



Economic and Social Council

Distr.
GENERAL

E/ECE/RW/HLM/5
15 August 1994

Original: English

ECONOMIC COMMISSION FOR EUROPE

HIGH-LEVEL REGIONAL PREPARATORY MEETING
FOR THE FOURTH WORLD CONFERENCE ON WOMEN
Vienna, 17-21 October 1994
Item 6(d) of the provisional agenda

THE ROLE OF WOMEN IN THE TRANSITION PROCESSES: FACING A MAJOR CHALLENGE

Report by the secretariat

CONTENTS

	<u>paragraphs</u>
I. Introduction	1-7
II. Women and the shortage economy: the legacy . . .	8-20
III. The change: uneven pace of market building . . .	21-36
IV. The costs of transition: taking over a large share	37-51
V. Emerging opportunities: the small "windows" . .	52-67
VI. Key areas of gender concern	68-73
VII. Foreign assistance: the need for a gender focus	74

Tables

Introduction

1. During the last four years it has become evident that contrary to initial expectations, building market economies in eastern Europe and now independent republics of the former Union of Soviet Socialist Republics 1/ will take years, and in some cases decades, and that this process will be costly for societies. True, the transition process has opened new opportunities for entrepreneurship and private sector activities which could become a powerful engine of growth. It is thus expected that in the longer run, overall economic efficiency will gradually improve leading to meaningful increases in living standards. In the short and medium term, however, there is a major distribution problem: how are the costs of transition, in terms of unemployment, falling real wages and household incomes, and access to opportunities, mostly identified with job and income creation in the emerging private sector, going to be divided among various social groups and by gender under conditions where the window of opportunity is small and the costs are very significant?

2. The role of women in the transition process is conceptually undefined and until now women seem to be losing much of the benefits acquired in the past and have practically no influence on shaping the institutional, structural and policy changes in eastern Europe, Commonwealth of Independent States countries and Baltic States. There is little doubt, however, that the change has a profound impact on women's situation. Despite the lack of formal discrimination, they seem to be more vulnerable than men to the hardship of transition which could result in taking over a high share of the overall costs of this process. At the same time their access to new opportunities is rather narrow.

3. The current position of women in the eastern and central European economy presents a mixed picture. Women play an important role in all economic activities in the region as a result of the policies under the former regime. They represent, on average, half of the labour force and in most countries are equally or often better educated than men. At the same time, informal norms and behaviour put women at a disadvantage both in the workplace and within the family. The level of women's education does not match the low-skilled positions they predominantly occupy and they are an easy target for employment cuts. The gender contract is still very traditional, leaving women with the principal responsibility for managing household resources. They are thus directly affected by the collapse of the socialist welfare system. Women are also poorly organized, as well as poorly represented within formal and informal structures, and have limited chances to articulate and defend their interests.

1/ The term "eastern Europe" includes Albania, Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Slovakia, Slovenia, and the Federal Republic of Yugoslavia (Serbia and Montenegro). Independent republics of the former Soviet Union cooperating in the institutions of the Commonwealth of Independent States are referred to as the CIS countries. Estonia, Latvia and Lithuania are referred to as Baltic States. (Based on terminology used in the Economic Survey of Europe)

4. Building a market economy embodies a major challenge for women in eastern and central Europe, that is, to establish a partnership position under the new institutional framework, in particular on the labour market and within a family. This requires not only retraining in order to adjust their skills and knowledge to the new patterns of demand for labour but also implies deep changes in the existing gender contract which until now has been supported by the generous and protective system of State welfare.

5. The broad argument of this report is that the failure to incorporate women as equal partners in the process of transition will have serious implications on the pace of change. The risk is, at least, two-fold. First, that affecting women more than men will further disturb the fragile social equilibrium in the region and accelerate the process of social disintegration. Second, that the large share of human resources will remain under-used. Both will have negative impact on long-term growth and prosperity in eastern and central Europe.

6. The main purpose of this report is to examine the role of women in the transition process within this double perspective in order to identify major areas of gender concern and to formulate action-oriented proposals aimed at incorporating women into the process of market building in eastern and central Europe. In analysing the economic situation in transition economies, the report relies on works of the Economic Commission for Europe, in particular on the Economic Survey for Europe and the Economic Bulletin for Europe.

7. Parts I and II of the report present a brief overview of the evolution of women's position in the economy as well as of major changes under the transition. Parts III and IV examine the adverse effects of the recession and stabilization policies on women as well as discuss the emerging opportunities in the private sector. Part V identifies key areas of gender concern and action oriented proposals.

I. WOMEN AND THE SHORTAGE ECONOMY: THE LEGACY

8. Under the socialist system women have gained equality on formal grounds, including an unprecedented level of integration into the labour market and access to education. Though there was no formal discrimination, women's role in the economy differed from that of men; there was a considerable gap in the level of women's and men's incomes, social status and contribution to mainstream activities. Women's representation in the decision-making structures was, with some exceptions, a formal requirement to fill administrative quotas. The main purpose of this part is to evaluate women's heritage, that is, their assets and liabilities, while entering the emerging market environment.

(a) Women and professional life

9. Women's role in the post-war industrialization was important and consistent with the rapidly growing share of the female labour force, in particular in the 1950s and 1960s, in all countries in that region. Ideologically, employment was equated with women's emancipation and a

number of provisions were established in order to ensure that women could combine motherhood with full-time jobs. The State-provided social infrastructure was organized in such a way as to take over many of women's family responsibilities, in particular in the area of child care. At the same time, women enjoyed many work-related privileges, including maternity benefits and leave for caring for sick family members.

10. Women's participation rates in eastern and central European countries have been consistently high, around 80%. The level of women's education improved considerably and became comparable, or higher, than men's. The returns on women's education were, however, quite low. 2/ The distribution of the female labour force by sector, and by industry was uneven with strong concentration in less prestigious jobs by the standards of centrally planned economies, and less-paid jobs in light industries, which employed the bulk of women's workers 3/ and services. Female workers were employed as accountants, clerks and social workers mainly in public administration at national and enterprise level, in education, health and art related professions, and within the service area in public catering, banking and insurance. In the former Soviet Union, for example, women accounted for 89% of all book-keepers; 87% of economists; 70% of teachers and 67% of physicians. 4/

11. Low returns of women's education and inefficiency in allocation of human resources under the planned economy as illustrated also by the small number of women at managerial positions and routine and repetitive work either in the office or in the factory could be partly explained by the traditional attitudes of male decision makers. It was, however, often also a women's "choice" opting for less responsibility at work and in consequence a less demanding work pace against the background of their overburdened daily schedule. There seemed to be a tacit understanding in most State enterprises and organizations that, since women had to combine their work and family obligations "somehow", they could leave their workplace to take care of household problems including, under the conditions of shortage economy, hours of queuing for food. This practice has survived to a certain extent in State enterprises until today. The ILO survey carried out in the Czech and Slovak Republics in 1991/92 revealed that 70% of women could leave their workplace to "attend to urgent personal

2/ Bialecki, Ireneusz and Barbara Heyns "Educational Attainment, the Status of Women, and the Private School Movement in Poland", in Democratic Reform and the Position of Women in Transitional Economies, ed. Valentina M.Moghadam, Clarendon Press, Oxford, 1993

3/ Women's share in industrial employment was, however, high by international standards, no less than 43% of the manufacturing labour force was female. UNIDO, 1993: Women in Manufacturing: Participation, patterns, Determinants and Trends, Vienna.

4/ Natalia Rimashevskaja "Perestroika and the status of women in the Soviet Union" in Women in the face of change: The Soviet Union, Eastern Europe and China, Rai Shirin, Hilary Pilkington and Annie Phizacklea, Routledge, London and New York, 1992.

matters" without much difficulty, of which 13% any time, 24% sometimes and 33% exceptionally. 5/

12. Such practices had a number of long term consequences on women's image as workers, their promotion prospects as well as their attitudes. In most societies in the region women are still considered not only as "expensive" but also "less reliable" workers, which is now one of the reasons for the gender bias in recruitment, shown by enterprise managers and revealed by the ILO survey. These practices seriously limited women's participation in in-house training programmes and prospects for promotion. Also a particular "female" patterns of attitudes towards work emerged such as poor assertion skills, evading success, fear of responsibility, and determination of job satisfaction by social conditions (company atmosphere, opportunity for personal communication) rather than by objective criteria (income, promotion prospects, leverage in collective bargaining) 6/.

13. Women's wages and salaries were persistently lower than men's in all former planned economies. In the beginning of the 1990s in the former Soviet Union the proportion of women in the low-wage group (monthly wage under 150 roubles) was 43%, while that of men 16%; in the highest wage group (above 300 roubles) the opposite proportions prevailed with only 2% of women and 11% of men. 7/ It should be mentioned that women worked in "secondary" sectors where wages and salaries, were generally lower than in mining, steel industry and other "primary" industries; they also worked at lower positions. There is, however, evidence that there were also significant earnings differentials within the same occupational category. In the 1980s as measured by the level of men's earnings in professional group (100), wages of female professionals in Bulgaria, former Czechoslovakia, Poland and Hungary were only at 73-78% of that of men, and large differences prevailed in other categories. In the former Czechoslovakia, for example, while male unskilled workers had wages at the level of 82% of that of male professionals, women touched only 50%. 8/ More recent survey data suggest wage differences showed similar pattern 10

5/ PORI, 1991/92, Zamestnanost Zen: Zaverecna sprava z vyzkumu, Public Opinion Research Institute, Prague

6/ Hildegard Maria Nickel "Women in the German Democratic Republic and in the New Federal States: Looking Backward and Forward (Five Theses) in Gender Politics and Post-Communism, ed Nanette Funk and Magda Muller, Routledge, New York, London, 1993.

7/ Zhenshchiny v SSSR, 1990:4, quoted by Rimashevskaja (1992) ..op cit

8/ Data from G.Kertesi and G.Kovari (1986) quoted by Sabine Hubner et al. "Women's employment in central and eastern Europe: status and prospects", in Structural Changes in Central and Eastern Europe: Labour Market and Social Policy Implications, ed. Georg Fisher and Guy Standing, OECD, Paris 1993.

years later. In 1990, Hungarian male unskilled workers on average earned 17% more than women in the same occupation. 9/

14. Women were not a homogeneous group and, despite similarities there existed significant differences in their position at work and in their work-related incomes. The polarization became particularly apparent in the 1980s. Becoming increasingly vulnerable were women with no possibilities of additional income through the second economy, either legally or as "gifts" and bribes. The situation of rural women also deteriorated. In general, women with access to private-sector incomes, in countries where such activities existed, were in a better position. This included women with higher education, such as doctors or lawyers, who could combine State jobs with private practice in some countries. 10/

(b) Women and the socialist welfare state

15. The socialist welfare system was build upon the idea of protecting women as the weaker sex and enabling them to fulfil their "natural" roles of wife and mother. Social benefits were extensive and included: (a) transfers in cash; (b) transfers in-kind and (c) housing and consumer subsidies. Social infrastructure provided services financed from the State budget and through the workplace, and included free-of-charge or low-cost nurseries, kindergartens, medical care, sport and recreation facilities and the like. Living costs were low on account of the prices of food, housing and other goods being maintained at an artificially low level.

16. During the last two decades the socialist welfare system deteriorated considerably as the increasingly inefficient centrally planned system could not provide adequate resources to support it. Access to social infrastructure became more difficult and, in many cases, could not be taken for granted requiring "gifts" and/or "connections". The conditions of the "shortage" economy diminished the value of cash benefits and had adverse effects on the quality of social services as illustrated by the high child/carer ratio or impersonal attitudes towards children of staff. 11/

(c) Women and family life

9/ Sziraczki, Gyorgy and Jim Windell "The impact of employment restructuring on disadvantaged groups in Bulgaria and Hungary", Working Paper No.62, WEP 2-43/WP.62, ILO, January 1993.

10/ For the discussion on patterns of income distribution under socialism see: Report on the World Social Situation 1993, United Nations, New York, ST/ESA/235; E/1993/50/Rev.1, Chapter VII Income Distribution and Poverty.

11/ Ruminska-Zimny, Ewa "The Family and Society: Facing Socio-Economic and Political Crisis", United Nations Interregional Seminar on Women in Development, Warsaw, 29-31 May 1989.

17. Despite the massive participation of women in the labour market the traditional gender contract changed little and paternalistic life-styles remained a norm across most social groups in former centrally planned economies. Such a pattern has been strengthened by policies of the 1970s and 1980 aimed at reversing the falling birth rates, as in the former Czechoslovakia, in Hungary, in Poland and in the former Soviet Union. The threat of depopulation has become an argument for exclusion of women from the labour market in order to become full-time mothers, especially when State budgets had fewer means to pursue the pattern of social benefits of the early days of socialism. The generous system of extended maternity leave, child care facilities and protective legislation isolated women and men felt largely relieved from their responsibilities as fathers and husbands. In 1990, for example, only two fathers took child-rearing leave in the former Czechoslovakia and in Poland less than 1% of fathers took leave of this type in 1989. 12/

18. The pattern of sharing the household responsibilities, as revealed by many household surveys, looked strikingly similar in most east European families. Men were responsible for once-in-a while tasks which tied them to the home physically less regularly, such as repairing the car, painting the apartment or dealing with State administration (this in particular in rural areas), whilst women were usually responsible for everyday functioning of the household (caring tasks, cooking, cleaning). Other women in the family, in particular grandmothers, were sharing numerous family responsibilities with their working daughters.

19. The double burden of work and family responsibilities was particularly heavy in the 1980s when the centrally planned system became dysfunctional in practically all former socialist countries. Life was especially difficult for older and less educated women with large families, and for single mothers, the number of which has been on the rise, and for rural women. 13/ This could explain why the change associated with democracy and market system was perceived by some groups of women as the right not to work. 14/ Though not a common attitude, it is perhaps not all that surprising that the full-time homemaking has the romantic allure of an unattainable dream for some women in the region.

12/ Data taken from national surveys.

13/ Most studies on rural women in eastern Europe refer to the situation in Poland. Gutkowska K., and K. Zelazna "Rural women in a family and in a household in Poland", mimeo, Office of the Council of Ministers, Office of the Governmental Plenipotentiary for Women and Family Affairs, Warsaw, March 1993. Also, Pine, Frances "Uneven Burden: Women in rural Poland", in Women in the Face of Change: The Soviet Union, Eastern Europe and China, ed. Shirin Rai, Hilary Pilkington and Annie Phiacklea, Routledge, London 1992.

14/ Lissyutkina, Laryssa "Soviet Women at the Crossroads of Perestroika", in Gender Politics and Post-Communism, ed Nanette Funk and Magda Muller, Routledge, New York, London, 1993.

Conclusions

20. The advancement of women under the socialist system, seen at the time as spectacular by international standards, had serious limitations. Women were a highly protected, and at the same time, discriminated social group with a woman's equality related more to her as a mother than as an individual. The legacy of the past has a strong impact on the current position of women in transition economies; it determines the level of women's education, employment patterns by sector and their income structure, as well as their social position, and women's value systems and expectations. The list of women's liabilities is long and includes: (a) absence from the decision making structures at all levels including formal institutions as Government or trade unions, and informal grass root movements such NGOs, or interests groups; (b) lower position and wages; (c) perception of women as expensive and often little reliable workers; (d) traditional gender contract and patriarchal social structures. There are, however, some assets of women's heritage from the past. They include: (a) good education levels; and (b) some entrepreneurial skills acquired through living under the conditions of a shortage economy.

II. THE CHANGE: UNEVEN PACE OF MARKET BUILDING

21. The collapse of the centrally planned system altered significantly the social and economic environment for men and women in eastern and central Europe. The introduction of market rules increased competition on the labour market and seriously limited job security and many social benefits under the conditions of a sharp fall in gross domestic product (GDP) and employment. Structural changes have been affecting present jobs and future employment and macroeconomic policies determined the degree of hardship to be absorbed by societies in the short term. The purpose of part II of this report is to present major changes in eastern and central Europe as a context for analysis in the two following sections of women's share in the costs of transition and in emerging opportunities.

(a) Macroeconomic policies and economic performance

22. The approach to building market economies varied in approach, timing and scope. While Poland embarked on the road towards market economy with its comprehensive "shock therapy" in 1989, in Albania, Ukraine and the Russian Federation the reforms did not start until 1992 and were much narrower in character. Despite these differences the main thrust of macroeconomic policies was similar and structured around stabilization-cum-liberalization programmes aimed at assigning a greater role to market prices in resource allocation. Thus in most countries control over prices was lifted, consumer subsidies, with few exceptions such as for some basic food products, were eliminated, and trade liberalization was combined with sharp devaluation of national currencies. At the same time fiscal and monetary policies were tightened, in order to control inflation and budgetary deficits. Since 1989 all countries have also experienced an

unprecedented deterioration in their economic performance accompanied by drastic deterioration in the living standards and social welfare. The fall in output has reached huge proportions, especially in the CIS countries but also in the Balkan region, where the total, cumulative fall of industrial output in Bulgaria and Romania during the last four years reached nearly half of the total industrial production, and total cumulative loss of employment in Bulgaria was of over 28%. 15/

23. The pace of recovery and growth prospects differ by country and reflect divergent policies and approaches to transition, uneven impact of external constraints, as well as differences in starting conditions. The prospects are more favourable for the "advanced" reformers, Czech Republic, Hungary, Poland and Slovakia, and are worst for the successor States of the Soviet Union, where the fall in output is expected to continue in 1994 by at least 10% on average, and for most successor States of the former Yugoslavia. 16/ The evaluation of the economic situation is, however, with some exceptions, based rather on deceleration or halting the output decline than on taking a decisive upward turn. All countries have also to face a crisis in public finance, heavy indebtedness of State enterprises, and problems of structural unemployment.

24. The number of jobless is expected to grow further in all countries, despite significant differences in unemployment rates which now vary from very low, as in most CIS countries (0-2%) and the Czech Republic (some 3%), to between 10 and 30% in eastern Europe. This expectation reflects the belief that the emerging recovery will not create enough new jobs to absorb the steady flow of newly registered unemployed coming from the shrinking State sector and agriculture. It is also estimated that even in countries where unemployment is already relatively large it is still below the levels which might prevail if the full adjustment of the labour force to the falls in output had taken place. Financial discipline has to be strengthened. In particular in countries with low levels of unemployment, as the CIS countries, this will force enterprises to shed the excess of labour force in response to the falling output. 17/

25. The prolonged recession, combined with restrictive macroeconomic policies, rise in unemployment and relatively little attention paid to social problems, resulted in the rapid deterioration of the social situation in all transition economies. Though social conditions stopped deteriorating in the better-off countries of eastern Europe such as Hungary, Slovakia and the Czech Republic, the extent of the social crisis in the region is extraordinary. According to a recent UNICEF report

15/ Economic Survey for Europe 1993-1994.

16/ The ECE economies in mid-1994, ECE, Geneva, July 1994.

17/ The ECE Economies in mid-1994 op.cit. Low levels of unemployment in the CIS countries, except Armenia where it amounts to 6%, which could be explained, besides statistical deficiencies, by the "soft" budget constraints and lack of enforcement of bankruptcy laws which allow the enterprises to avoid labour cuts.

monitoring changes in the social situation in the region, 18/ the crisis appears to be most pronounced with regard to poverty, mortality, pre-school education and crime. It is reflected by rapid polarization of incomes and spread of poverty, decline in pre-school education, proliferation of crime, birth contraction and increase in the death rates. Since 1989, for instance, the crude death rate in all countries in transition, except for the Czech Republic, Slovakia, and possibly Albania, showed a consistent increase reaching the truly alarming dimension of 33% growth in the Russian Federation. 19/ Such sudden sharp changes in birth and death rates are signs of extreme social distress. The number of reported crime cases has also risen sharply, particularly in urban areas. Many of the crimes were alcohol related and committed by young offenders. In Hungary, for example, the number of reported crimes almost doubled between 1989 and 1992, rising from 225, 000 to 447, 000 and 40% of the people sentenced had committed their crimes under the influence of alcohol. 20/

(b) Structural changes: setting the directions for change

26. The process of market building in eastern and central Europe involves deep restructuring and shifts in resources within national economies in order to eliminate distorted: (a) sectoral structures, (b) size structures of enterprises, and (c) ownership structures. This process has just began in most transition economies, though it is highly differentiated according to country-specific features and advancement in the reform process. The pace and character of changes in all these areas results in corresponding shifts of employment between economic sectors; between big, medium and small enterprises, and between the State and the private sector.

(i) **Sectoral transformation**

27. The analysis of sectoral changes in 1990-1992 indicates that in most east European countries the share of agriculture and industry in GDP has been decreasing, and that of services has been on the rise, in particular in Bulgaria, the Czech Republic, Poland and Slovakia. This corresponds with changes in employment where industry and agriculture, except in Romania, were losing jobs faster than the service sector (see table 1). Within industry the strongest decline was in iron and steel production, mechanical engineering, textiles, electrical as well as some high-tech branches such as telecommunications. In more general terms a shift away from capital goods towards consumer goods could be observed. In the CIS countries the patterns of structural changes differed from that of eastern Europe and the share of industry in GDP increased.

18/ Public Policy and Social Conditions, Regional Monitoring Report, No.1, November 1993 UNICEF

19/ Public Policy...op.cit. p. 20.

20/ ibid. p. 30.

28. The evaluation of the restructuring process in transition economies requires at least two comments. First, that the changes has been relative and based on the uneven contraction by branch of the general output and, in most cases, uneven contraction of employment. Second, that economic structures of all transition countries are still archaic as compared to these of market economies at a similar level of development. The share of services in the GDP is still low and the share of industry is high, exceeding substantially the Organization for Economic Co-operation and Development (OECD) average of 34-35%. In east European countries, except for Hungary and Slovenia where the share of industry has been lower and that of services higher, the industrial sector is the main contributor to GDP, accounting for around 40-55%, while the share of services is approximately between a quarter to a third. Agriculture, too, plays an important role in some countries: in Romania 33% of the labour force is employed in agriculture, and in Poland over 27%. 21/ These structures have to be modernized and it is generally expected that the share of services will significantly increase, both in GDP and employment, and the share of the other, in particular agriculture, will sharply decline.

(ii) **Changes in size structure of enterprises**

29. High share of industrial and agricultural production has been concentrated in large-scale enterprises and State farms which now have to be broken down into smaller units and accompanied by reskilling and transfer of workers. This is a difficult task in many regions in eastern Europe, CIS countries and the Baltic States, where such enterprises are often the only employer providing not only jobs but also social infrastructure such as schools, kindergartens, hospitals and health centres for entire small and medium-sized cities. Similar problems are related to the large State farms, which, except for Poland, were the main form of organization of agricultural production.

(iii) **Privatization**

30. Despite differences in approaching the issues of privatization, all transition economies have already started the process and some convergence of priorities, instruments and policies could be observed. 22/ Privatization efforts have been focused in three areas: "small" privatization; "big" privatization; and "reprivatization", that is, returning the property to former owners. While the first embodied small businesses such as service units, shops, restaurants and advanced fairly rapidly, mostly through local auctions, progress in the other two areas has been much slower and the problems more complex except, perhaps, claims of land. Privatization of State enterprise, land and other assets developed

21/ Economic Survey for Europe 1993-1994 p. 85

22/ For more discussion on progress in privatization see: Economic Survey for Europe 1992-1993, ECE, Geneva, New York, Sales No.E.93.II.E.1, chapter 3.

in different ways, and relied on some form of shares distribution, though, as in Hungary and Poland, other forms, such as transformation of State enterprises into joint ventures have also been used and it would be difficult to point out any a "mainstream" method. So far, the dismantling of large State farms - kolkhoz and sovkhoz types - seems to progress, in particular in most east European countries, far smoother than that of State enterprises. Privatization of the latter involves many obstacles, including the increasing social discomfort in most countries, and progress in transferring capital stock has been limited across the region, with the majority of State enterprises continuing to be big loss-makers.

31. The quantification of the share of the private sector has to be very approximate at best, on account of a number of biases and deficiencies in data collection, including most probably hundreds of thousands of small, non-incorporated businesses which remain unregistered for a variety of reasons (including tax evasion). The existing estimates, however, indicate clearly that the proportions between the State and private sector have been rapidly changing in all transition economies. The share of the private sector in 1992 has been estimated at around 50% of GDP in Poland; over 40% in Hungary; and around 26 and 20% in Romania, the Czech Republic and Slovakia. 23/

(c) Building market type institutions: the slow progress

32. Transition to a market economy required also, besides measures introduced by new macroeconomic policies, deep changes in institutional framework. Institutions regulating property rights, capital and labour markets, as well as those regulating social life, have to be adjusted to market conditions and market philosophy. The process of institution building, though it differed significantly by country, has generally been slow as compared with progress in other areas. This could be explained by the very nature of the process which needs time and political consensus on redefining acquired rights and benefits among social groups.

33. Narrow limits of political consensus, as in most countries, seem to be the main reason behind the slow pace of change though other factors such as the lack of knowledge and experience to prepare new laws and legislation, or the slow nature of changing values, attitudes and behaviours, also played a role. This is hardly surprising. The great majority of societies in eastern Europe, CIS countries and the Baltic States, that is, State employees, in particular industrial workers and farmers, as well as welfare recipients, are, so far, the big "losers" in the market game and the number of successful entrepreneurs is small. As demonstrated by the shifts of political balance to the left in such countries as Hungary, Lithuania, Poland, Russian Federation and Slovakia the need of security is still high as compared to the value of market-inspired efficiency and its rewards.

34. The effect has been that the process of dismantling the institutional framework of the past has been much faster than that of creating new rules

for many economic and social areas, including labour market legislation, taxation, banking or foreign investments. In many countries, in particular in the Russian Federation and other CIS countries, there have been a serious erosion of the existing administrative and legal system and an institutional vacuum has emerged where there is little or no regulations. This is illustrated by the large number of small businesses operating outside the tax system, as well as by violation of labour safety norms or relaxation of health inspections.

35. The gap seems to be particularly large in the area of social sector reform and creation of "safety" nets. 24/ Across-the-board pattern of distribution of benefits, compatible with the socialist ideology, has been in the process, often gradual though steady, of breaking apart through a variety of channels. Many services provided by central Government and State enterprises such as kindergartens, recreation and vocational training, have been either discontinued or have been decentralized without, however, an equivalent transfer of resources or tax-raising power. Some benefits, as pensions in most countries, declined in value owing to high inflation. The supply of other social benefits has been limited and narrowed down to the basic levels, such as recently introduced limits to State coverage for medication in Poland. At the same time, the emerging system of more targeted social safety net has been ill-prepared, financially and administratively, to tackle social problems, which are not only new to these countries but also appear at such a mass scale as unemployment or poverty. In result the solutions adopted in most countries in the area of safety net have been very partial, carried out often ex post and on an ad hoc basis.

Conclusions

36. The reasons behind the depth of the economic and social crisis in eastern and central Europe are complex and include many inherited problems such as an obsolete economic structure, the suppression of inflation and artificial job creation, and external factors such as the recession in the western world. It seems, however, that-policy design problems and the slow nature of institutional change played also a significant role in particular in explaining truly dramatic, at least in some countries, and largely unexpected deterioration in living standards and social welfare. 25/ Focus on monetary and fiscal policies and their restrictive character, including as in many countries "price overshooting" and little attention to structural reforms, including social sector reform, resulted in huge welfare costs as demonstrated by the sharp increase in poverty rates across eastern Europe, CIS and the Baltic States. The costs of building a market economy have exceeded by far social expectations associated with systemic change and there has been mounting pressure for less painful adjustment policies.

24/ Public Policy and Social Conditions ...op. cit

25/ This is also a conclusion of a recent UNICEF study: Public Policy and Social Conditions, Regional Monitoring Report, UNICEF, No.1. November 1993

III. THE COSTS OF TRANSITION: TAKING OVER A LARGE SHARE

37. Part III of this report attempts to evaluate women's share in the costs of transition through analysing the impact on women's social and economic situation of building market economy. The results cannot be but tentative at best, owing to general difficulties in assessing such a complex process in its dynamic with many major effects, such as unemployment, yet to come, many "non-measurable" elements, as well as more specific factors related to the lack of gender disseggregated data. Women have been adversely affected by new macroeconomic policies, privatization and slow institutional changes through: (a) unemployment and the risk of marginalization; (b) declining levels of income and the increase of poverty; (c) the dismantling of the welfare state and (d) the surge of traditional attitudes towards gender roles.

(a) Unemployment and the risk of marginalization

38. Since 1990 female unemployment rates in most countries in eastern Europe, Latvia and Lithuania showed an upward trend, except for the Czech Republic, and, except for Hungary and Slovenia, the rates were higher than men's unemployment rates (see table 2). The differences between male and female unemployment were particularly large, between 4-6 percentage points, in Croatia, Lithuania and Romania. The situation on the labour market in the Russian Federation also seems to be to women's disadvantage. In mid-1992, women there made up 78% of all the registered unemployed. 26/ It is possible that women's unemployment is underestimated as a result of reliance on employment exchange registration data and the fact that most of those not recorded are thought to be women, as proven by the ILO industrial enterprise survey in Bulgaria in 1992. 27/ It could also result from Government policies of early retirement favouring women and extended child-care leave policies. It is, for example, believed that in Hungary lower unemployment rates reflect rather relatively advantageous provisions for child-care better than in other countries job opportunities. 28/

39. The decline in manufacturing employment was faster for women than for men and the share of women in manufacturing decreased. This could be explained by severe cuts in female administrative and clerical jobs ahead

26/ Standing, Guy, "Structural changes and the labour market crisis in eastern and central Europe", in Structural Change, employment and unemployment in the market and transition economies, Discussion Papers Vol.3: 1993, No.1, ECE, Geneva 1994.

27/ Standing, Guy "Structural Change ...op.cit

28/ Under the existing provisions Hungarian women could receive, in addition to 5-month maternity leave, 75% of her previous salary until the child is two yearsold. The child allowance is higher than unemployment benefits and the entitlement period lasts longer which encourage them to stay at home. Foti, Klara "Rising unemployment in Hungary: causes and remedies", Hungarian Academy of Science, Working paper No. 24, August 1993

of male jobs on the production line. Romania 29/ and the Russian Federation were 30/ the only exceptions among transition economies for which there are data. In Hungary, the employment share of women in industry declined from 46% in 1989 to 42% in 1993. In Poland, the share of women in manufacturing declined from 40% in 1988 to 35% in 1992. In the Czech and Slovak Republics, a similar decline took place. However, the profound reorganization of the system of industrial (and occupational) classification which took place in 1991 makes it impossible to provide a precise rate of decrease since the beginning of the transition process. 31/

40. Against the background of beliefs, as discussed earlier, that unemployment has not yet reached its momentum in all transition economies, there is concern that women might be the main "losers" on the labour market. The patterns of cuts of women's low-skilled and low-productivity jobs, in particular at clerical "employee" or "specialist" positions, industry and State administration is expected to continue with the progress in "big" privatization of State enterprises. In countries with a large share of agriculture structural changes already have and/or will have strong adverse effects on women's employment as large State farms are important employers of female workers, particularly in administration. Also, in rural processing plants, a great number of which ceased their activities, an overwhelming part of the personnel were female workers.

41. Women face increasing difficulties at entry level due to recruitment bias which, under the present market conditions, leads to their finding fewer jobs. Indications of a high degree of overt discrimination against women in recruitment have been frequent in all countries and are an important factor explaining not only higher unemployment rates for women but also the generally longer duration of female unemployment. Industrial establishment surveys, carried out by the ILO in the East-Central European region, in 1990-1993, showed a marked tendency for managers to give a more

29/ In Romania the last decade was marked mainly by an outflow of women workers from agriculture (where over 50% of them still worked at the time of the 1977 Population Census) to industry. In 1992, the share of agriculture was reduced to one-quarter for female labour, while 42% of women worked in the secondary sector and only 33% in services. The share of women in manufacturing increased from 36% in 1977 to 44% in 1992.

30/ A recent ILO survey revealed that in 1990-1991 the share of women in Russian industry slightly increased. Standing, Guy "Women's employment in Russian industry: fears of marginalization?", paper 6, presented to the Conference on Employment and Restructuring in Russian Industry, Moscow and St. Petersburg, 21-28 October 1992. This finding seem to question the consistency of data on high levels of female unemployment in the Russian Federation.

31/ Between the end of 1989 and the end of 1991, the share of women in industry declined from 40 to 38% in the Czech Republic, and from 41 to 36% in the Slovak Republic. (Federal Statistical Office, Statistical Yearbook of Czechoslovakia, various issues, Prague)

or less pronounced preference to men in recruitment, even in the previously "women-dominated" light industrial branches. 32/ The preference was particularly marked in the case of occupations directly influencing the firm's results, namely professional and technical work and skilled manual work, whereas women were preferred for the traditionally "female" occupations, most typically for clerical work. The only exception were "feminized" industries, such as clothing, where women did get a preference as skilled manual workers and supervisors. Other surveys show similar results. Recent study of the women's labour market in Poland confirmed that both in the State and private sector there has been little interest in hiring female workers even as potential employees in professions requiring office/clerical and administrative skills. 33/

42. The vast majority of women have been little prepared to face rapidly decreasing job security, increase in competition and the necessity to look for and change jobs often. 34/ Under present conditions their work is an economic necessity. Jobs, however, become scarce and women are most often the first to be fired. Re-entering the labour force is difficult, and there is some evidence that women find it more difficult to get a new job. The work pace in the fast-growing private sector, but also in some cost-conscious State enterprises, has intensified and requires usually full commitment to the job. The effect has been the mounting pressure on adjusting the female work contract including in the past compromises on the quality of work to the market conditions. This contrasts with the increase in women's family responsibilities, in particular in the child-care area, as a result of the dismantling of the social infrastructure and the strengthening of the traditional gender contract.

43. Surveys carried out in eastern Europe indicate that there is a relatively high amount of apprehension about unemployment among women in that region motivated by women's fear of loss of income for themselves and for their families. In Bulgaria, a survey carried out by a national public opinion research institute showed that unemployment was considered by 77.7% of respondents as the most acute problem facing Bulgarian women. Unemployment was perceived as a threat, particularly by female respondents with a basic or secondary education, while it was less of a problem for respondents with a university education. An above-average share of women

32/ As reported by Paukert, Liba, 1993: "Women's employment in East-Central European countries during the period of transition to a market economy", Working Paper, ILO, Geneva.

33/ "The Warsaw women's labour market", A final report on the enterprises survey ordered by the Centre for the Advancement of Women, PENTOR, Warsaw, June 1993.

34/ In the Czech Republic, for example, over 40% of women have changed their jobs at least once since the beginning of the reform. CSO, Labour Force Sample Survey, Autumn 1993, Prague.

for whom unemployment represented a major problem, declared that they had difficulties to make ends meet. 35/

(b) Declining levels of incomes and increase of poverty

44. During the last four years all countries in eastern Europe, the CIS countries and the Baltic States have experienced a sharp decline in real wages. The cumulative fall in real wages over 1990-1993 varied from 12 to 15% for Hungary and the Czech Republic to around 30% for Poland. The fall was more dramatic in other countries, in particular where the adverse effects of transition were combined with the abrupt disintegration of the former federal structures such as in Lithuania, Ukraine or Republic of Moldova and/or with ethnic conflicts such as in the former Yugoslavia and the former Yugoslav Republic of Macedonia. 36/

45. In all transition economies the decline in real wages has been accompanied by the rapid impoverishment of the majority of the population, particularly those living in rural areas and small towns. The surge of poverty, even taking into consideration the well-known reservations concerning data, 37/ has been extraordinary in all countries. Since 1989 the incidence of poverty (poverty line at 35-45% of the average wage) more than doubled in Hungary, Poland and Slovakia, increasing much faster in the Russian Federation. As a result the estimates of population/household living in poverty is as high as around 77% in the Russian Federation and over 50% in Bulgaria and Romania, and over 40% in Poland (see table 3).

46. Unfortunately, fragmentary and/or non-existent data do not allow for full analysis of these changes by gender. Generally lower levels of female wages, discussed earlier, strongly suggest, however, that wage losses have been especially heavy for women workers in particular in sectors and occupations where the level of wages have been already low, such as for unskilled women workers. It could also be expected that women make up a large share of those living now in poverty considering that they have been heavily represented in four major groups of "losers" in a process of market building: unemployed, State sector employees, pensioners and farmers. Recent studies analysing the impact of transition on the situation of women-headed farms confirmed that these farms had lower levels of income

35/ Nacionalen Centr za Izuchavane na Obschestvenoto Mnenie (National Centre of Public Opinion Research) 1992, Socialniat Status na Svremennata Blgarska Zheni, October 1992, Sofia, mimeographed.

36/ Economic Survey for Europe 1993-1994 p. 79.

37/ It has been often mentioned that an important factor distorting the image of poverty based on official statistics is that some, probably increasing parts of household incomes, mainly from the vast black economy, remain unreported. It is estimated that in Poland unreported private sector activities could add up to 20% or more to GDP and more than a third of those who collect unemployment benefits usually have private jobs. Economist, 16 April 1994.

and lower productive resources as compared to the national average. 38/ Women have been also present among traditionally most vulnerable households such as single parent families and households with many children. In the Russian Federation, for example, of single parent households with children (under 18), 94% are headed by women, and 81% of single parent households with three or more children are without father. 39/ Finally, such a conclusion could be, perhaps, "guesstimated" from the higher than average and faster growth of poverty rates of children (see table 2).

(c) Dismantling of the welfare state

47. Women took over a large share of costs of the dismantling of the welfare state and the slow process of building market-oriented social infrastructure and safety net systems. General trends in changing social coverage from a de facto or de jure universal and free, to insurance-based, as in health care, and/or to a partially commercialized system, as in child care and/or education shifted the costs from public to households. The effect has been the substantial increase in women's "caring" functions against the background of patterns of sharing family responsibilities as well the increase pressure to support family incomes through paid work.

48. The losses were, perhaps, most severe in the area of child care. Major channels of child support system which embodied family/child allowances, price subsidies and the extensive network of nurseries and kindergartens were either entirely shut-off, as elimination of subsidies through price liberalization, or have been considerably diminished. Despite the introduction of various forms of indexation of benefits, the real value of family/child benefits have been steadily decreasing, except in Poland, and in 1992 represented in Bulgaria only 10% of the value of family benefits in 1989; in Romania -40%; in the Czech Republic and Slovakia around 51-52%, and in Hungary some 78%. 40/

49. At the same time the system of kindergartens and other child-care facilities has been suffering from the tremendous pressure on public budgets and the lack of funding despite the introduction, as in most countries, of users fees. Enterprise-provided child care is becoming less frequent, reflecting financial difficulties of State enterprises and privatization. Out of 773 kindergartens run by Slovakian enterprises in 1989, only 196 remained in 1992 and in Hungary only 1% of children in relevant age group attend enterprise-run kindergartens. 41/ The enrolment into State kindergartens has declined in all countries since

38/ Sawicka, Janina (1993) " Transformations in economic situation of women headed farms", SGGW, Warsaw.

39/ Data by Rimachevskaya (1992) mimeo quoted by Fong, Monica S., The Role of Women in Rebuilding the Russian Economy, Studies of Economies in Transformation, The World Bank, Washington D.C. 1993. p. 22.

40/ Social Policy ... op cit.p. 64

41/ Social Policy... op.cit p. 58

1989, though to a different degree, and varies now from over 40% of children of the relevant age in Poland to over 83 and 86% in the Czech Republic and Hungary. ^{42/} The lack of child care facilities will create yet another barrier for young women with small children in gaining access to paid work.

(d) Surge of traditional attitudes towards gender roles

50. Since 1989 there has been a surge of traditional attitudes towards gender roles in eastern Europe, CIS countries and the Baltic States. This has been argued on traditionalist grounds as return to women's "predestination", on demographic grounds, often as a patriotic duty to raise the declining birth rates, and finally as a choice brought to women by democracy and freedom from the "forced" labour under socialism. Fast-growing unemployment among men, social tensions, dismantling of child-care infrastructure, rapidly escalating costs of living and child care, as well women's long working day and memories of the hardship of living under the shortage economy, stimulated such attitudes among men, and some women who often idealized the role of a housewife as the norm in well-off Western societies. Also the increase of influence of fundamental wings of religions played a role in some countries. "Returning to the kitchen" trend has been reflected in low sensitivity to women's issues at policy levels, including those related to female unemployment as well the introduction of measures aimed at encouraging women to stay home.

Conclusions

51. Women in eastern Europe, CIS countries and the Baltic States have been taking over a large share of adverse effects of stabilization measures, privatization and slow pace of institution. Their situation deteriorated both in terms of "means", including income levels and their distribution, and "ends" including indicators of quality of life such as health or nourishment – most probably more than men's though the degree of hardship varied by country, social group and education levels. Building a market economy embodies thus a real danger of marginalization of women as workers and as members of society either through being pushed out of the labour force, experiencing a relative decline in their wages and social benefits and falling into poverty. Besides their own women have also taken over a large share of the distress of other family members such as increasing dependency on alcohol among unemployed men or proliferation of crime among younger generation. The effect has been that women became, perhaps, one of the most disillusioned social group by the immediate effects of the emerging market system on their position and well-being in particular as compared to their expectations.

IV. EMERGING OPPORTUNITIES: THE SMALL "WINDOW"

52. Against the background of shedding women's jobs in the industrial sector and agriculture, the main question remains whether and how fast women will be integrated into the emerging sectors. Job creation is mainly

^{42/} Social Policy ...op.cit p.60

associated with the rapidly expanding private sector, including self-employment and entrepreneurship, particularly in three areas: (a) service sector; (b) small and medium enterprises; and (c) foreign direct investment.

(a) Women in the service sector

53. The service sector is expected to be the major source of new jobs in all transition economies which have to create modern trade, banking, insurance and business services typical of a market economy system. Trends in sectoral changes in most countries and the fast-growing demand for workers with skills related to the modern service sector such as accountants and highly skilled office/clerical staff, particularly pronounced in those countries which are most advanced in reforms, seem to support such expectations.

54. Women's dominant position in the service sector, combined with good levels of education, both heritage from the past, should, at least theoretically, provide them with numerous career opportunities in the fast-growing banking sector, insurance and accounting. In the banking and insurance sector, for example, the share of female employment in total employment in this sector in 1993 in most countries for which there has been the data was above 70%, except in the Czech Republic where it was above 50% (see table 4).

55. So far, there has been little evidence that women's position in the service sector has been strengthened. In many areas of prospective rapid growth, such as trade or financial services, women's share has been rather declining. In Poland and the Czech Republic the existing data suggest that men have been steadily flowing into many branches of the service sector listed in the one-digit ISIC classification which resulted in the increase of gender mixity in these countries. In Hungary women's share in most branches of the services sector is relatively stable.

56. Between 1988 and 1992 in Poland, the employment share of women declined in trade, banking and insurance and in community and social services, increasing only in Transport and communications, where women had been under-represented. In the trade sector, male employment increased by 62%, while female employment declined by 11%, with the result that the female employment share fell from 72% in 1988 to 59% in 1992. In banking and insurance, male employment increased, between 1988 and 1992, by 80%, whereas female employment increased by only 38%. As a result, women's employment share decreased from 84 to 80%, remaining, however, still too high by Western standards (between 40 and 53%). Finally, in community and social services, male employment increased by 10%, whereas female employment remained about unchanged, and the female employment share declined. 43/

57. A similar increase of gender mixity in service activities also took place in the Czech Republic, though the lack of uninterrupted statistical

43/ All data in this section are from national statistical offices.

series makes the change more difficult to assess. In 1990-1991, male employment and the male employment share increased in a number of formerly "women-dominated" services such as domestic trade, communications, tourist services, communal services and particularly in banking. The trend continued in 1991-1992 and women's share declined in most service activities listed under the new (NACE) classification system, namely in trade, in catering and accommodation, in public administration, in social and personal services, and particularly in banking and insurance. However, in two formerly highly "women-dominated" service branches, namely in education and in health and social care, women's employment share further increased (to 74 and 81%, respectively), while the total level of employment in these branches more or less stagnated. This was due to an outflow of men, particularly from the education sector, to private business activities offering higher salaries. Women apparently preferred the security of the public sector, as well as the often easy and relatively flexible working schedules in the two branches mentioned.

58. The lack of comparable statistics makes it impossible to quantify the amount of change in gender segregation in the Czech Republic during the last four years. A fair guess would be that horizontal segregation diminished owing to the influx of men into a wide range of formerly "women-dominated" service activities. At the same time, however, vertical segregation increased. The growth of male employment in the trade sector, in catering, in tourist services, etc. was linked to the creation of new private businesses, mostly run by and registered in the name of men, with women working as employees or unpaid family helpers. Moreover, there is evidence to show that men have been frequently recruited by banking and insurance establishments to fill higher, decision-making posts, by-passing women who had spent in the establishment a large number of years.

59. In Hungary, women have been able to take advantage of the growing demand for labour in the service sector. They were not replaced by men in most service activities, in spite of a high male unemployment rate. Data at our disposal show a remarkably constant employment share of women in broad groups of service activities, between 1989 and 1993, with a slow but steady growth in the "male-dominated" transport branch and a decline in the highly "women-dominated" banking and insurance branch, as well as in real estate and business services. ^{44/} As a result of the trends just mentioned, the index of dissimilarity based on the distribution of male and female employment by industry in 1992 had approximately the same relatively low value as in 1980.

60. The available data are fragmentary and cover a relatively short period which includes only the first three years of the transition process. They seem, however, to suggest that competition for female jobs in the service sector is increasing under the conditions of severe male unemployment and increasingly attractive wages and salaries in this sector. Against the process of rapid polarization of the service sector in these countries into activities which converge to the advanced country model, such as financial services, complex business services, or

^{44/} CSO, Labour Force Sample Surveys, various issues, Budapest.

telecommunication, and those which remain archaic such as many family firms in the retail or food industry, 45/ there is a danger that wage and occupational segregation might occur in the service sector. As reported in Western societies, highly "feminized" sectors, when they regain a new interest from the pay and prestige point of view, the share of male labour increases, and men tend to replace women in decision-making positions. 46/ In a transition economy this process will certainly depend on the pace at which women will be learning new skills required by modern financial and business services.

(b) Small and medium enterprises

61. The expansion of the private sector in eastern Europe, CIS countries and the Baltic States has been led by small and medium-sized enterprises, mushrooming in particular in the service sector. Some offer attractive wages and salaries associated, however, with highly demanding work schedule. These developments also create chances for self-employment as entrepreneurs. 47/

62. Women's share in employment in the private sector has been on the rise, though it is generally lower than that of men. In 1993, in Hungary, which is one of the most "advanced" reformers, 29.6% of men worked in the private sector compared to 21.7% of women. 48/ A similar pattern of gender differences exist in the area of self-employment and entrepreneurship as discussed in detail in the paper on employment and earnings. The survey commissioned by the ILO in the Czech and Slovak Republics, in 1991/92, showed that women somehow tended to have greater reluctance in launching a business, to become self-employed, or more generally to leave the declining public sector, which for four decades had been the main, if not the only, income provider. 49/ Though certainly there is also evidence to the contrary. Recent surveys conducted in Poland suggest that there are a number of successful women entrepreneurs in the Polish private sector and that they do not face any particular gender bias

45/ more discussion on patterns of polarization of the service sector see: Kostecki, Maciej M. "Service Economies in eastern Europe: A Framework for Inquiry", mimeo, University of Neuchatel, May 1994.

46/ Rubery, Jill and C. Fagan, 1994: "Wage determination and sex segregation in employment in the EC", The Network of experts on the situation of women in the labour market, Equal opportunities Unit, DGV, European Commission.

47/ "Small and medium enterprises in the ECE region", ECE, TRADE/R.586, 26 November 1992.

48/ Refers to the shares in "full-private sector". Hungarian Statistical Office, Budapest, 1994.

49/ PORI, 1991/92, Zamestnanost Zen: Zaverena zprava z vyzkumu, Public Opinion Research Institute, Prague.

in business, although they face serious obstacles which are common for women and men in the emerging market economies structures. 50/

63. Small and medium enterprises face a number of well-known constraints, such as access to credit and financing, lack of market oriented skills and knowledge, lack of supportive business infrastructure. Modern entrepreneurship has gone far from Schumpeterian creative individual and is now more of a team effort supported by adequate infrastructure at national level aimed at initiating the process and assist in its development. 51/ All these obstacles certainly apply to women's and men's entrepreneurial efforts in all transition economies.

64. Women looking for jobs in the private sector as employees also face a number of constraints. A strong recruitment bias exist in particular for older women while younger ones are hired to "improve" the social climate in many small private enterprises. Difficulties at entry level are often explained by prospective employers in terms of lower availability of women workers to work longer hours, perception of women as "expensive" workers due to associated social benefits as well as the lack of technical skills. 52/ Finally, low mobility of labour force in all transition economies, a legacy of the past, limit access of women to many private sector jobs as those are unevenly distributed across regions within individual countries with high levels of concentration around large urban areas.

(c) Women and foreign direct investments

65. Foreign capital which has been flowing in to many transition economies since 1989 created new jobs and career paths offering very attractive remunerations. The number of jobs is, however, very limited as the size of capital flows has been much lower than expected. The capital flows and related jobs are also heavily concentrated in selected countries of the region. The size of total flows of private foreign direct investments (FDI) into all transition economies has been estimated at 5 billion US dollars in 1993, about the size of flows to Mexico, and the existing capital stock was at the level of the FDI stock in Thailand. 53/

50/ As reported in some surveys in Poland. Regut Anna "Polish Women in Private Sector", Polish Chamber of Commerce, Warsaw 1994 and Gwiazda Ewa, 1994 " Wlascicielki malych przedsiebiorstw", Osrodek Informacji i Dokumentacji Rady Europe, (Information and Documentation Centre of Council of Europe at Warsaw University), Warsaw.

51/ For more discussion on obstacles to entrepreneurship in transition economies see: World Economic Survey 1992, E/1992/40; ST/ESA/231, United Nations, New York. Chapter VII Entrepreneurship and the development challenges of the 1990s.

52/ The Warsaw's women labour market, PENTOR,...op cit

53/ World Investment Report 1994, DTCI, UNCTAD, p.7 forthcoming.

66. This job market segment is very competitive, skill requirements are very high and include knowledge of foreign languages. Though there has been, perhaps, less gender bias in recruitment, there is a strong age bias. Foreign companies rarely hire workers above 35 years old and there has been a strong preference for recruitment in the 20-25 year-old group, which is explained by considerable investment in training of new workers. The expected increase in capital flows to most transition economies could, depending on their economic performance, progress in reforms and political stability, however, expand career options for younger generations of well-educated women in the future.

Main conclusions:

67. The emerging market system offers new opportunities for men and women. Most important female assets seem to be good education and a complex of skills and knowledge, such as networking, flexibility, finding solutions at all costs and non-standard thinking, many acquired whilst managing household resources under the conditions of the shortage economy. These assets could serve as a good start into the private sector jobs and activities but are not sufficient to compete for jobs under the new market rules. Under conditions of fast-changing returns to education and occupational position in all transition economies, acquisition of new skills and knowledge, as well as access to resources, is essential in order to build careers in private sector. Against the background of more demanding work pace provision of child/ family infrastructure, supported by the State, through local communities, and, perhaps also by the private sector, accompanied by radical changes in the traditional gender contract, conditions must be found to secure equal chances for women in finding their place in a new competitive environment.

V. KEY AREAS OF GENDER CONCERN

68. Though evidence is still scarce due to the lack of gender disaggregated data and general difficulties in assessing properly the process of rapid changes in eastern Europe, CIS countries and the Baltic States there is a growing evidence that women will be the hardest hit social group and at the same time the most under-used human resource in the process of transition. Establishing clear direction for action at policy levels is crucial in order to avoid pushing women into the rank of "secondary" workers and citizens. This is in the best interest of men and women in all societies in transition economies as women represent a significant potential to become a leading element in the reform process. Key areas of gender concern include: (a) participation in and impact on establishing new rules of the game; (b) access to education and productive resources; and (c) gender focus of foreign assistance.

(a) Participation in and impact on establishing new rules of the game

69. Women in eastern Europe, CIS countries and the Baltic States are in most cases the majority of the labour force and of the voting population. This contrasts with little interest in gender perspective on the transition process at policy levels. There is little information and data to monitor

women's situation under the rapidly changing economic and social conditions. Gender data are incomplete, fragmentary, not available across countries and usually not gathered with female perspective in mind. Consequently there is no comprehensive analysis of the impact of changes on women's position nor the related economic and social consequences. Women's participation in institution building has been negligible in all countries despite the fact that some women hold or have held high level positions in Governments, such as in Lithuania or Poland. The absence of grass-roots movements in these countries, lack of tradition in political activities, ^{54/} and conservative values and attitudes, strengthened in some countries by the strong influence of religion, cannot neither justify nor change the fact that women's views on major problems of transition have been absent at policy levels in all countries.

70. The lack of recognition of and concern for "women's issues" in the process of transition has serious negative consequences not only for women's position but also for the society at large now and at the longer run. As discussed in the paper on women's role in the economy within the ECE region, the costs of growth in societies where women are not equal partners to men are higher and modern growth strategy has to be gender sensitive in order to achieve sustainable development. Against the background of relatively small windows of opportunity and diverging and often conflicting interests of numerous social groups competing for the shrinking State resources and adequate provisions in the new rules and regulations, proper representation of women in collective negotiations is vital for women and for the process of building a new market society.

Directions for Action

- Recognize and enhance the gender perspective at all policy levels and across all aspects of the process of market building;
- Support the capacity-building process through establishing proper representation of women's interests and concerns in a system of collective negotiations;
- Develop and improve the system of data collection by gender in order to monitor changes in women's living standards and position on the labour market;
- Eliminate traditional views on gender role and promote the image of women as active partners of men in the transition process.

(b) Access to education and productive resources

71. Women's role in the new market environment will be determined to a large extent by their access to education and productive resources. In order to face the increased competition on the labour market and explore new job opportunities, women have to adapt their knowledge and skills to

^{54/} It is, however, sometimes mentioned that women's movements in countries with strong opposition movements (such as Solidarity in Poland), are in a slightly better position in this respect.

the market profile. Considering the role of the service sector and women's position, special attention should be given to training programmes enabling women to develop new skills required by the modern service sector in the area of administration, management, accounting and finance. Two skills seem also of particular importance: these are, familiarity with computer and modern office equipment, and foreign languages proficiency. In some countries, where education systems provided in the past already included some information on market economy, as in Hungary or Poland, this task should be relatively easier than elsewhere. Also, women's access to land, capital and technology is crucial for establishing partnership position under market rules.

Directions for Action

- Develop special training programmes for women, developing their skills and giving them the knowledge required by the emerging modern service sector;
- Enhance more technically oriented education choices of girls and young women;
- Ensure adequate access of women to all forms of education, in particular to vocational training and in-house training;
- Consider establishing special incentives for small enterprises in investing in workers' education, giving, perhaps, some preferential treatment to women workers, particularly to those re-entering the labour force.
- Ensure women equal access to land, capital and new technologies, and include them in the process of privatization of State assets.

(c) Social safety net

72. Establishing an effective social safety net with a gender perspective should be one of main priorities of social policies in all transition economies. Addressing women's concerns is crucial for the reform process against the background of rapid increase in poverty and very slow process of building social institutions, proceeding often on an ad hoc basis and under the pressure of social groups with the strongest political leverage. Adverse impact on women has large "spill-over" onto other population groups dependent on women's caretaker tasks. Proper evaluation of options in creating a new system of social safety net (targeting against maintaining some across-the-board benefits) from women's point of view is necessary. Though some western experience might provide insights, social safety nets have to be based on national preferences as to the level of solidarity and available resources.

73. Giving a "human face" to the transition process is now a key factor determining levels of social support to the process of building market economy in all transition economies. It is also necessary to make full use of human potential, a large part of which is that of women. Problems which

need most urgent attention of policy makers include: unemployment; protection of retired population; protection of family benefits and related infrastructure; maternal and child care. Groups of women who are most likely to be most vulnerable during the process of market building include: pensioners; single mothers; unskilled urban workers; rural women, especially in isolated areas; ethnic minorities and women living in areas of military conflicts.

Directions for Action

- Establish a system of identification of the most vulnerable groups of women and patterns of inflows and outflows within these groups;
- Ensure women's participation in the decision-making process on reforming the existing system of social safety net;
- Ensure adequate protection of women who are unemployed, particularly of those with a low level of skills;
- Stop the deterioration of State-run child care infrastructure, including nurseries and kindergartens;
- Arrest the decline in the deterioration of health infrastructure in the area of maternal and child care.

VI. FOREIGN ASSISTANCE: THE NEED FOR A GENDER FOCUS

74. So far, foreign assistance delivered to eastern Europe, CIS, and the Baltic States had little gender focus. This could, perhaps, be explained by the relatively low priority attributed by the recipient Governments to this area. Some potential areas where gender specific programmes could be developed include: data collection and monitoring system; training; establishing non-governmental organization networks.

Directions for Action

- Reevaluate priorities for foreign assistance at the national level;
- Ensure that gender perspective is included in programmes which have been already launched in the area of education and training; assistance to small and medium enterprises; or support for agriculture and rural areas.

Table 1. Changes in employment structure by sector, 1990-1992
(per cent)

Country	Total	Agriculture	Industry	Services
Bulgaria	- 28.7	-31.2	-37.1	-16.8
Czech Republic	- 8.8	-29.5	-14.2	2.7
Hungary	- 12.1	-34.3	-17.7	-0.5
Poland	- 12.6	-13.3	-20.4	-5.7
Romania	- 4.5	12.9	-21.4	5.8
Slovakia	- 13.5	-27.5	-22.6	1.8
Russian Federation	- 4.2	-3.7	-6.9	-1.7

Source: National statistics and ECE data base.

Note: Agriculture includes forestry. Industry includes construction. Services was obtained as residual.

Table 2. Unemployment rates by sex in selected transition countries, 1990-1992
(per cent)

Country/Unemployment rates	1990	1991	1992	
Bulgaria	Total	1.7	11.1	16.4
	Male	..	..	13.7
	Female	..	..	14.5
Croatia	Total	8	14	15
	Male	..	11	12
	Female	..	16	18
Czechoslovakia (former)	Total	1.0	6.9	5.1
	Male	0.9	5.9	4.7
	Female	..	7.3	5.4
Hungary	Total	1.7	15	12.3
	Male	..	9.2	14.0
	Female	..	7.6	10.5
Latvia	Total	..	..	2.1
	Male	..	..	0.9
	Female	..	..	1.2
Lithuania	Total	..	4.7	20.7
	Male	..	1.6	8.3
	Female	..	3.1	12.4

Poland	Total	3.5	9.7	13.3
	Male	7.9		11.8
	Female	11.4		14.9
Romania	Total	..	3.2	8.4
	Male	2.2		6.2
	Female	4.0		10.7
Slovenia	Total	4.7	8.2	11.5
	Male	8.5		12.1
	Female	7.9		10.8

Source: ILO Yearbook of Labour Statistics 1993, Table 9A.

Table 3. Share of population and children living in poverty
(per cent)

	Social group	1989	1990	1991	1992
Bulgaria <u>a/</u>	Population	..	..	..	53.6
Czech Republic <u>b/</u>	Population	5.7	7.7	19.4	18.2
Hungary <u>a/</u>	Population	10.1	..	21.3	..
	Children	14.1	..	29.1	..
Poland <u>a/</u>	Population	20.5	39.7	38.8	42.5
	Children	28.0	53.4	54.7	57.6
Romania <u>a/</u>	Households	27.3	18.5	28.1	51.1
	Children	38.1	30.7	42.1	70.1
Russian Federation <u>c/</u>	Population	27.1	24.5	28.7	77.1 <u>d/</u>
Slovakia <u>e/</u>	Households	8.5	8.9	28.2	30.2
	Children	10.9	11.2	35.6	41.3
Ukraine <u>c/</u>	Households	33.6	..	21.1	35.7 <u>f/</u>

Source: Adapted from "Public Policy and Social Conditions, Regional Monitoring Report", No 1., November 1993, UNICEF, p.8.

a/ 45% of 1989 average wage.

b/ 35% of 1989 average wage.

c/ 118 Rb poverty line.

d/ 1992 Q4.

e/ 40% of 1989 average wage.

f/ The poverty rates appear artificially low due to the likely underestimation of the increase in the retail price index.

Table 4. Share of women in banking and insurance industry
in selected transition countries, 1993
(per cent)

Country	Women's share
Azerbaijan <u>a/</u>	48.80

Belarus <u>a/</u>	88.10
Czech Republic	68.58
Georgia <u>a/</u>	75.50
Hungary <u>b/</u>	74.38
Kazakhstan <u>a/</u>	85.30
Poland	75.00
Romania	79.38
Russian Federation <u>a/</u>	90.20
Slovakia	79.40
Ukraine <u>a/</u>	88.80
Uzbekistan <u>a/</u>	61.10

Source: National statistics; Statistical Committee of the CIS

a/ 1990

b/ Financial intermediaries.