the
- Strategic Investment Facility (EUR 15 bn)
- EU4Health Programme (EUR 9.4 bn)

Some selected gender aspects of the reinforced Multiannual Financial Framework are also discussed.

7.1 European Recovery Instrument

The proposal for a European Union Recovery Instrument (ERI)³⁴, also called “#nextGenerationEU”, is a key element of the EU Recovery Plan. It provides funding for measures and actions to be carried out as outlined in the European Union Recovery Plan and determines the allocation of funds to different EU programmes in line with the strategy set out in the European Union Recovery Plan.

Thus, whilst only a broad overview is provided here, more detailed assessment follows with regard to specific programmes.

Budget and beneficiaries

Its proposed budget amounts to EUR 750 billion. The total sum is allocated across three pillars:

- Pillar 1: EUR 433.2 bn grants to Member States (direct and through MFF)
- Pillar 2: EUR 250 bn loans to Member States
- Pillar 3: EUR 66.8 bn guarantees and related expenditures:
 - EUR 30.3 bn supporting investment,
 - EUR 26 bn solvency for businesses,
 - EUR 10.5 bn for sustainable & inclusive economic growth outside the EU.

Beneficiaries of the ERI are Member States, businesses, and others as defined in the different programmes.

Mechanism

The financing provided by the ERI shall be implemented by the different instruments and programmes of the EU Recovery Plan.

Objectives

The main objective of the European Recovery Instrument is “to support recovery in the aftermath of the Covid-19 pandemic” (Art. 1).

34 COM(2020) 441 final, 28 May 2020.

To achieve this objective, a series of measures are defined which shall “in particular” be financed “to tackle the adverse economic consequences of that pandemic” (Art 2):

- measures to restore employment and job creation and restore health care systems
- reforms and investments to reinvigorate the potential for growth, to strengthen cohesion among Member States and to increase their resilience
- support measures for businesses affected by the economic impact of the pandemic, in particular such measures benefitting small and medium-sized enterprises, including direct financial investment in those enterprises
- support measures for economically viable businesses that have seen their solvency constrained due to the impact of the Covid-19 pandemic, including direct financial investment in those businesses
- measures to strengthen strategic autonomy of the Union in vital supply chains, including direct financial investment in businesses
- support measures for research and innovation in response to the Covid-19 pandemic
- support measures for increasing the level of Union’s crisis preparedness and for enabling a quick and effective Union response in the event of major emergencies; this includes improving the strategic resilience of the Union health care systems to enable a quick and effective Union level response in the event of a new cross-border health crisis; measures include stockpiling of essential supplies and medical equipment and acquiring the necessary infrastructures for maintaining appropriate levels of crisis relevant medical goods and medicines
- support measures to ensure that a just transition to a climate-neutral economy will not be undermined by the Covid-19 pandemic
- support measures to address the impact of the Covid-19 pandemic on agriculture and rural development.

These points are of great importance, as the explanatory memorandum states that the proposed regulation “strictly limits the scope and the time within which the funds can be used. This excludes that the European Union Recovery Instrument can be used for any purpose other than tackling the direct economic and social consequences of this crisis.” (Com(2020) 441, 2).

Potential gender impacts: European Recovery Instrument

The ERI proposal is highly gender equality-jeopardising on the whole. There is no explicit mention whatsoever of gender equality issues or tackling challenges faced by women. This is particularly interesting, as the ERI is the key instrument in the provision of funding for the whole EU Recovery Plan and “strictly limits” the scope of use of funds.

The proposal includes reference to a “just transition towards a green economy”, which in the legislative text itself is narrowed to a “just transition to a climate-neutral economy”. The introductory reflections of the EC proposal refer to “a risk of rising poverty and inequality”, and the introduction (recital) to the legislative text mentions that the measures “taken in response to that exceptional situation have caused significant disturbances of economic activities reflected in a steep decline in gross domestic product and a significant impact on employment, social conditions, poverty and inequalities.” This in itself does not explicitly address the deep gender imbalances. Interestingly, however, not even these – gender blind – insights into the need to address inequalities, social conditions, and poverty are addressed in the concrete series of measures which shall be financed by the EU Recovery Instrument. It only refers to tackling the adverse economic consequences of the pandemic.

Whilst more details are provided in relation to the specific programmes and instruments (see the following chapters), the following points summarise potential gender impacts of the general scope of the ERI proposal:

- “Measures to restore employment and job creation” are included as a key element. The focus on a transition towards a green economy or climate-neutral economy implies the potential of creating mainly male jobs, as the related sectors show a high share of men employed.
- A failure to focus on care investments which have greater job creation effects (see Chapter 5.1.) will likely result in the overall job creation achievements falling short of the maximum employment creating potential of the mobilised funds.
- Whilst one priority is “to restore health care systems”, it is not clear what the focus will be. For example, the depletion of the public health care system due to a decade of austerity and cuts in public sector health care infrastructure, investments and care services has significantly reduced resilience in the sector and put considerable strain on the system and those employed in it, which includes a high share of women, all factors now exacerbated by the Covid-19 crisis. The lack of focus on these issues and a lack of focus on reversing these trends implies a high gender risk.
- A high share of services provided in the care sector is organised by non-profit organisations, with a particularly high proportion of women involved, posing many challenges in the current crisis. However, the proposal only mentions “economically viable businesses” and is thus strongly biased towards the for-profit sector, neglecting the importance of the non-profit sector to build resilience and forge a path towards sustainable recovery.
- Both the public and the non-profit sectors employ high percentages of women and are crucial sectors in improving gender equality, both in terms of gender equality in employment and in the provision of crucial services from a gender equality perspective.
- Furthermore, no other area of care, for example childcare, short or long-term care for different groups of people in need of care, nor a focus on social and care investments is included. Thus, key investment required to recover, build resilience and promote gender equality are excluded, rendering the proposal at least gender risky, if not gender negative. This must be assessed in detail based on specific proposals provided.
- During the crisis the household economy and unpaid work have taken over as a buffer to replace restricted access to essential services during lockdown. There have been severe socio-economic consequences, especially for women, who have taken over a large amount of provision of services in the household. Not addressing these issues and challenges not only has severe implications for women’s social and economic position, but also for the economy as a whole.
- There is neither a horizontal gender equality objective included in the proposal nor any reference to including gender mainstreaming and gender budgeting as a cross-cutting principle. Equally, no mention whatsoever is made of targeted action or scope on specific gender equality related investments or tackling gender-based violence.
- Overall, the proposal is therefore at least gender-risky, with high potential of having gender-negative impacts on employment and the socio-economic situation.

7.2 European Recovery and Resilience Facility

The proposed Recovery and Resilience Facility (RRF)³⁵ is a key programme of the EU Recovery Instrument.

Budget and beneficiaries

Its proposed budget amounts to €560 billion, of which €310 billion will be made available for grants and €250 billion in loans.

Beneficiaries of the RRF are Member States. The legislative proposal includes a calculation of maximum financial contributions (non-repayable support) to Member States, calculated by taking into account the population, the inverse of the per capita Gross Domestic Product (GDP) and the relative unemployment rate of each Member State. The main recipients of non-repayable financial support (grants) are Italy and Spain, each being allocated approximately 20% of grants. Poland's share is 8.6%, with Germany receiving around 6.9%, Greece 5.8% and all other countries receiving a share of less than 5% of the total amount.

Mechanism

Grants and loans to Member States are provided to support public investments and reforms. A prerequisite for receiving funding is the submission of recovery and resilience plans to be defined in line with the objectives of the European Semester. These loans will complement non-repayable support and shall be proposed on the proviso of additional reforms and investments beyond those which already receive non-repayable financial support.

"National recovery and resilience plans" which set out the Member State's reform and investment agenda are a precondition to receive funding and

will be assessed by the European Commission (EC). This thereby gives the EC quite considerable power and influence as it is not only responsible for positively assessing recovery and resilience plans but also adopts a decision which "shall set out the reforms and investment projects to be implemented by the Member State" (Art. 17).

The funding is tightly linked to "sound economic governance" with the possibility of suspending payments from the RRF (by a Council decision based on an EC proposal, Art. 19) if Member States do not comply with the CPR. Loans are only justifiable when linked with "additional reforms and investments" (Art. 13).

The Recovery and Resilience Facility shall be implemented by the Commission in direct management in accordance with the Financial Regulation. The formulation and approval of reform obligations is a highly sensitive process with considerable gender impacts. The EP has no rights in this process of defining reform obligations and will only be informed after the decision of the EC (Art. 21). This might result in gender equality interests being even more under-represented in decisions about the reform priorities.

Objectives

According to the draft regulation "[t]he scope of application of the Recovery and Resilience Facility established by this Regulation shall refer to policy areas related to economic, social and territorial cohesion, the green and digital transitions, health, competitiveness, resilience, productivity, education and skills, research and innovation, smart, sustainable and inclusive growth, jobs and investment, and the stability of the financial systems." (Art. 3).

"The general objective of the Recovery and Resilience Facility shall be to promote the Union's economic, social and territorial cohesion by improving the resilience and adjustment capacity

35 COM(2020) 408 fin including annexes 1-3.

of the Member States, mitigating the social and economic impact of the crisis, and supporting the green and digital transitions, thereby contributing to restoring the growth potential of the economies of the Union, fostering employment creation in the aftermath of the COVID-19 crisis, and promoting sustainable growth.” (Art. 4(1)). The specific objective of the RRF is to provide Member States with financial support with a view to achieving the milestones and targets of the reforms and investments as set out in their recovery and resilience plans.

The RRF is closely linked to the European Semester and the implementation of country-specific recommendations. The European Commission defines the goals of the European Semester as “ensuring sound public finances (avoiding excessive government debt), preventing excessive macro-economic imbalances in the EU supporting structural reforms, to create more jobs and growth, boosting investment”.³⁶

Preliminary gender impacts of the Recovery and Resilience Facility

The current Commission proposal does not make any reference to gender equality, women or care. This also holds true for the assessment guidance of the Recovery and Resilience Plans as defined in an annex to the proposal. Only a general reference to “equality” is included in the explanatory memorandum, stating that “[t]he proposal has a positive effect on the preservation and development of Union fundamental rights, assuming that the Member States request and receive support in related areas. For example, support in areas such as labour markets and social security, healthcare, education, the environment, property, public administration and the judicial system can support Union fundamental rights such as dignity, freedom, equality, solidarity, citizens’ rights and justice.” However, this is not adequately reflected in the legislative text.

Gender-blind priorities are highly gender equality-jeopardising

The proposal is, however, very explicit about scope and priorities regarding other dimensions, such as “economic, social and territorial cohesion, the green and digital transitions, health, competitiveness, resilience, productivity, education and skills, research and innovation, smart, sustainable and inclusive growth, jobs and investment, and the stability of the financial systems”. Whilst a number of issues which do not have as firm a legal footing in the EU Treaties are included, gender equality is omitted from the list of priorities (see Chapter 3).

The criteria stipulated in the European Commission’s assessment guidelines for Recovery and Resilience plans do indeed include specific criteria such as linkage to the CSR, strengthening of growth potential, job creation, economic and social resilience of the Member State, mitigation of the economic and social impact of the crisis, and contribution to enhancing economic, social and territorial cohesion. The plans are also expected to “effectively contribute to the green and the digital transitions”. However, none of these criteria provide for an effective contribution to gender equality or even a transition towards a care economy.

The proposal completely fails to reflect the socio-economic challenges facing women, legal gender equality obligations, or the Gender Equality commitments by the EU institutions. This makes it highly gender equality-jeopardising.

Investing in green and digital transition means predominantly creating male jobs

The overall priority is a transition towards a green and digital economy. As already assessed in Chapter 6, this approach is gender-blind and channels large shares of the RRF funds to sectors with high shares of male employment. The employment impacts of the RRF are thus gender equality-jeopardising in that they mainly create and support

36 See: https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/european-semester/framework/european-semester-why-and-how_en

male jobs, thereby counteracting the European Union's declared goals of increasing equality on the labour market. Indeed, it is likely that the current focus will increase gender inequalities on the job market in the EU, especially with regard to gender gaps in employment rates, pay gaps and resulting income, and pension gaps.

Missed potential of greater employment creation through public investment

As discussed in Chapter 6, public investments in care have much higher employment growth potential than investments in physical infrastructure, and many of the green investments are related to the latter. Whilst no studies are currently available into the employment creation potential of the digital economy, given the structure of the sector it can be assumed that it is more comparable to the effects of investment in physical infrastructure than in care.

Not investing a similar amount in care infrastructure as in green and digital infrastructures would therefore not only have a potentially negative impact on the resilience of the economy, but would also leave employment creation potential untapped. The employment creation potential of investment in care is at least twice as high as that of investment in construction, with jobs being created for both women and men. Given the current state of the economy, that potential is urgently needed.

Gender implications of linking the RRF to the European Semester

Besides lacking reference to gender equality and general considerations regarding gender equality impacts – see ERI – the linkage of the whole instrument to the European Semester is a critical point in assessing the impacts of RRF provisions related to gender equality.

The central logic behind the RRF is a process of tying grants and loans provided under the RRF to structural reforms as pursued in the European Se-

mester, in the context of which the country-specific recommendations (CSR) set out the reform agenda for Member States. The “national recovery and resilience plans” which each Member State has to submit for approval by the EC are the key instrument. Past experience with the European Semester and the CSR would suggest that this process is highly gendered.

The country-specific recommendations (CSR) are a core element of the European Semester. The new possibility for the European Commission to suspend payments from the RRF (based on EC proposal and subsequent Council decision) is central to making the CSR and thereby the entire European Semester more binding. The European Semester is highly gendered and its implications for gender equality are problematic from several perspectives, as highlighted by various research studies.

The European Semester is part of the EU economic governance framework launched in the aftermath of the financial and economic crisis. The yearly cycle of economic policy guidance and surveillance brings together different EU-level governance instruments with different legal bases: 1) the Stability and Growth Pact to ensure budgetary discipline; 2) the Europe 2020 Strategy and its Integrated Guidelines; 3) Macroeconomic Imbalance Procedure (MIP); and 4) Treaty on Stability, Coordination and Governance in the Economic and Monetary Union (Fiscal Compact). The process gives the EU institutions a more intrusive role than before in coordinating, scrutinising and interfering in the economic, fiscal and budgetary policies of Member States, in particular Member States in the Euro area .

The European Semester, a key economic policy coordination process, is of potentially high importance in achieving the EU's gender equality objectives. The reform agenda promoted through the European Semester touches a broad range of policy areas, structural reforms, employment, income, labour standards, and other employment related issues, social policies, social security schemes,

healthcare and other public services, all of which have strong gender dimensions.

The European Semester process has been seen as both a problem and – at least theoretically – an opportunity for gender equality and gender mainstreaming. On the one hand, research on the policy content and the process of the European Semester has highlighted many problematic aspects from a gender equality perspective:

1. The policy recommendations in the context of the European Semester may have adverse gender impacts. This is particularly the case with recommendations on fiscal consolidation and/or on cutting public expenditure (often disguised as “fiscal sustainability”). Research on the gender impact of austerity shows that cuts in benefits and public services tend to hit women harder because on average women are more dependent on benefits and public services. Reducing the scope and quality of public services also disproportionately impacts women’s employment, because women constitute the majority of public sector workers (Karamessini/Jill 2014; Addabbo et al 2018).
2. Shifting power over macroeconomic and budget policy from democratically elected national parliaments to EU-level financial bureaucracy reduces women’s representation and influence in relevant decision-making processes (Bruff/Wöhl 2016; Klatzer/Schlager 2017).
3. The lack of systematic analysis to understand and assess the gender implications of economic and fiscal policy, and the obvious lack of gender equality expertise in the relevant institutions. The economic theory and methodologies that guide the preparation of EU-level and country-specific recommendations and the assessment of the economic situation in Member States are largely gender-blind and in some cases gender-biased.

On the other hand, the European Semester could potentially be an opportunity to mainstream gender equality objectives into the governance ar-

chitecture and use it as a way to ensure Member States make progress on gender equality. However, fundamental change within the process and the institutions and actors involved is needed to realise this potential.

The refocusing of the European Semester as reflected in the Annual Sustainable Growth Strategy (ASGS)³⁷, for example, shows signs of somewhat greater attention to “fairness”, where gender equality features as one of seven dimensions (besides implementing the Pillar of Social Rights, these are investment in skills and health, fighting poverty, fair taxation, social and territorial cohesion and job quality). However, competitiveness, now called “competitive sustainability”, remains at the centre of the strategy and gender equality issues are still only presented in their function of increasing women’s employment rates. Issues mentioned in the ASGS are gaps in employment rate and pay, work-life balance, quality childcare, and tackling tax and benefit disincentives, all of which are identified as being crucial to increase employment rates of women and help fight child poverty. There is, however, no sign of integrating gender perspectives into the overall economic approach, the reform and competitiveness agenda. Thus, despite the tentative inclusion of the aforementioned issues, the overall European Semester approach still remains gender equality-jeopardising.

Gender equality implications of Country Specific Recommendations so far

The Country Specific Recommendations which influence Member States’ structural reform, fiscal and budgetary policies are all likely to have strong gender implications. It is therefore important that the Commission and the Council assess the possible gender impacts beforehand and avoid giving economic policy guidance with adverse effects on gender equality. Gender-specific CSRs could be extended to a broader range of issues. Country Reports are another key EU-level entry point. As they form the basis of CSRs, inclusion of informa-

37 COM (2019) 650.

tion about gender gaps is a precondition for CSRs related to gender equality.

Past research on CSRs has highlighted potential gender issues. A review of gender-related aspects within the country specific recommendations of all 19 Eurozone countries from 2011 to 2018 (Brait, Kranawetter 2019) evaluated recommendations explicitly addressing gender dimensions and those with implicit gender implications, such as changes of retirement regulations or cuts to public employment. The results show that recommendations which explicitly address gender equality focus on the employment rate of women according to a supply-oriented labour market strategy. Furthermore, results show that most of the recommendations are “gender-blind”, although they have implicitly strong gender impacts as is the case with cuts in public employment having different repercussions for men and women. Both the explicit and implicit gender-relevant policy recommendations overlook the unpaid reproductive share of economic activity provided mainly by women. Research also shows that there is room for improvement regarding the evidence base of gender-related CSRs. Taking the example of gender pay gap-related recommendations, analysis shows that neither countries which exceed the EU average on gender pay gap nor countries with the greatest deterioration of the gender pay gap in the period 2010–2017 nor those with the biggest improvements received gender pay gap related CSRs (ibid.).

Regarding the key public services to deal with the Covid-19 pandemic, health care, the European semester has played a problematic role in the past. A recent report highlighted that the European Commission made 63 individual demands of Member States to cut spending on health care provision and/or privatise or outsource health care services between 2011 and 2018 (Clancy 2020a, 2020b). These “European Semester” demands affected the economies of Greece, Spain, Italy, Ireland and Portugal especially harshly.

Even if current CSRs deviate somewhat from the tradition of CSRs putting pressure on essential

public sector services with their potentially negative gender impacts, there is no mechanism to ensure that there will be a permanent change of focus.

Lack of any guidance related to gender equal economy is gender equality-jeopardising

Given the increased powers of the European Commission and the finance bureaucracy within the Commission regarding the assessment of “National recovery and resilience plans” and the adoption of a decision which sets out the reform and investment agenda for Member States as a precondition to receive funding, the absence of reference to gender equality in the assessment guidelines is of great concern and poses a potentially gender negative impact. Criteria to “effectively contribute to the green and the digital transitions” are included, but there is no criterium which ensure that these transitions include gender perspectives or the objective of increasing equality. Moreover, there are no criteria regarding effective contribution to gender equality, a gender equal economy, or indeed a transition towards a care economy.

Gender equality in decision-making at risk

As the whole process of the European Semester and especially the elaboration of the CSR is led by the economic and finance units of the European Commission with a predominantly gender-blind concept of economics, the composition of the governance bodies and groups related to the European Semester remains potentially gender risky. Research has indicated that this process is dominated by masculine conceptions (Addabbo et al 2018; Bruff, Wöhl 2016; Wöhl 2019, 65ff; Klatzer, Schlager 2017).

This not only concerns the composition of groups in terms of the presence of women and men, but more importantly the inclusion of people with adequate gender equality expertise and the prioritisation of knowledge regarding the integration of gender equality in macroeconomics both in the

preparatory and decision-making stages of Commission proposals and assessments. The economic rationale present and prevalent in the European Semester related groups is also decisive.

The lack of transparency in these processes and the fact that the European Parliament has no substantial role in the discussion and decision-making process (apart from its contribution to in the Employment guidelines) mean that parliamentary bodies at both national and EU level as well as the broader public's gender equality interests tend to be excluded in this process.

Dual lack: Neither Gender Mainstreaming nor targeted measures to achieve gender equality

Whilst the European Commission has repeatedly committed to a dual approach to achieve gender equality, namely through Gender Mainstreaming in conjunction with targeted measures, the Commission proposal on the European Recovery and Resilience Facility as a key element of the “#next-GenerationEU” lacks both elements. The impact of the full RFF is therefore highly gender equality-jeopardising and potentially gender negative.

Recommendations for Recovery and Resilience Facility

Overall, the RRF proposal is highly gender equality jeopardising. Crucial elements of the legislative proposal require revision to ensure that large funds are used to promote equality and tangibly build resilience by facilitating transformation towards a care economy.

One key recommendation concerns the overall focus guiding the RRF and its implementation. A care-based green and digital transition is recommended if gender equality obligations and political commitments are to be taken seriously, as a mere “green and digital transition” will not achieve those obligations and commitments.

As regards the link with the European Semester, fundamental changes are necessary in order to live

up to the EU gender equality obligations and commitments. If delinking the RRF from the European Semester is not possible, the inclusion of a strong, dedicated and mainstreamed focus in the “National recovery and resilience plans” is recommended. The national recovery and resilience plans shall include national gender equality plans for recovery and strategies to address gender issues emerging in the crisis, including gender-based and domestic violence. The assessment criteria shall include such plans and regular monitoring for progress on gender equality as a mandatory element. Furthermore, robust ex-ante and ex-post gender equality impact assessments, full integration of objectives to strengthen gender equality, gender and sex-disaggregated key performance indicators and the application of Gender Budgeting in planning, implementation, monitoring and evaluation shall be required.

All governance, management and implementation bodies within the framework of the RFF and the European Semester shall be required to consult gender equality experts and be gender equal.

Gender blind economic and fiscal policy making must be overcome to make progress on gender equality. An ex-ante gender impact assessment of the “National recovery and resilience plans” shall be included in the assessment by the European Commission.

The establishment of a Recovery & Gender Equality Task Force or Advisory Body is recommended both at national and EU levels to accompany the implementation of the RFF and other Recovery Plan instruments from a gender equality perspective. This body shall be linked to European and national Parliaments with the participation of civil society and gender (budgeting) experts. It shall be entrusted to provide gender equality expertise, participate in key implementation steps, for example the development of national recovery and resilience plans, and support the performance of ex-ante and ex-post Gender Impact Assessments and monitoring and evaluation processes.

7.3 Invest EU – Including the Strategic Investment Facility

The proposals for InvestEU³⁸ presented together with the #nextGenerationEU proposals include increased funds for the four “policy windows” – i.e. targeted areas for support – of InvestEU as already agreed by legislators³⁹, and a new “Strategic Investment Facility” which is an additional fifth policy window. This programme consolidates a variety of earlier investment guarantee programmes into one package.

Budget and beneficiaries

The budget for the four InvestEU policy windows has been increased to EUR 15.3 billion and allocations for the new “Strategic Investment Facility” policy window amount to EUR 15 billion. The overall EU budget allocation for InvestEU thus amounts to EUR 30.3 billion. As it is using an EU budget guarantee to mobilise private and public investment, the overall EU guarantee is proposed to amount to up to EUR 75.15 bn with a specifically dedicated share for the strategic European investment window of up to EUR 31.15 bn.

The indicative distribution of the EU guarantee across the five policy windows is as follows:⁴⁰

1. sustainable infrastructure policy window: EUR 20.05 bn (27.2%)
2. research, innovation and digitalisation policy: EUR 10.17 bn (13.5%)
3. SME policy window EUR 10.17 bn (13.5%)
4. social investment and skills policy window EUR 3.61 bn (4.8%)
5. strategic European investment policy window EUR 31.15 bn (41.5%)

However, this distribution can be changed unilaterally by the European Commission, increasing the allocation for policy window 5 by up to 15% (Art. 4(2) Para. 5).

Furthermore, “in order to facilitate the deployment” of European Structural and Investment Funds (ESIF) “through financial products”⁴¹, the draft regulation provides for the possibility of allocating a portion of ESIF funds, namely the European Regional Development Fund (ERDF), the European Social Fund Plus (ESF+), the Cohesion Fund, the European Maritime and Fisheries Fund (EMFF), the European Agriculture Fund for Rural Development (EAFRD) and the Just Transition Fund (JTF)⁴². In such event it is not the provisions for the Structural and Investment Funds but the rules and management of InvestEU which apply.

Mechanism

The EU guarantee will be granted primarily to the EIB group (75%) as an implementing partner which provides an additional financial contribution of EUR 9.4 billion, and 25% to other implementing partners, i.e. the European Bank for Reconstruction and Developments (EBRD), the World Bank and the Council of Europe Bank and national promotional banks.⁴³

In addition to the InvestEU Fund to provide EU budget (and Member States’) guarantees, the programme shall also establish an InvestEU Advisory Hub providing technical advice on investment projects requiring and an InvestEU Portal with a database for matching matches projects with potential investors worldwide.

Decisions concerning the use of EU guarantees for financing and investment operations are made by the “independent” Investment Committee (following a policy check by the EC). Its members will be

38 COM(2020) 403 including annexes 1-5.

39 COM(2020) 442, 5.

40 COM(2020) 403, art. 4 and annex 1.

41 COM(2020) 403, 7.

42 The JTF is put in brackets in the EC proposal.

43 https://ec.europa.eu/commission/presscorner/detail/en/MEMO_18_4010

external experts “with expertise from the relevant sectors”. The overall gender-balanced composition of the Investment Committee shall be ensured (Art. 23).

The InvestEU Fund will have an Advisory Board composed of: (i) representatives of the implementing partners; (ii) representatives of the Member States; (iii) an expert appointed by the European Economic and Social Committee; and (iv) an expert appointed by the Committee of Regions. The Advisory Board shall strive to ensure gender balance (Art. 19).

The Steering Board is composed of four representatives of the Commission, three representatives of the European Investment Bank Group and two representatives of other implementing partners. In addition, the European Parliament shall appoint an expert as a non-voting member.

A scoreboard is required in relation to all financing and investment operations to be submitted to the Investment Committee. It will ensure the independent, transparent and harmonised assessment of guarantee requests. It shall contain detailed information on the financing or investment operation in question concerning, inter alia, the contribution of the operation to Union policy objectives, additionality, description of the market failure or sub-optimal investment situation, investment impact and financial profile.

Objectives / Intended Beneficiaries

“As a policy instrument, the InvestEU Programme’s overall objective is to support the policy objectives of the Union by mobilising public and private investment within the EU, hereby addressing market failures and investment gaps that hamper the achievement of EU goals regarding sustainabili-

ty, competitiveness and inclusive growth as well as strategic autonomy of the Union.” (COM(2020) 403, 5).

The InvestEU Fund will be demand-driven in attracting private investment. In particular, it will foster research, innovation, digitalisation, sustainable infrastructure investment and support strategic companies, but will also cater to the needs of the social sector and of SMEs.

As specified in Article 3 (1) of the draft regulation, the general objective of the InvestEU Programme is to contribute to

- the competitiveness of the Union, including research, innovation and digitalisation
- growth and employment in the Union economy, the sustainability of the Union economy and its environmental and climate dimension contributing to the achievement of the SDGs and the objectives of the Paris Agreement on Climate Change and to the creation of high-quality jobs
- the social resilience, inclusiveness and innovativeness of the Union
- the promotion of scientific and technological advances, of culture, education and training
- the integration of Union capital markets and the strengthening of the Single Market, including solutions to address the fragmentation of Union capital markets, diversify sources of financing for Union enterprises and promote sustainable finance
- the promotion of economic, social and territorial cohesion
- the sustainable and inclusive recovery of the Union economy after the crisis caused by the Covid-19 pandemic, upholding and strengthening its strategic value chains and maintaining and reinforcing activities of strategic

importance to the Union in relation to critical infrastructure, transformative technologies, game-changing innovations and inputs to businesses and consumers.

The specific objectives of the InvestEU programme are especially related to supporting the financing and investment operations of the stated areas and sectors and to maintaining and reinforcing the strategic autonomy of the EU and its economy. The main focus therefore seems to be on providing guarantees for larger companies. The smaller SME policy windows states the objective of increasing access to and the availability of finance for companies with up to 499 employees, and of increasing access to and the availability of microfinance and finance for social enterprises, to support financing and investment operations related to social investment, competences and skills, and to develop and consolidate social investment markets. However, there is no specification of what shares of guarantees are to be used for any of the many priorities listed in this smallest window for social investment and skills policy.

Thus, the actual beneficiaries are companies, but details remain unclear.

The scope of the policy windows is as follows:

1. a sustainable infrastructure policy window (transport, road and rail infrastructure, energy
2. a research, innovation and digitalisation policy window (research, product development and innovation, transfer of technologies to the market, innovative solutions and support for the scaling up of innovative companies, digitalisation of industry)
3. an SME policy window (access to and the availability of finance primarily for SMEs, including for innovative SMEs and SMEs operating in the cultural and creative sectors, as well as for small mid-cap companies, i.e. companies with up to 499 employees)
4. a social investment and skills policy window (microfinance, social enterprise finance, social economy and measures to promote gender equality, skills, education, training and related services, social infrastructure, including health and educational infrastructure and social and student housing, social innovation, health and long-term care, inclusion and accessibility, cultural and creative activities with a social goal, and the integration of vulnerable people, including third country nationals)
5. a strategic European investment policy window (strategic investment to support final re-

efficiency, digital, waterways, waste management, environment infrastructure, tourism, cultural heritage etc.)

44 For-profit, large corporations are the beneficiary of these guarantees. However, it is not clear whether and to what degree public institutions or non-profit institutions will be recipients.

45 The range of sectors mentioned is broad in its scope: in particular in view of the green and digital transitions and of enhanced resilience, in critical healthcare provision, manufacturing and stockpiling of pharmaceuticals, medical devices and medical supplies, strengthening of health crisis response capacity and of the civil protection system; critical infrastructure in the fields of energy, transport, environment, health, secure digital communication, 5G, internet of things, online service platforms, secure cloud computing, data processing or storage, payments and financial infrastructure, aerospace, defence, communications, media, education and training, electoral infrastructure and sensitive facilities, as well as land and real estate crucial for the use of such critical infrastructure; the provision of goods and services instrumental to the operation and maintenance of the critical infrastructure; key enabling, transformative, green and digital technologies and game-changing innovations where the investment is strategically important for the Union's industrial future, including artificial intelligence, blockchain, software, robotics, semiconductors, microprocessors, edge cloud technologies, high-performance computing, cybersecurity, quantum technologies, photonics, industrial biotechnology; renewable energy technologies, energy storage technologies including batteries, sustainable transport technologies, clean hydrogen and fuel cell applications, decarbonisation technologies for industry, carbon capture and storage, circular economy technologies; biomedicine, nanotechnologies, pharmaceuticals and advanced materials; manufacturing facilities for mass production of Information Communication and Technology components and devices in the EU; supply and stockpiling of critical inputs to public actors, businesses or consumers in the EU, including energy or raw materials or food security, having regard to resource efficiency and circularity in strategic value chains; critical technologies and inputs for the security of the EU and MS, such as defence and space sectors and cybersecurity, and dual use items; investments in space, defence and cybersecurity. 49

ipients⁴⁴ whose activities are of strategic importance to the Union)⁴⁵

Preliminary assessment of gender impacts of InvestEU

The gender impacts of InvestEU are potentially very strong. However, due to the general nature of the proposals, with the possibility of shifting considerable amounts of funds (unilateral competence of the European Commission), it is only possible to identify general qualitative trends.

Promising language of the proposal which fails to fulfil in the details

The InvestEU proposal puts forward some promising elements, especially

1. as there is a “social investment and skills policy window”
 2. as there is a proclamation of very important priorities in the recital (22) of the legislative proposal, namely
 - “building a more inclusive and fair Union is a key priority for the Union to tackle inequality and foster social inclusion policies in Europe. Inequality of opportunities affects in particular access to education, training, culture, employment, health and social services. Investment in the social, skills and human capital-related economy, as well as in the integration of vulnerable populations in the society, can enhance economic opportunities, especially if coordinated at Union level.”
- The InvestEU Fund should be used

- to support investment in education and training, including the re-skilling and upskilling of workers, inter alia in regions depending on a carbon intensive economy and affected by the structural transition to a low-carbon economy.
- to support projects that generate positive social impacts and enhance social inclusion by helping to increase employment across all regions, in par-

ticular among the unskilled and long-term unemployed, and to improve the situation with regard to gender equality, equal opportunities, non-discrimination, accessibility, intergenerational solidarity, the health and social services sector, social housing, homelessness, digital inclusiveness, community development, the role and place of young people in society as well as vulnerable people, including third country nationals.

- to support European culture and creativity that has a social goal.

3. as the Investment Committee and Advisory Board shall strive for gender-balance in its composition.

However, as illustrated below, the details of the legislative act fail to fulfil all of these dimensions. In particular, whilst some reference is made to gender equality measures, neither the general nor the specific objectives of any of the policy windows include reference to gender equality.

Increasing representation of women by requiring gender balance in committees

On the positive side, making gender balance a criterium for the composition of the Investment Committee and the Advisory Board will potentially contribute to increasing the share of women represented there.

However, there is room for improvement to ensure it fully achieves its aim.

- While the composition of the Investment Committee “shall ensure that the Investment Committee as a whole is gender-balanced”, this does not ensure balance in the five different formations which correspond to the five policy windows in which it meets. Thus, it might be advisable to ensure that each of the five formations is gender-balanced.
- The provision regarding the Advisory Board is weaker, only claiming to “strive to ensure gender balance”. Stronger wording of the text

could ensure more effective gender-balanced representation here.

- This requirement can be extended to all bodies and committees related to this instrument.

Social Investment: Missed opportunity to substantially strengthen gender equality

At first glance, the “social investment and skills policy window” raises hopes of EU guarantees devoted to areas of key relevance for gender equality, only to disappoint when looking closer. The Social Investment and Skills Policy Window comprises

- microfinance, social enterprise finance
- social economy and measures to promote gender equality
- skills, education, training and related services
- social infrastructure, including health and educational infrastructure and social and student housing
- social innovation, health and long-term care, inclusion and accessibility
- cultural and creative activities with a social goal, and the integration of vulnerable people.

“Measures to promote gender equality” are indeed explicitly included, and all of the aspects mentioned potentially have strong direct links to gender equality and address some of the key areas in which gender inequalities have become apparent during the Covid-19 crisis. However, the share of EU guarantees distributed to the social investment and skills policy window amounts to less than five percent (4.8%, i.e. EUR 3.61 bn). This is by far the smallest window. Given that the European Commission has the power to unilaterally shift up to 15% of EU guarantees, the actual share of this window could be even smaller in practice.

Moreover, “measures to promote gender equality” might only receive a very small fraction of the guarantees whatsoever. Within the list of areas el-

igible for funding under InvestEU⁴⁶, measures to promote gender equality are mentioned as just one of 10 social investment measures or topics, with social investment itself being just one of 15 areas, thus having only rather marginal importance.

Promoting gender equality is only mentioned as one measure among many. Not even the social investment window stipulates a gender equality goal. Furthermore, none of the crucial Key Performance Indicators (KPIs) of InvestEU (Annex 3) in monitoring results is a specific gender indicator and none of the indicators (e.g. number of jobs created or supported) is disaggregated by sex. It will therefore not even be possible to quantify gender impact ex-post programme implementation.

Social infrastructure and gender equality subject to market logic

The specific objective of the “social investment and skills policy window” is not related to increasing gender equality or reducing other inequalities created by the crisis. In fact, with the exception of a brief reference to promoting gender equality as just one of many measures, these objectives are not mentioned at all in the InvestEU draft regulation. Rather, the specific objectives included in the legislative text focus on developing and consolidating investment markets: Art 3(2) (d) specifies objectives for this policy window as “increasing access to and the availability of microfinance and finance for social enterprises, to support financing and investment operations related to social investment, competences and skills, and to develop and consolidate social investment markets.”

This exclusive focus on market logic poses a potentially negative impact on gender equality when bearing in mind that public sector employment tends to provide better quality jobs and contribute to gender equality.

Social Investment: Prioritising investors' needs potentially gender equality-jeopardising

As the report by the High-Level Task Force on Investing in Social Infrastructure in Europe "Boosting Investment in Social Infrastructure in Europe" (HLTF 2018) indicates, the social investment window might not fully or primarily serve the interests of those in need of such services. Social investment is predominantly viewed in the light of the needs of investors, who consider investments in social infrastructure to be "a new asset class for European investors looking to make long-term investments" (HLTF 2018, iii). The extent to which investors' proposals are reflected in the InvestEU proposal is also notable (compare HLTF 2018, COM(2018) 439 and COM(2020) 403), while neither the care needs of the people nor the public sector as a main provider of care are of concern in this programme.

However, whilst the private sector applies a rationale of maximizing profit, the public and non-profit sectors, which provide many care and social services, prioritise the provision of such services, well-being, the satisfaction of needs, redistribution, securing livelihoods and ensuring equality (Gubitzer 2012). A focus on the promotion of market-based provision might have negative impacts in terms of quality of employment and cost as well as quality of services.

Questions of collusion between industry and the Commission Services also arise here. Interesting connections can be identified when looking at the example of the influences of the High-Level Task Force (HLTF) on Investing in Social Infrastructure in Europe. The HLTF was initiated by the European Long-Term Investors Association (ELTI). It was chaired by former Commission President Romano Prodi. The HLTF "comprised representatives from the European Commission, the European Investment Bank, the Council of Europe Development Bank, many National Promotional Banks as well as associations and experts from the social sector. The HLTF's mission was to raise political attention

to the crucial role of social infrastructure and related services, aiming to enhance public and private investments in this sector" (HLTF 2018, 3).

The focus on the promotion of market-based provision of social services serving primarily the interests of investors and this potential collusion between industry and the Commission Services might pose gender equality-jeopardising or gender negative impacts.

Overall job creation in male dominated sectors

The priority areas of InvestEU, especially transport, infrastructure, energy, resources, climate change, digital economy, agriculture and fisheries, defence, space, and sea-related projects, are characterised by very high shares of male employment.

Only in very few sectors, such as tourism, the cultural and creative sector, and social investment is the employment structure different. However, these sectors only stand to receive a very small percentage of InvestEU guarantees. It is therefore to be expected that the overall impact will be the creation or retention of male jobs. Thus, InvestEU is likely to increase the gender employment gap.

Furthermore, as evidenced in Chapter 6, the employment creation potential of InvestEU is limited as there is little focus on investment in care and social infrastructure, which has a much higher employment creation potential than other sectors.

Potentially gender equality-jeopardising priorities

Many of the InvestEU priorities, especially those in the Strategic Investment Facility window, have a potentially gender risky impact, in particular where no mechanism is provided for to ensure that all projects include measures to strengthen gender equality. For example, the development of the defence industry is defined as one of the 15 key areas for financing and investment operations. Whilst this mobilises additional EU funds for the defence

industry (besides specific funds such as the European Defence Funds and other funds under the MFF), funds for promoting gender equality are lacking. It is surprising that the defence industry is designated as one of the supported areas, as according to current research this sector has not been identified as being prone to the “direct economic and social consequences” of the Covid-19 crisis. However, the European Recovery Instrument, which also allocates funds to InvestEU (see Chapter 7.1) “excludes that the European Union Recovery Instrument can be used for any purpose other than tackling the direct economic and social consequences of this crisis.” (Com(2020) 441, 2).

When considering gender equality more broadly, the question of the allocation of public money with different priorities is of crucial importance when assessing gender impacts. Higher allocations to the military sector amongst others would reduce the funds available to sectors of key importance to increasing gender equality, such as through investment in the public provision of care and social services. This also raises more far-reaching questions as to which type of security required from a gender equality perspective. As has been seen during the Covid-19 crisis, human security, the provision of public services and freedom from violence have proven to be crucial to the people of Europe – and yet are severely underfunded.

Ambiguous gender impacts of governance structure provisions

Whilst the reference to gender balance in two central bodies has a potentially positive impact, other aspects of the governance structure give rise to concerns about potential gender impacts.

In particular, the high degree of freedom afforded to the Commission to shift funds between the policy windows, increasing policy window 5 by up to 15%, bears potential for the further reduction of the already small social investment window.

In addition, the decision-making structure lacks democracy and bestows power over decisions concerning the use of EU guarantees for financing and investment operations to the ‘independent’ Investment Committee (following a policy check by the EC). It is to be composed of external experts “with expertise from the relevant sectors”.

No focus on gender equality in access to finance risks perpetuating imbalances

Research shows that female-owned firms are less likely to obtain bank credit than male-owned firms and that they usually pay higher interest rates on bank loans (e.g. Belluci et al 2010, Alesina et al 2013, De Andrés et al 2019, Cavalluzzo et al 2002). However, the InvestEU programme does not provide for any specific measures to address the problem of ensuring equal access to guarantees and support for female-owned businesses.

Recommendations for InvestEU and the Strategic Investment Facility

The following recommendations are preliminary. A more thorough review by a team of gender experts in the various areas covered under this programme is strongly recommended.

In order to avoid gender equality-jeopardising impacts, it is important that a general and specific focus on strengthening gender equality be integrated in a dual approach in the legislative text.

Integrate strengthening gender equality and women’s rights as a general objective and as specific objectives in each of the policy windows.

7.4 Programme for the Union's action in the field of health - EU4Health

THE EU4Health programme is proposed as a new stand-alone programme, whereas it was included under the European Social Fund Plus (ESF+) in the 2018 MFF proposal. It aims at tackling Covid-19 related challenges and long-standing health policy issues, such as addressing drug shortages, improving cross-border cooperation and bolstering health care systems. It will invest in prevention, crisis preparedness, the procurement of vital medicines and equipment, and in improving long-term health outcomes.

Budget and beneficiaries

The total for the EU4Health programme amounts to EUR 9.4 bn, of which EUR 7.7 bn are mobilised by the European Recovery Instrument ("Next Generation EU").

In addition to EU4Health, other programmes will also provide funding for health policy actions. The overview provided by the EC⁴⁷ includes:

- enhanced Union Civil Protection Mechanism (UCPM/resceEU) capacities, ensuring that the EU and the Member States are better prepared for and able to react quickly and flexibly to a future crisis
- European Regional Development Fund (ERDF) to support health care systems' capacities in the regions in terms of infrastructure, modernisation of public and private health care sectors, and (inter)regional cooperation networks
- European Social Fund Plus (ESF+) will create synergies and complementarities with the EU4Health Programme by supporting, inter alia, skills development for health staff and improved access to health care for people in socio-economically vulnerable situations, and long term care

- The Recovery and Resilience Facility will provide financial support for reforms and investments that will have a lasting impact on the growth potential and resilience of the economy of the Member States and will address challenges identified in the European Semester
- Horizon Europe will finance research and innovation in health
- The Digital Europe Programme will support the deployment of digital infrastructure underpinning the wide use of digital technologies in areas of public interest
- The Connecting Europe Facility Programme 2 Digital (CEF Digital) will fund highly resilient Gigabit networks to connect socio-economic drivers, including hospitals and medical centres

Mechanism

The programme will be implemented through direct or indirect management and will make use of the most common Union budget spending mechanisms, including public procurement, prizes and grants.

The European Commission is the implementer and shall consult with Member States.

Objectives and intended beneficiaries

The programme shall pursue the following general objectives:

- protect people in the Union from serious cross-border threats to health
- improve the availability in the Union of medicines, medical devices and other crisis relevant products, contribute to their affordability, and support innovation
- strengthen health systems and the health care workforce, including by digital transformation and by increased integrated and coordinated

47 COM(2020), 405, 3ff

work among the Member States to increase the general level of public health.

The EU4Health programme sheds light on the challenges faced by European health systems and on the importance of well-equipped and resilient health systems for economic development.

Preliminary gender impacts of EU4Health

The EU4Health programme aims at tackling Covid-19 related challenges. However, it is not clear that challenges from women's and gender perspectives are sufficiently included. The EC communication highlights that there is added value in the EU addressing common challenges, amongst them health inequalities, migration, an ageing population, patient safety, high quality health care, and serious health threats. However, the programme makes no attempt to address gender issues, which are highly relevant to all of these challenges.

Frontline health care workers are predominantly women and continue to be undervalued and underpaid

The pressure and risk which workers in health care and the health care sector have been facing is unprecedented. Healthcare workers are at the frontline of the Covid-19 pandemic, working around the clock, putting themselves and their families at risk to care for patients (EIGE 2020d). Women make up the majority (76%) of healthcare workers⁴⁸ in the EU. Thus, it is especially women who are more at risk of infection due to being on the frontline. In all EU Member States women, often with migratory backgrounds and from ethnic minority groups, make up the large majority of health and care workers. These professions are some of the most undervalued and under-paid jobs in the EU (EIGE

2020d). Neither in the EU4Health nor in any other recovery programme can any visible efforts be identified which seek to improve the situation and pay of those employed in health care. The recovery programme does not prioritise activities which work towards increasing pay for health care workers and thus contribute to giving them the higher economic and societal value that they deserve. Increasing pay for these low-paid workers would greatly contribute to closing the gender-pay gap and stimulating demand in the EU.

No measures to improve situation of health-care workers

Promotion of "essential industries" and "frontline occupations" should inform EU employment (protection) policies and health care policies. During a public health crisis, it is imperative that policy makers prioritise support for the most vulnerable frontline workers. That not only means counting the number of jobs and industries affected but focussing on the individual workers and the nature of the work they carry out.

EU4Health does not address these issues at all; there is only a general reference to ESF+ "including as regards synergies on better protecting the health and safety of millions of workers in the EU". However, ESF+ funds have been cut by EUR 3.4 bn, much exceeding the share of health related funds which have now been moved to this programme. The well-meaning statements acknowledging urgent needs must now be followed up with adequate resources.

In particular, continued cuts in public health care and increased private provision of health care have contributed to mounting, continued strain on health care workers and deteriorating working conditions.

48 Eurostat's NACE rev. 2 classification defines healthcare activities as 'the provision of health and social work activities. Activities include a wide range of activities, starting from health care provided by trained medical professionals in hospitals and other facilities, over residential care activities that still involve a degree of health care activities to social work activities without any involvement of health care professionals.'

No funding for gender-specific healthcare needs – no effort to implement health related priorities in Gender Equality Strategy 2020-2025

With the exception of gender-specific forms of cancer, no mention is made of integrating gender-specific health care needs or of including gender perspectives in the defined priorities.

The programme does not provide for specific funding for the protection of sexual and reproductive health and rights despite the urgent need for funding and projects to address these issues at European level.

Health related priorities such as those defined in the Gender Equality Strategy 2020-2025 are not addressed in the EU4Health programme; in particular, there is no inclusion of activities or funding related to:

- preventing and reducing violence against women with health problems or disabilities
- financing measures to tackle abuse, violence as well as forced sterilisation and forced abortion
- include these perspectives in capacity-building for professionals and awareness-raising campaigns on rights and access to justice
- financing and facilitating regular exchanges of good practices between Member States and stakeholders on the gender aspects of health, including on sexual and reproductive health and rights.
- supporting women's human rights, its defenders, sexual and reproductive health and rights, and efforts to curb sexual and gender-based violence.

The programme does not fulfil the requirement of the Gender Equality Strategy for “[t]he inclusion of a gender perspective in all EU policies and pro-

cesses [...] to reach the goal of gender equality” by integrating “a gender perspective in all major Commission initiatives during the current mandate.”

The absence of funding for gender specific health care needs and a lack of effort to implement the Gender Equality Strategy 2020-2025 will most likely lead to increased inequalities in health and a failure to make progress in areas identified in the strategy, along with an increase in those inequalities already aggravated by the crisis.

Male dominated networks likely to be strengthened

Established networks of experts are largely male dominated or favour “old-white-men-networks”⁴⁹. For example, the Directorate General for Health and Food Safety (DG Santé) collaborates with the European Observatory on Health Care Systems, a male-dominated network. DG Santé's health system expertise itself is very male dominated, making it difficult for people outside the network, and especially female experts, to participate on a level playing field. The establishment of the EU4Health Committee and the lack of transparency in the allocation of funds (grants awarded without a call for proposals), implementation of the programme is likely to strengthen these male-dominated networks.

Programme implementation and use of funds highly gender equality-jeopardising

The programme objectives are formulated in a gender blind way and do not include gender specific priorities and necessities emerging from the pandemic. Furthermore, the implementation of the programme and use of funds is highly undetermined. For example, direct grants may be awarded without a call for proposals. In combination with male-dominated networks of experts and Commission Services, the potential impact is gender

48 These observations are based on conversations with experts involved in health research.

49 COM(2018) 321

equality-jeopardising: gender inequalities in public health and in the health care sector may potentially be increased, and chances and opportunities for female health experts to participate on equal terms reduced.

EU market bias in health care? Investing in the public health care sector is not among the priorities

The public health care system has proven to be essential in weathering the Corona pandemic. A high quality public health care system is also essential for gender equality, not only in access to services but also in terms of quality of jobs in health care. The public sector traditionally provides better quality jobs and contributes to gender equality in employment (Rubery, Figueiredo 2016).

Neither EU4Health nor other programmes put a focus on large scale investments in the public health care system to improve public health.

The explanatory memorandum of the EU4Health programme states that the European Regional Development Fund (ERDF) will support the health care systems' capacities in the regions in terms of infrastructure, modernisation of the public and private health care sectors and (inter)regional co-operation networks (COM(2020) 405, 4). However, ERDF funds were reduced in the revised MFF 2021-2027 proposals by EUR 3.7 bn compared to the MFF proposal presented in 2018⁵⁰. The increased challenges in strengthening public health care systems as the Covid-19 crisis ensues thus have to be overcome with reduced funds.

Employment effects gender risky

Whilst it is not possible to estimate the employment effects of the programme, it is assumed that the measures will not contribute to more gender equality in employment. On the one hand, no specific efforts are defined to improve the low wages and working conditions of health care workers. On the other hand, an unspecified sum might be allo-

cated to digitalisation, male-dominated networks, the pharmaceutical industry and related issues, thus potentially reinforcing gender gaps.

Recommendations related to the EU4Health programme

It is strongly recommended to consult gender and health experts to ensure gender mainstreaming of the programme. Please note that the following points are only indicative.

Include as a priority (specific objective and ensure related funding)

- to work decisively toward increasing pay for healthcare workers and thus contribute to giving them the higher economic and societal value that they deserve. Increasing pay for these low-paid workers would greatly contribute to closing the gender pay-gap and stimulating demand in the EU
- specific funding for the protection of sexual and reproductive health and rights
- specific funding for preventing and reducing violence against women, including women with health problems or disabilities
- address common challenges, health inequalities, patient safety, high quality health care including a strong gender perspective
- address health issues related to gender-based violence
- strengthen public health care systems
- include gender perspectives in capacity-building for professionals and finance awareness-raising campaigns on rights and access to justice
- finance and facilitate regular exchanges of good practices between Member States and stakeholders on the gender aspects of health, including on sexual and reproductive health and rights.

7.5 Remarks on the revised Multiannual Financial Framework

Alongside the European Recovery Plan (“#next-GenerationEU”) amounting to an additional EUR 750 bn and the European Recovery and Resilience Facility, the amplification of the Multiannual Financial Framework 2021-2027 (MFF 2021-27) is key to “harness[ing] the full potential of the EU budget to mobilise investment and frontload financial support in the crucial first years of recovery”. The EC has proposed a reinforced MFF to create new tools and strengthen key programmes using “#next-GenerationEU” resources to “direct investment quickly to where it is most needed, reinforce the single market, step up cooperation in areas such as health and crisis management, and equip the Union with a long-term budget to drive the green and digital transitions and build a fairer and more resilient economy” (COM(2020) 442, 1).

According to the EC proposals, an additional EUR 11.5 bn of funding shall already be made available to REACT-EU, the Solvency Support Instrument and the European Fund for Sustainable Development (EFSD) in 2020. Through REACT-EU “cohesion policy will play its essential role in supporting a balanced and sustainable recovery ... to tackle the most pressing economic and social needs and adjustments to the future cohesion programmes to make them more flexible and fully aligned with recovery priorities”.

Due to time constraints, a full gender assessment of all instruments is beyond the scope of this study. A number of highlights are, however, presented in the following for the purpose of orientation for potential gender implications.

Some significant reductions within the new Multiannual Financial Framework proposal

Whilst the new MFF proposal of May 2020 announced a significant increase in spending for many programmes, the European Social Fund+

has been cut by 30% (from EUR 123.5 billion to EUR 86.9 bn). Even if the shift of allocations for health to the new EU4Health programme is taken into account, there is nevertheless a reduction of funds. This poses a potential risk from a gender equality perspective, as it is one of the few programmes which includes at least some standards relating to integrating gender perspectives.

Justice, rights and values – a further 20% decrease of already limited funds

Whilst hundreds of billions of Euros of funding is being made available, it is interesting to note the comparatively small budgets that have been cut by the Commission. Whilst the EC proposal of May 2018 (COM(2018)321 had foreseen a total EUR 841 million for the Rights and Values and the Justice Programmes, the “#nextGenerationEU” foresees a 20% reduction to a mere EUR 677 million.

This reduction in funds is highly interesting from several perspectives.

1. The cuts announced for this programme are of great interest from a gender equality perspective, as amongst many other priorities it includes spending on gender equality. The small but dedicated specific budget lines for gender equality which existed in the 1990s have been dissolved and gender equality has been merged into larger programmes (e.g. Progress, Equal) by the European Commission using the “mainstreaming” argument. No financial resources available for the specific pursuit of gender equality can be identified in the current MFF period (Hubert/Stratigaki 2016, 27). Funding for gender equality is part of the Justice, Rights and Values programme, which is already marginal in itself, and has now been cut even further by the European Commission in its “#nextGenerationEU” proposal. It is the only programme targeted at achieving equality between women and men and eliminating violence against women.
2. Even the originally foreseen EUR 841 million

would constitute a highly marginal share of the EUR 1,100 billion of the MFF budget, namely 0.077 percent. The reduction of the entire Rights, Values and Justice Programme by one fifth is a significant cut, considerably restricting its opportunities to implement its priorities. However, the cut is insignificant in relation to the MFF funds available, now a share of 0.062% of the MFF. The cut therefore represents about 0.015 percentage points of the MFF. Given this miniscule share of the reinforced MFF, it would appear more than reasonable to assume that a scarcity of funds cannot be the reason for this cut.

3. The Sustainable Development Goals (SDGs), to which all Member States adhered and which also is a point of reference for EU institutions, include SDG Goal 5 “Achieve gender equality and empower all women and girls” and a specific indicator on gender budgeting and tracking funds for gender equality. At present, the European Commission has failed to fulfil these SDG obligations. This obligation requires clear gender budgeting methodology throughout all funding programmes.

An Agency less equal than others – The European Gender Equality Agency

EU Agencies are financed under the MFF⁵¹. The European Institute for Gender Equality (EIGE) features amongst the decentralised agencies included in the budget proposal for the MFF 2021-2027. EIGE is crucially important as a specialised institution providing gender equality expertise, data such as the periodically published gender equality index, and other valuable research on gender equality issues, gender mainstreaming and gender budgeting.

The planned budget for EIGE over the MFF period 2021-2027 amounts to EUR 54.3 million. The proposed budget for the EIGE is very much at the lower end of the scale for the 33 decentralised agencies⁵² covered by the proposal⁵³. Whilst funding for decentralised agencies amounts to EUR 445 million on average per agency, the EIGE budget of EUR 54.3 million represents a fraction of that amount, namely 12.2 percent. Even if the European Border and Coast Guard Agency, recipient of an exceptionally large proposed budget, is not taken into account, the EIGE’s budget amounts to less than one fifth of the average (18%) budget proposed for the decentralised agencies.

EIGE also lags far behind when compared to an agency carrying out similar support and research work, the Agency for Fundamental Rights (FRA), receiving only little more than one third (35%) of FRA funding.

It is clear that the mandate of the agencies and their scope of work differ considerably, and thus budget proposals vary. Nevertheless, the comparatively small amount proposed for the sole agency which supports the European Commission with gender equality expertise is remarkable. The lack of sufficient funding to generate gender expertise to support the European Commission and other institutions renders the entire proposal even more gender equality-jeopardising.

51 There are exceptions, such as the European Defense Agency (EDA) which is under the authority of the Council of the EU. EDA is the only EU Agency whose Steering Board meets at ministerial level (see: <https://www.eda.europa.eu/Aboutus/who-we-are/governance>). The latest budget figures publicly available for EDF (2018), show annual expenses of EUR 120 million (combined general budget, additional revenue and ad hoc projects). It is also noteworthy that planned EIGE annual expenditure is less than 7% of EDF’s annual expenditures (<https://www.eda.europa.eu/Aboutus/who-we-are/Finance>)

52 Only the Office of the Body of the European Regulators for Electronic Communications has a somewhat lower budget proposed over the same period: EUR 48 million.

8. KEY RECOMMENDATIONS

This section provides a summary of key recommendations relevant to the overall scope of the EU Recovery Plan (“#nextGenerationEU”). More specific recommendations related to different programmes are included in the relevant sections of the report.

- Shift the focus of the recovery and stimulus instruments to include investment in sectors with the highest employment potential in order to use the funds effectively.
- Include focus on investment in care in the Recovery Plan in addition to a just digital and green transition, because it not only has highly positive employment and economic recovery effects but also addresses the key challenges towards building truly resilient European economies.
- Focus on building a just, digital, care-based and green transition.
- Ensure the entirely democratic implementation of the EU Recovery Plan - decoupling the Recovery and Resilience Facility (RRF) from the European Semester.
- National recovery and resilience plans, a prerequisite for Member States to receive funds under the RRF, shall include national gender equality plans for recovery and strategies to address gender issues emerging in the crisis, including gender-based and domestic violence. This must also be included as a mandatory element of the assessment criteria.
- Require robust ex-ante and ex-post gender equality impact assessments, gender and sex-disaggregated key performance indicators and the application of Gender Budgeting in planning, implementation, monitoring and evaluation of all funds and instruments of the “Next Generation EU” proposals.
- Require gender equality mainstreaming in all programmes, investments and activities with a clear focus on results in increasing gender equality and improving the situation of women in their diversity.
- Adopt a “dual approach” in all programmes and instruments: dedicated funding for gender equality & requirements for gender mainstreaming and gender budgeting.
 - This includes setting up specific budget lines for strengthening gender equality-related areas in the scope of each of the specific programmes and instruments.
 - Reserve specific budget items within programmes to fund the establishment of gender expertise and support networks of female professionals and gender experts in the programme area.
- Establish a transparent system to track expenditures for gender equality and women’s rights throughout the “#nextGenerationEU” and enhanced MFF funds.
- All governance, management and implementation bodies shall be required to include gender equality experts and be gender-balanced.
- Increase funding to the European Institute of Gender Equality as a main body in the provision of gender equality expertise within European institutions.
- Set up a Recovery & Gender Equality Task Force or Advisory Body – at EU and national levels – to accompany implementation of the Recovery Plan from a gender equality perspective. This body shall be linked to European and National Parliaments with participation of civil society and gender(budgeting)experts. It is responsible for providing gender equality expertise, shall participate in key implementation steps, for example the development of national recovery

- and resilience plans, support the performance of ex-ante and ex-post Gender Impact Assessments, and assist in monitoring and evaluation processes.
- In line with the SDG obligations and its indicator for gender budgeting (5.c.1.), some key recommendations for the overall Recovery Plan and all instruments are:
 - address well-identified gender equality goals, including in those programmes where gender equality is not the primary objective, by ensuring programmes incorporate measures to close gender gaps
 - allocate adequate resources to programmes and instruments to achieve gender-related goals, providing a transparent and public statement of gender-related goals and the resources allocated (gender budget statement)
 - introduce a mechanism to track resource allocations towards these policy goals and identify budget allocations' linkage to gender-equality objectives
 - carry out ex-ante and ex-post gender impact assessments, and
 - make information on resource allocations for gender equality and women's empowerment publicly available.
 - Establish specific transparency mechanisms on the use of funds in all programmes to ensure that information regarding spending within all funds and beneficiary entities is easily available to the public.
 - Build on previous work and expertise on Gender Budgeting and Gender Mainstreaming in the EU MFF, annual budgets and funds.
 - Ensure adequate participation of civil society groups and non-profit organisations with gender equality expertise working on issues related to the recovery programmes and instruments.
 - Amend the legislative proposals to take the aforementioned into account
 - including a focus on transition towards a digital, green and care economy
 - clear binding commitments to strengthening gender equality and requirements for gender mainstreaming and gender budgeting, including clear gender equality objectives, targets and indicators related to gender equality in all programmes.

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Annex 1

Table 1: Time spent in unpaid and paid work; Paid-Unpaid-Work-Quota, selected EU countries and United Kingdom

Dataset: Employment		15-64											
Age Group		Latest year											
Time		Latest year											
Indicator	Time spent in unpaid		Time spent in paid		Time spent in total		Paid-Unpaid-Work Quote(*)						
	Sex	Men	Women	Men	Women	Men	Women	Men	Women	PJW-GAR(**)			
Unit	Minutes per day		Minutes per day		Minutes per day		% of working time that is paid		Difference % paid work-time				
Country													
Austria		135,3	269,2		364,8	248,8		500,1	517,9		72,9	48,0	24,9
Belgium		144,2	237,3		273,7	199,2		417,9	436,6		65,5	45,6	19,9
Denmark		186,1	242,8		260,1	194,6		446,2	437,4		58,3	44,5	13,8
Estonia		160,2	249,2		264,1	244,9		424,2	494,1		62,3	49,6	12,7
Finland		157,5	235,8		248,6	209,9		406,0	445,7		61,2	47,1	14,1
France		134,9	224,0		235,1	175,4		370,1	399,4		63,5	43,9	19,6
Germany		150,4	242,3		289,5	205,5		440,0	447,7		65,8	45,9	19,9
Greece		95,1	259,5		274,3	184,5		369,4	444,0		74,3	41,6	32,7
Hungary		162,3	293,8		272,7	202,5		435,0	496,3		62,7	40,8	21,9
Ireland		127,0	292,5		340,8	194,9		467,8	487,4		72,9	40,0	32,9
Italy		130,7	306,3		220,8	133,1		351,5	439,5		62,8	30,3	32,5
Latvia		129,7	253,3		376,9	288,5		506,7	541,7		74,4	53,3	21,1
Lithuania		151,6	292,0		354,3	279,3		505,9	571,2		70,0	48,9	21,1
Luxembourg		121,1	239,6		330,0	238,9		451,1	478,5		73,2	49,9	23,3
Netherlands		145,4	224,9		284,9	201,4		430,4	426,4		66,2	47,2	19,0
Norway		168,5	227,4		277,4	200,0		445,9	427,4		62,2	46,8	15,4
Poland		158,8	295,0		314,8	203,2		473,6	498,2		66,5	40,8	25,7
Portugal		96,3	328,2		372,3	231,3		468,6	559,4		79,4	41,3	38,1
Slovenia		166,5	286,2		299,8	234,2		466,3	520,4		64,3	45,0	19,3
Spain		145,9	289,1		236,2	166,8		382,1	455,9		61,8	36,6	25,2
Sweden		171,0	220,2		313,0	275,2		484,0	495,3		64,7	55,6	9,1
United Kingdom		140,1	248,6		308,6	216,2		448,7	464,8		68,8	46,5	22,3
Data extracted on 13 Jun 2020 19:03 UTC (GMT) from OECD.Stat							Average PUW-Quote		67,0	45,0	22,0		

Legend:

d: Difference in methodology

(*): Calculated by Thera van Osch on the basis of OECD data on minutes of Paid Work (PW) and Total Work (TW) per day:

PUW-quote defined as: $(PW : TW) \times 100\% = \text{PUW-Quote}$ (= % of working time that is paid)

(**) Defined as difference between PUW-quote for men and women: % of working time that women get less paid as compared to men.

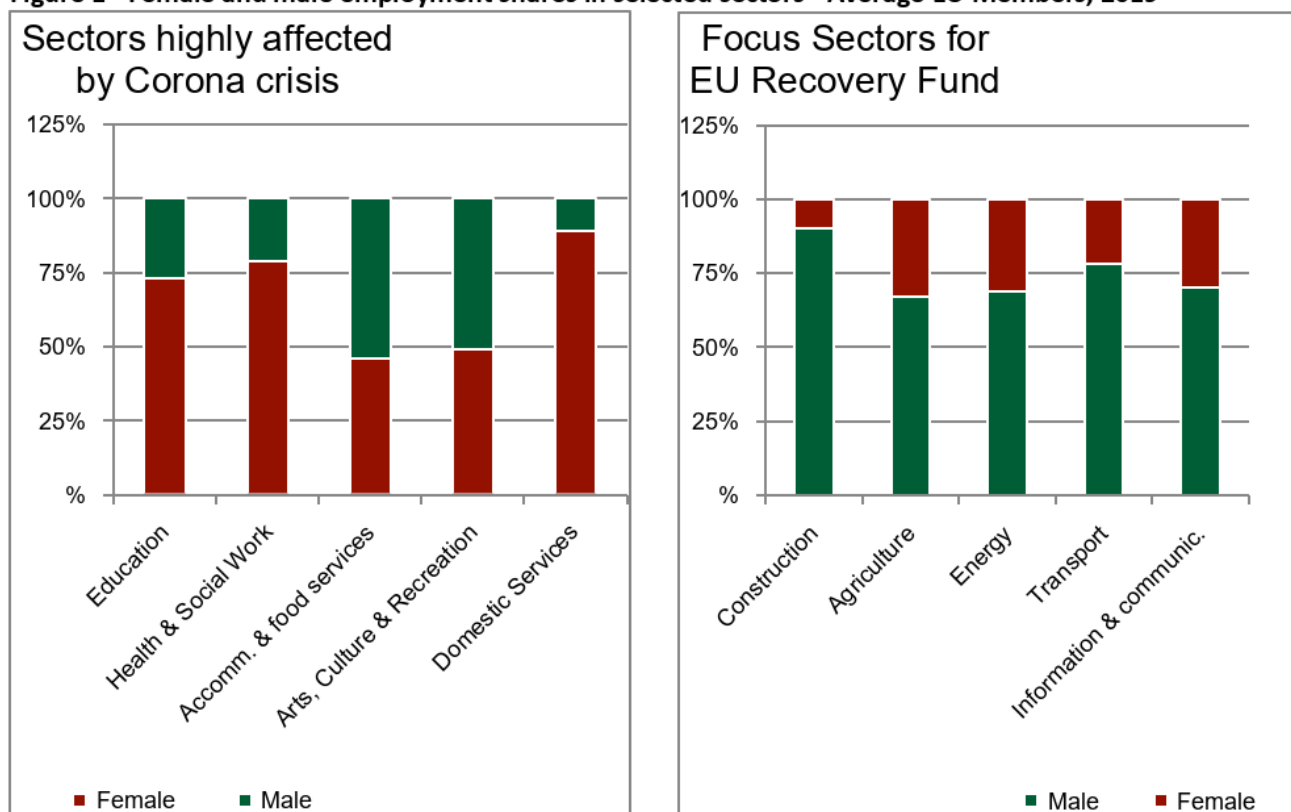
Source: Based on OECD dataset: Employment.

PUW-quota defined by Thera van Osch, reflecting distribution of unpaid work and paid work in terms of time-use.

Annex 2

Overview of Women and men in employment by sectors

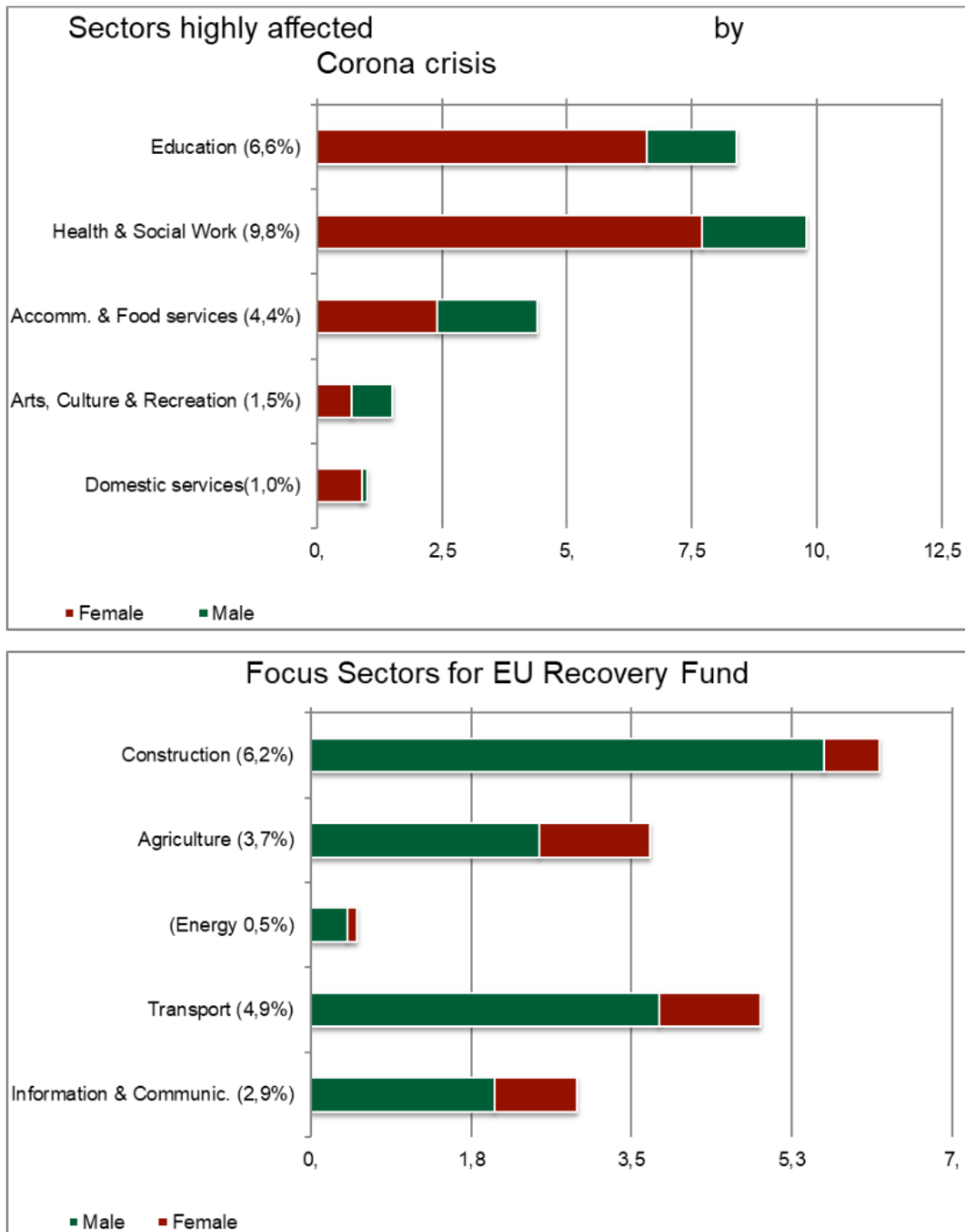
Figure 1 - Female and male employment shares in selected sectors - Average EU Members, 2019



Source: [Eurostat](#).

These figures show the share of female and male EU employment for each of the sectors analysed. On the left, we find that the majority of sectors most affected by the crisis predominantly employ women, whilst on the right we see that employment in the majority of sectors due to receive support from the Recovery Fund is male-dominated.

Figure 2 - Share of employment across the EU by sector and gender, EU-27, 2019



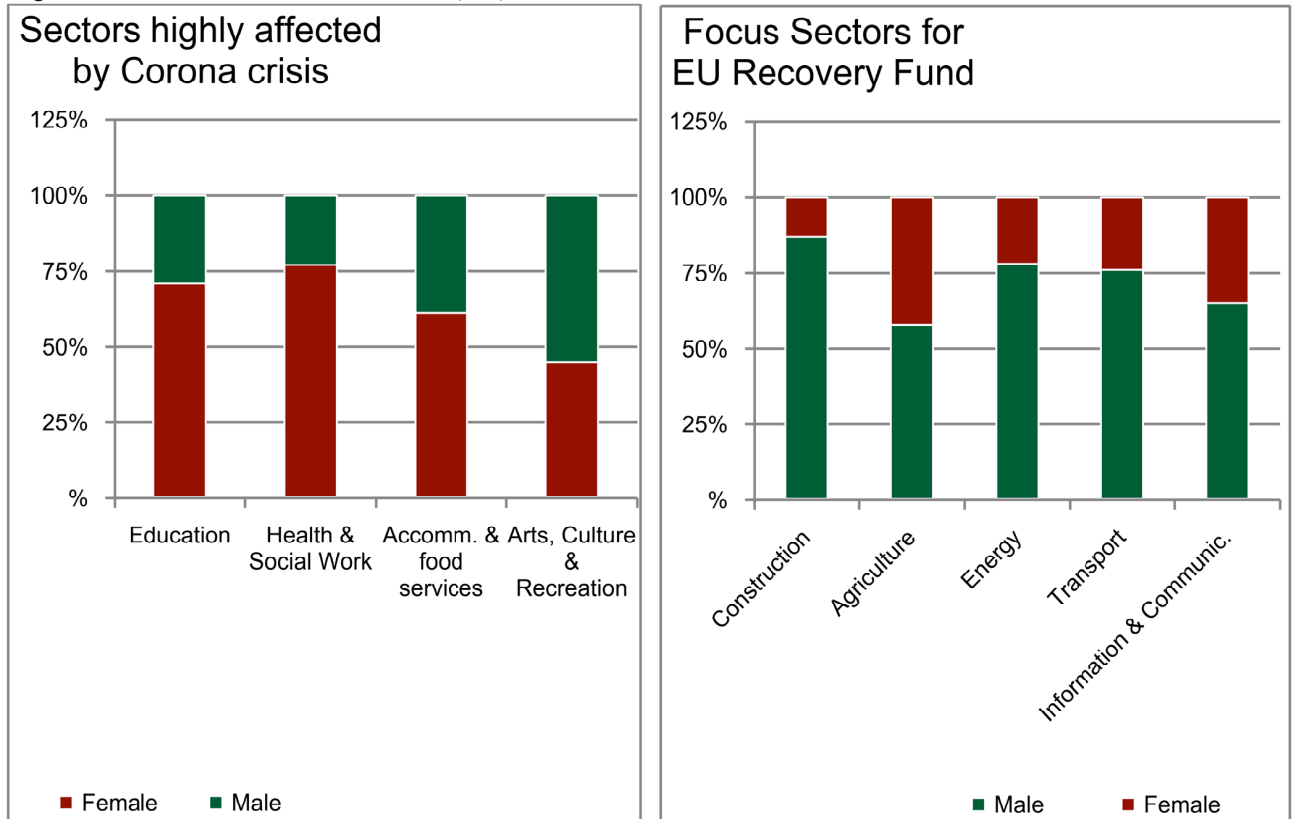
Source: Eurostat.

Figure 2 shows two different datasets for each analysed sector: the percentage figure denotes the sector's share of total employment across all EU Member States; the bars denote internal distribution of employment by gender within the sector (where dark green represents male employment and dark red female employment).

COUNTRY DATA

Austria

Figure 4 - Female and male employment shares in selected sectors - Austria, 2019

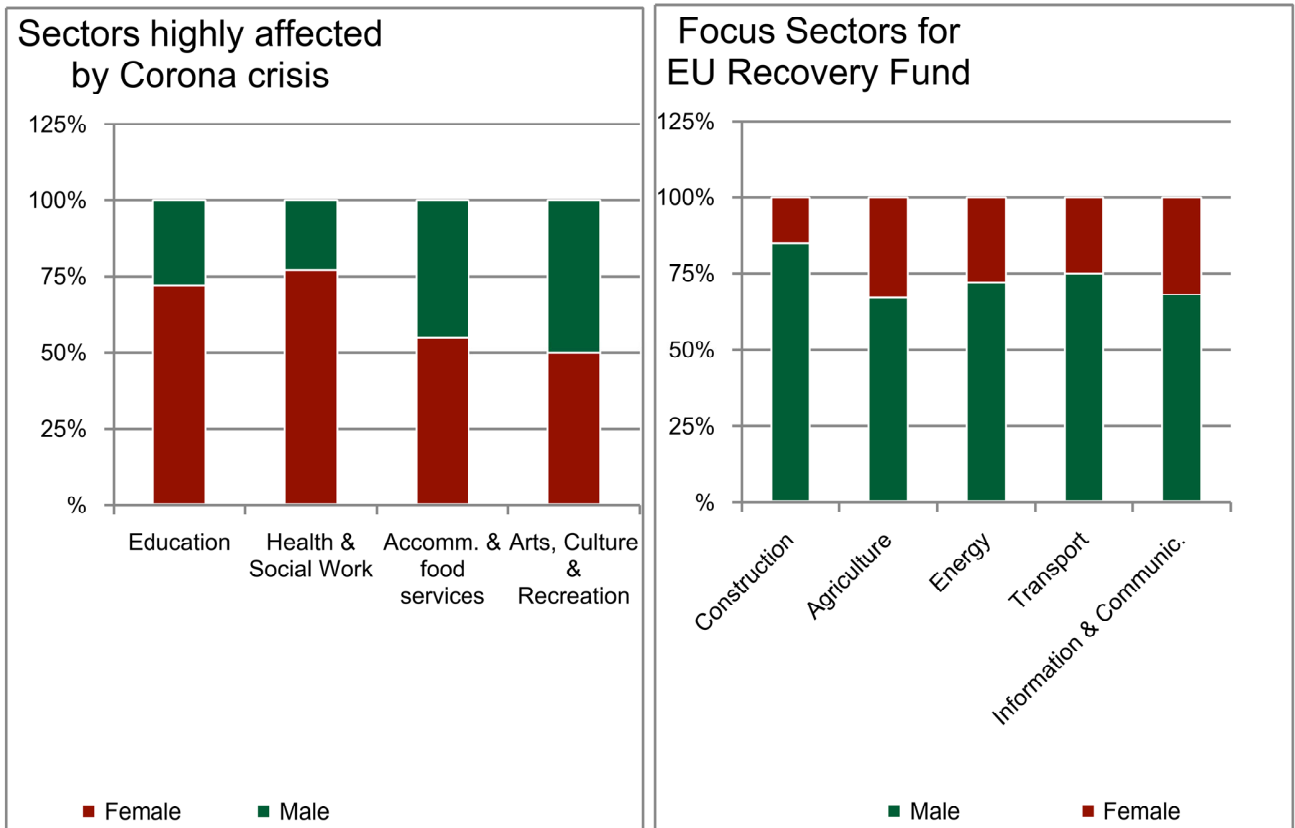


Source: Eurostat.

These figures show the share of female and male employment in Austria for each sector analysed. On the left, we find that the majority of sectors most affected by the crisis predominantly employ women, whilst on the right we see that employment in the majority of sectors due to receive support from the Recovery Fund is male-dominated. No data are available for the Domestic Services sector.

Germany

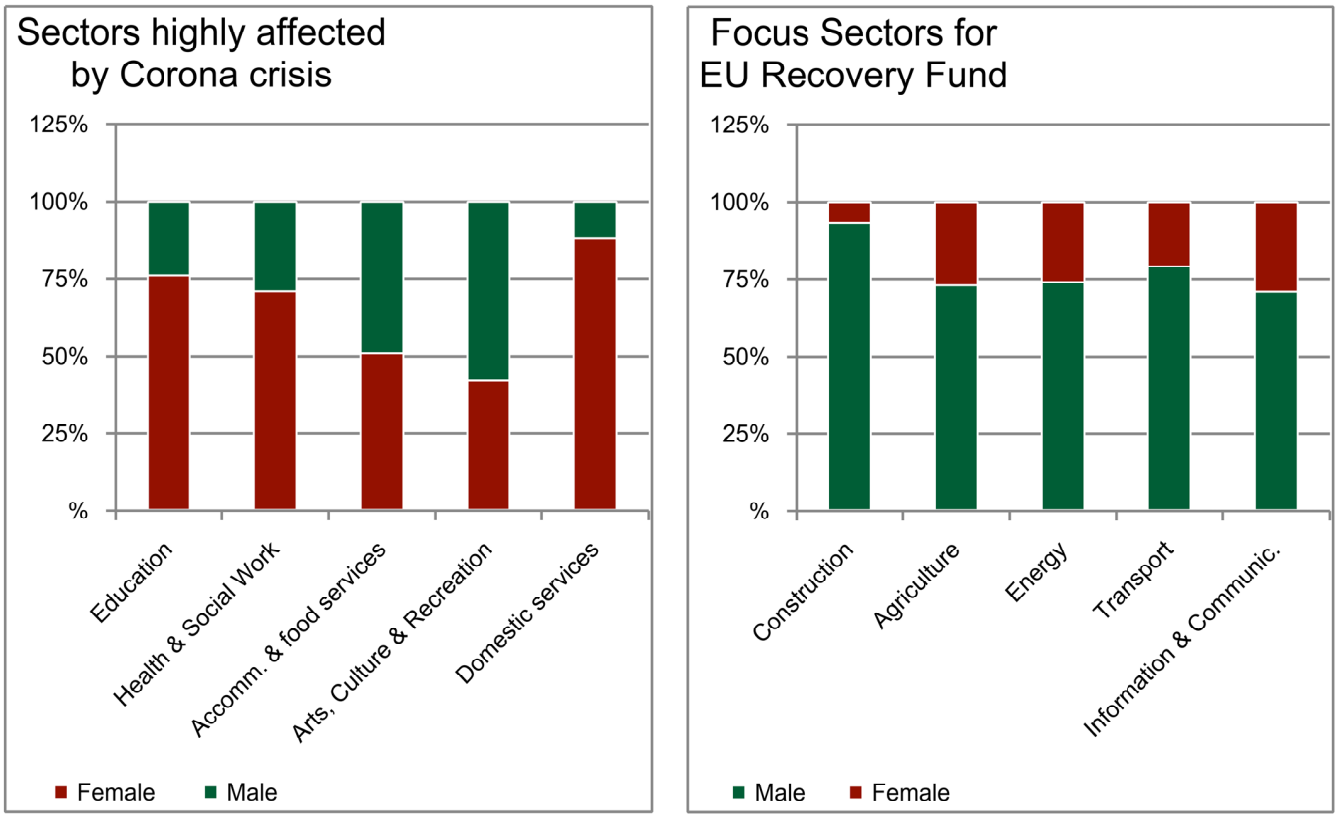
Figure 5 - Female and male employment shares in selected sectors - Germany, 2019



Source: Eurostat.

These figures show the share of female and male employment in Germany for each sector analysed. On the left, we find that the majority of sectors most affected by the crisis predominantly employ women, whilst on the right we see that employment in the majority of sectors due to receive support from the Recovery Fund is male-dominated. No data are available for the Domestic Services sector.

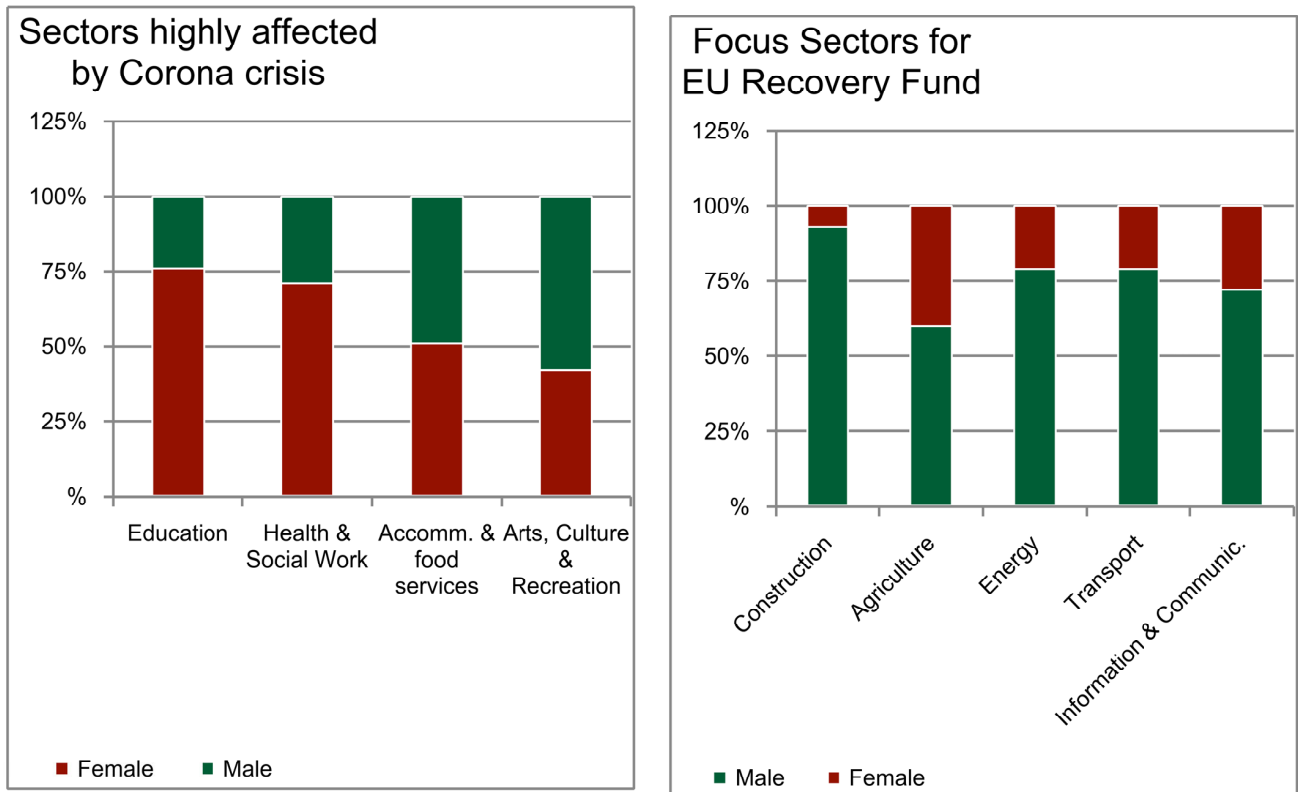
Figure 6 - Female and male employment shares in selected sectors - Italy, 2019



Source: Eurostat.

These figures show the share of female and male employment in Italy for each sector analysed. On the left, we find that the majority of sectors most affected by the crisis predominantly employ women, whilst on the right we see that employment in the majority of sectors due to receive support from the Recovery Fund is male-dominated.

Figure 7 - Female and male employment shares in selected sectors - Poland, 2019

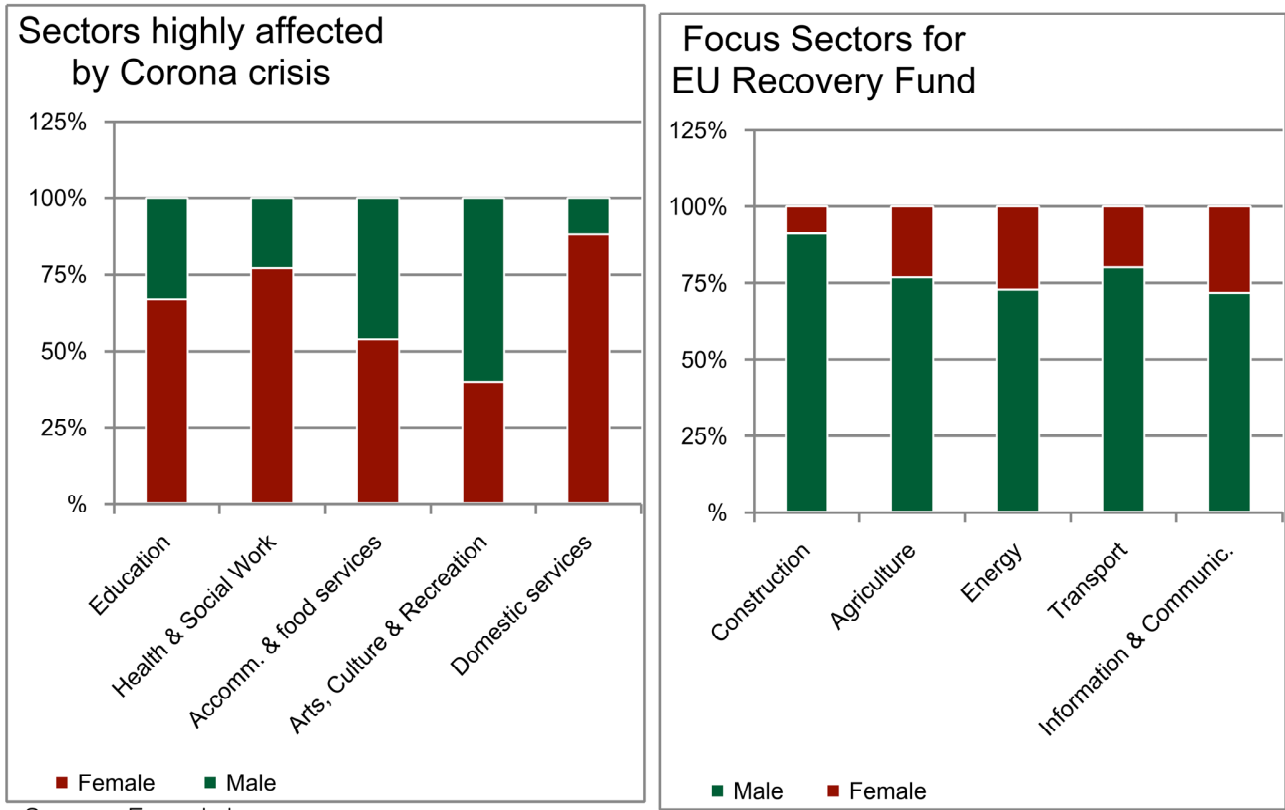


Source: Eurostat.

These figures show the share of female and male employment in Poland for each sector analysed. On the left, we find that the majority of sectors most affected by the crisis predominantly employ women, whilst on the right we see that employment in the majority of sectors due to receive support from the Recovery Fund is male-dominated. No data are available for the Domestic Services sector.

Spain

Figure 8 - Female and male employment shares in selected sectors - Spain, 2019



Source: Eurostat.

These figures show the share of female and male employment in Spain for each sector analysed. On the left, we find that the majority of sectors most affected by the crisis predominantly employ women, whilst on the right we see that employment in the majority of sectors due to receive support from the Recovery Fund is male-dominated.