

The EU Strategy for Gender Equality (2020-2024)

Hearing of the Committee on Women's Rights and Gender
Equality of the European Parliament

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4 December 2019, 10:00-12:30

Context

The Committee on Women's Rights and Gender Equality of the European Parliament Chair Evelyn Regner has asked me to share my expertise with a focus on discussing

- Economic empowerment
- Women on boards
- Women in the labour market

Methodology

In preparation for this hearing, I have sought to put my academic and policy expertise within the context of

- Gender equality as fundamental value and objective of the EU with a dual approach (target measures and mainstreaming)
- EU Strategy for Gender Equality (2010-2015)
- EU Strategy for Gender Equality (2016-2019)
- EU legislations related to specific gender related topics
- Gender Equality Index 2019 by EIGE
- Gender budgeting and gender mainstreaming EU approaches

Outline

I will make two points

1. Gender mainstreaming competition policy
 - Economic empowerment
 - Women in the labour market
2. Strengthening the odds for women at the top
 - Women on boards
 - Women CEO

Final recommendations

'Gender mainstreaming competition policy?'

The 2016-2019 strategic engagement for gender equality stressed the need to **adopt a gender equality perspective into all EU policies**.

Internationally, the competition policy community is paying attention to gender

- Gender discrimination as anti-competitive barrier (Hubbard, 2017; Pike, 2018)
- This means that **access** to markets is not leveled across genders
- Competition policy may have the potential to **level the playing field across genders**

Read more: Concurrences N-4-2019 | Law & Economics | Estefania Santacreu-Vasut (ESSEC) and Chris Pike (OECD) | 'Competition policy and gender'

Competition policy may

- drive participants that exhibit taste-based discrimination against women out of the market (except when they cater to prejudiced consumers)
- increase the efficient provision of market substitutes for services provided by women in the household (childcare, elderly care, health...)
- increase the efficient provision of services that complement women economic empowerment (finance, infrastructure...)

Prioritization in favor of *these* markets may help to

- to ensure that certain markets work effectively
- improve women's ability to achieve work-life balance
- realize a **double dividend** (efficiency and equity)

Access to markets and work-life balance...

...are directly related to the following legislations:

- P8-TA(2017)0074 about "Equal treatment between men and women in the access to and supply of goods and services", EP resolution 14/03/2017 which cites "potentially in cooperation with consumer protection organizations".
- P8-TA(2016)0203 about "Women domestic workers and carers in EU" which calls for the professionalization of domestic workers in the care sector by combining: public finance (tax breaks), social finance (family allowances...) and private finance but is silent about the potential role of competition policy.

Gender lens to competition policy may

Improve the functioning of the single market because gender may

- influence the prices consumers pay (women pay higher prices for a range of similar products): 'pink tax'
- influence transaction costs (searching, bargaining, information processing) associated with participation in markets
- influence compliance with the law

As a consequence, competition authorities may gain from considering gender in their market definition and in the provision of market remedies

Application: product market definition

A standard approach to measuring market power is to first define a relevant market.

- For example, the European Commission provides guidance to community competition lawmakers in defining markets along two dimensions: product and geography.
- Regarding the product dimension the Commission defines the product market as “all those products and/or services which are regarded as interchangeable or substitutable by the consumer, by reason of the products’ characteristics, their prices and their intended use.”

Three factors that may discipline market players to avoid anti-competitive behavior

- demand substitutability, supply substitutability and potential competition

Product market definition and gender: the role of culture

Another important issue to take into account comes from the fact that gender norms and gender identity may vary across countries

- For competition agencies that have a supranational character it may be important to be aware of such differences

Interestingly, the European Commission mentions the role of “language, culture and lifestyle” as a potentially relevant constraint for competition at the geographical level.

Gender may influence the extent to which products and/or services are regarded as interchangeable or substitutable by the consumer

Women decision-making

The Gender Equality Index 2019 built by EIGE gives the lowest score to women access to powerful positions and decision-making roles

EIGE: As of October 2017, only 5,5% of CEOs of publicly listed companies in the EU are women

This is often described as the “glass ceiling” but involves also the “glass cliff” phenomenon (women are likely to be appointed to badly performing firms).

I would like to call your attention to recent work that points at the **role of factors external to the firm** that are barriers to women decision-making power

Women decision-making and the media

The role of the **media**: women are portrayed differently when appointed as CEO (Lee and James, 2007)

When appointed, media tends to focus on women CEO gender and family related factors, while this is not the case for men CEO.

While EU enjoys "only supporting competences in the field of education and culture", promoting gender equality in the media may particularly benefit women decision-making powers in other industries through its influence on how media portray women.

Women decision-making and the stock market

The role of the **stock market**: stock market reaction tends to be negative to women CEO appointments, especially in 'male industries'

Experimental research that I have done with François Longin (ESSEC) shows that non-conscious biases differ as function of the **gender of the investor**.

Promoting more gender diversity in the financial industry (maybe via educational initiatives Erasmus + that have targeted objectives for young women to study finance) can contribute to undo some of the existing biases.

This is important because firms may be reluctant to appoint women if they expect a negative stock market reaction driven by either media biases or investor biases

Women on Central Bank boards

Together with Davide Romelli (Trinity College Dublin) and Patricia Charléty (ESSEC), we have tracked appointments to central banks boards from 2003 to 2015 in 26 OECD countries.

We find that female board members tend to replace each other, suggesting a systematic bias against women.

Table 5

Predicted probabilities of female and male appointments to boards as function of the gender of the departing member (Unique replacements over 2003–2015).

	Probability of appointing a female	Probability of appointing a male
Female departure = 0	0.089	0.911
Female departure = 1	0.377	0.623

Recent updating of the data shows an increase in female appointments from 10% in 2003 to 23% in 2019.

What factors prevent or help central bank boards to increase their diversity? *on-going research*

Final recommendations

1. The EU may want to think about whether and how Competition policy can play a role in developing competition in key markets for women
2. The benefits of a gender lens applied to competition policy may be growth enhancing, which is particularly valuable in a growing isolationist international context
3. Promoting women decision-making powers requires interventions not only within corporations or organizations but also in the media and stock market:
 - Promoting more gender diversity in the financial industry (maybe via educational initiatives Erasmus + by adding targeted objectives for female and minority students to study finance) can contribute to undo some of the existing biases
 - Promoting gender equality in the media may particularly benefit women decision-making powers in other industries through its influence on how media portray women

Main references

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Thank you!

Many thanks for your attention!

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Thanks to all my coauthors, and especially to those cited in this presentation (Patricia, Chris, Davide and François). The views expressed in this presentation are my own.