

BUDGET CHOICES IN A TIME OF PANDEMIC:

ADVANCING GENDER EQUALITY
OR HOLDING IT BACK?



ACKNOWLEDGEMENTS

This report was produced under the regional project “Transformative Financing for Gender Equality towards more Transparent, Inclusive and Accountable Governance in the Western Balkans”. The Government of Sweden financially supports the project through the Swedish International Development Agency.

This report is a product of research and collaboration among numerous experts. The lead author was Azra Becirovic, a public finance expert. Country-specific contributions came from Blerina Xhani, public finance management and gender expert; Nikica Mojsoska Blazhevski, public finance management expert; Ardiana Gashi, public finance management expert; Sanja Nikolin, gender-responsive budgeting and policy expert; Aleksandra Vladisljevic, gender-responsive budgeting and policy expert; Milan Vujovic, legal analyst; and Aleksandra Milenkovic Bukumirovic, economic analyst.

The team of experts benefited from inputs and comments from UN Women’s gender-responsive budgeting team, including Ermira Lubani, Ivona Paunovic Bisevac, Irma Zulic, Ivan Vchkov, Olja Jankovic Lekovic, Linda Sanaja, Kristina Plechikj Bekjarova and Isil Erdemli.

The authors are grateful to the ministries of finance of Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia and Serbia for collaborative partnership on both quantitative and qualitative data, and feedback on the report.

The authors also extend thanks to the Ministry of Agriculture and Rural Development and Ministry of Health and Social Protection in Albania for cooperation and provision of data; the tax administrations of the Federation of Bosnia and Herzegovina and Republika Srpska, and the Federal Ministry of Labour and Social Policy in Bosnia and Herzegovina for consultations and data; the Agency for Gender Equality, Ministry of Agriculture, Forestry and Rural Development, Ministry of Education, Science and Technology, and Ministry of Labour and Social Welfare in Kosovo; the Ministry of Finance, Ministry of Labour and Social Policy, Ministry of Economy, and Ministry of Agriculture, Forestry and Water Economy in North Macedonia, and the Ministry of Finance, Ministry of Economy and Ministry of Culture and Information in Serbia.

The views expressed in this publication are those of the authors and do not necessarily represent the views of UN Women, the United Nations or any of its affiliated organizations.

© UN Women 2021

Published in January 2021

Edited by Gretchen Luchsinger

Design and layout: Nita Hadzihamza Gashi

* For UN Women, references to Kosovo shall be understood to be in the context of UN Security Council resolution 1244 (1999). For the European Union, this designation is without prejudice to positions on status, and is in line with UN Security Council resolution 1244 (1999) and the ICJ Opinion on the Kosovo declaration of independence

BUDGET CHOICES IN A TIME OF PANDEMIC: ADVANCING GENDER EQUALITY OR HOLDING IT BACK?



UN Women

January 2021

TABLE OF CONTENTS

Acknowledgements	2
Table of Contents	4
List of Abbreviations	5
List of Tables and Figures	6
Foreword	7
Introduction	8
<hr/>	
1. BACKGROUND ON THE COVID-19 CRISIS IN THE WESTERN BALKANS	9
<hr/>	
2. THE SPREAD OF COVID-19 AND HEALTH IMPLICATIONS	14
<hr/>	
3. COUNTRY-SPECIFIC FINDINGS	16
3.1 Albania	17
Government response to the crisis	18
Potential gender impacts of budget rebalancing	20
Sectoral analyses	21
Summary findings and recommendations	22
3.2 Bosnia and Herzegovina	24
Government response to the crisis	25
Potential gender impacts of budget rebalancing	25
Sectoral analyses	26
Summary findings and recommendations	29
3.3 Kosovo	30
Government response to the crisis	31
Potential gender impacts of budget rebalancing	31
Sectoral analyses	32
Good practices in directly supporting women	34
Summary findings and recommendations	34
3.4 North Macedonia	36
Government response to the crisis	37
Potential gender impacts of budget rebalancing	38
Sectoral analyses	39
Summary findings and recommendations	41
3.5 Serbia	42
Government response to the crisis	43
Potential gender impacts of budget rebalancing	44
Sectoral analyses	44
Summary findings and recommendations	47
<hr/>	
4. CONCLUSIONS AND RECOMMENDATIONS	49

LIST OF ABBREVIATIONS

ASK	Kosovo Agency of Statistics
GDI	Gender Development Index
GDP	Gross Domestic Product
GII	Gender Inequality Index
ILO	International Labour Organisation
IMF	International Monetary Fund
NGOs	Non-governmental Organizations
WHO	World Health Organisation

LIST OF TABLES AND FIGURES

1	The economic situation before COVID-19 in the Western Balkans	10
2	Overview of the spread of COVID-19 and implications in the Western Balkans	15
3	COVID-19 cases and deaths in the Western Balkans, by sex	15
4	Line ministries that were the main recipients of COVID-19 funds	19
5	Subsidy beneficiaries, by gender in 2019	33
6	Allocation of the budget for businesses, estimates of the Ministry of Finance	33

1	How countries scored on measures of gender and human development before COVID-19	11
2	Estimated gross national income per capita	12
3	Labour force participation and gender in the Western Balkans before COVID-19	12
4	The structure of employment in 2019	13
5	Monthly changes in employment in Bosnia and Herzegovina since the beginning of the pandemic	26
6	Job retention schemes as the main policy response to the COVID-19 crisis in Bosnia and Herzegovina	27
7	Beneficiaries of social protection programmes and funds allocated, 2019-2020	28
8	Number of active Farm Identification Number holders, by gender	32
9	Estimated budget for businesses, by gender (in millions of euros)	34

FOREWORD

The COVID-19 pandemic has offered many lessons. One is how deeply embedded gender inequality remains in our societies, and how easily backsliding can occur, despite gains that have been made. This report, the first of its kind in the Western Balkans, offers evidence of how disparities linked to gender equality have operated on a broad scale as countries took steps to contain and recover from the pandemic.

The rapidly spreading virus together with public health measures such as movement restrictions led to immediate consequences in terms of employment livelihoods, food security, housing, mental and physical health, as well as incidence of violence that have constrained and limited the effectiveness of existing health, social and legal protection systems.

Governments shifted budgets to sustain economies and control the fallout. Taking underlying inequalities into account, pandemic response should address the needs of those who are most at risk of being left behind. Despite some good practices, however, most countries fell short in addressing the differentiated needs of diverse groups of women and girls, boys and men in order to channel economic stimulus, social protection and other support imperatives accordingly.

In examining available data on these initiatives and their budgetary implications, this report finds that in the understandable rush and pressure to react, countries mostly sidestepped the use of gender-responsive budgeting that could have guided more targeted responses. In some cases, this occurred despite national requirements to apply gender-responsive policymaking and budgeting.

As a result, many budget and support measures were gender blind, even as the pandemic itself was not. Socially-constructed roles affect vulnerability to and experiences of COVID 19 and as a result, overall, women and girls have been more adversely affected than men and boys. This has been for a variety of reasons ranging from lower incomes and more informal employment to longstanding marginalization in agriculture to the expectation that women would step back from paid work to assume even more of the already disproportionate burden of unpaid care work at home.

The lack of a targeted response to these issues will constrain the capacity of women and girls to recover from the pandemic, which will slow the pace of progress for countries and the region overall. Implementing active fiscal policies with a gender perspective, by contrast, would not only reduce COVID-19 effects, but steer countries towards longer term recovery and a development model that is more inclusive, robust and sustainable, and aligned with women's rights.

Looking ahead, with recovery gaining steam, but uncertainty around its trajectory, this report suggests several priorities. One is to better understand how budget cuts are exacerbating gender inequalities, and whether or not budget allocations and expenditures are doing enough to counter gender inequalities caused by the pandemic. This requires applying gender-responsive budget analysis, which explicitly tracks how budget revenues and expenditures may differently affect women and girls, and men and boys. Women must be equally involved in making decisions in this process, including in leadership positions.

More specific priorities are to invest in the care economy, recognizing that care work is a public good and key to a sustainable recovery. Further, job retention programmes and unemployment benefits need to address the specific vulnerabilities of women in the job market, especially by reaching those in the informal sector. Agricultural support schemes should actively counter the current reality that women's labour in the sector is often invisible and missed by initiatives that primarily benefit men.

The combination of high rates of women in the informal economy, increased unpaid care work and rising risks of gender-based violence all underscore how critical it is to have comprehensive and gender-responsive social protection programmes.

In developing this report, UN Women is deeply grateful for the collaboration and partnership of the different ministries and institutions especially the ministries of finance of Albania, Bosnia and Herzegovina, North Macedonia, Kosovo and Serbia. Their willingness to share successes and challenges, as well as needs going forward, will help advance regional and even global debates and strategies around integrating gender equality in emergency responses, including through budget processes. One particular lesson is that gender-responsive budgeting should be firmly in place before a crisis strikes, when its application is crucial. If it has not been developed, it should still be applied, but the process naturally becomes more difficult.

In building back better, we have a chance to address inequalities that have long existed. Public budgets have a long reach through essential services and programmes vital to the lives of women and girls. They are central tools to achieve gender equality and must be used as such.

Alia El-Yassir

UN Women Regional Director

Europe & Central Asia Regional Office

INTRODUCTION

The COVID-19 crisis has exposed major vulnerabilities in governance systems and aggravated existing inequalities, including in income and gender. The Western Balkans region is no exception.

The World Bank Economic Report for the Western Balkans¹ shows that impacts were stronger than predicted initially. It estimated that economic output would contract by 4.8 per cent in 2020. With 139,000 jobs lost by June 2020, further deterioration was avoided with government recovery programmes, primarily to protect companies and employment. Even with these measures, in four countries and territories² the COVID-19 crisis is likely to push more than 300,000 people into poverty.

Early on it was clear that the crisis would have a disproportionate impact on women, and that the response to it might further widen gender gaps or impede efforts to achieve gender equality. In addition to increased job insecurity and other consequences of struggling economies, the crisis has brought rising and/or different needs in health care, where the majority of workers are women, and childcare, due to closures of schools and day-care facilities. The additional burden on parents, largely women, has gone mostly unrecognized, despite significant effects on physical and mental health. Informal care services provided by grandparents, other relatives, friends or neighbours is being discouraged or prevented by shelter-in-place orders to slow the spread of the virus, with little room for alternative arrangements.³ Furthermore, the economic impact of the crisis is more aggravated in services sectors where women are predominantly employed. Even so, the majority of COVID-19-related fiscal measures target general business continuity and job retention, as in previous crises.

In the Western Balkans, where gender gaps in employment and labour force participation remain high,⁴ the gender impacts of the crisis and related government responses deserve specific focus. UN Women initially conducted a Rapid Gender Assessment⁵ of the region that identified different impacts from the pandemic on men and women in terms of work stability and income, work habits, mobility, domestic and care work, health and social protection. Preparation of this current report began six months into the pandemic, aiming to show the initial, differing impacts linked to gender, and to provide inputs to policy discussions. For

the second part of the report, country-specific findings from the Rapid Gender Assessment were analysed along with pandemic policy responses and budget rebalancing, giving a clearer picture of gender-related variations.

Covering five countries and territories in the Western Balkans (Albania, Bosnia and Herzegovina, Kosovo, North Macedonia and Serbia), the report draws on situation analyses, and quantitative and qualitative analysis of government COVID-19 responses and budget revisions from a gender perspective.

Qualitative inputs relating to government measures and spending adjustments were gathered in meetings with senior government officials, while quantitative analysis was performed on publicly available revised budgets. Research also referred to well-regarded publications and databases, and supplementary documentation on sectoral policies.

A substantial effort went into collecting and analysing previously unpublished data on key sectors identified for gender-sensitive analysis. These sectors were selected based on data availability, the highest potential for realizing gender equality commitments and government focus.

The main limitation of the study comes from variances in the quality and availability of data on budgetary measures, actual spending and sex-disaggregated statistics. This warrants follow-up analysis when 2020 budgets are fully executed and statistics are available.

The report primarily targets policymakers in the Western Balkans, and international organizations and bilateral donors supporting countries and territories there. Academic researchers and students in gender studies, public policy and feminist economics might find it of interest as well. It may be useful in other regions, and contribute to global debate on gender issues in responding to emergencies and making choices in public spending.

As a final note, applying gender perspectives to necessary budget reallocations in a crisis does not assume additional funding within a government budget for the less represented. It instead fosters understanding of how funds that are allocated and spent may affect gender equality, and helps in making adjustments to close gaps.

¹ World Bank Group. 2020. "Western Balkans Regular Economic Report No. 18: An Uncertain Recovery." Fall.

² Albania, Montenegro, Kosovo and Serbia.

³ Titan M. Alon et al. 2020. *The Impact of COVID-19 on Gender Equality*. No. w26947. National Bureau of Economic Research.

⁴ R. Atoyan and J. Rahman. 2017. *Western Balkans: Increasing Women's Role in the Economy*. IMF Working Paper 17/194. Washington, DC: International Monetary Fund.

⁵ UN Women. 2020. Keep the Promise, Accelerate the Change. <https://eca.unwomen.org/en/digital-library/publications?pageNumber=1>.

1.

BACKGROUND ON THE COVID-19 CRISIS IN THE WESTERN BALKANS



1. BACKGROUND ON THE COVID-19 CRISIS IN THE WESTERN BALKANS

In the Western Balkans, conditions and challenges in individual countries and territories prior to the pandemic have been crucial in determining the extent of pandemic fallout and the responses to it. The state of economies, the availability and quality of public services, including health services, and overall levels of human development are important features to consider in assessing the future of gender equality in the region.

Table 1 presents an overview of the main macroeconomic data for the countries and territories included in this report. All five are upper middle-income economies,⁶ experiencing mild to average growth prior to the crisis. They have a total population of 17 million, and per capita income ranging from USD 4,417 in Kosovo to USD 7,402 in Serbia.

Table 1.
The economic situation before COVID-19 in the Western Balkans

2019	GDP (current USD, billions)	GDP growth (annual, percentage)	GDP per capita (current USD)	Population (millions)	Population, female (percentage of total)	Unemployment (percentage of total labour force)	Unemployment, female (percentage of female labour force)
Albania	15.28	2.21	5352.86	2.85	49.09	12.33	11.60
Bosnia and Herzegovina	20.05	2.58	6073.27	3.30	51.02	18.42	21.00
Kosovo	7.93	4.17	4417.51	1.79	49.7	25.7	34.4
North Macedonia	12.69	3.55	6093.15	2.08	49.97	17.76	17.05
Serbia	51.41	4.19	7402.35	6.94	51.01	12.69	13.78

Sources: World Development Indicators, modelled ILO estimates for unemployment. Data for Kosovo are from the Labour Force Survey 2019 (<https://ask.rks-gov.net/media/5412/labour-force-survey-2019.pdf>).

High unemployment rates are evident in the female labour force, especially in Bosnia and Herzegovina, but not in Albania and North Macedonia, where female unemployment is lower than average.⁷

The countries and territories of the Western Balkans rank fairly high on the Human Development Index,⁸ with Serbia in 2019 at the bottom of the “very high human development group” with a rank of 64. Albania at 69,

⁶ World Bank list of economies, June 2020. See: <https://databank.worldbank.org/data/download/site-content/CLASS.xls>.

⁷ In these two countries, women make up less than half of the population.

⁸ The Human Development Index is a composite index measuring average achievement in three basic dimensions of human development – a long and healthy life, knowledge and a decent standard of living. For details on how the index is calculated, see: Technical Note 1 at http://hdr.undp.org/sites/default/files/hdr2020_technical_notes.pdf.

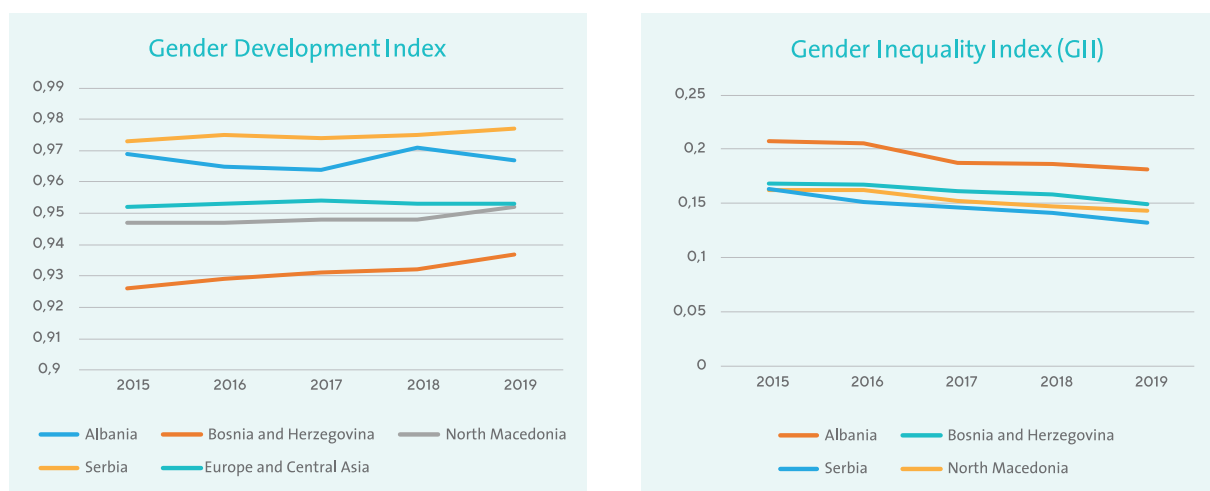
Bosnia and Herzegovina at 73 and North Macedonia at 82 fall in the “high human development” group. Inequalities between women and men, while decreasing in the last five years, remain significant (Figure 1).

The Gender Development Index⁹ in 2019 is the highest for Serbia at 0.977, followed by Albania at 0.967. For comparative purposes, the average index for Europe and Central Asia is 0.953, the same score reached by North Macedonia, while Bosnia and Herzegovina

lags at 0.937. The main factors determining gaps on this index are disparities in years of schooling and estimated income. The gaps decline when considering life expectancy at birth and expected years of schooling, where women score better than men.

On the Gender Inequality Index,¹⁰ Albania scores highest at 0.181, while the three other countries are below 0.15 in 2019. Scores on this index are largely affected by the gap in labour force participation.

Figure 1.
How countries scored on measures of gender and human development before COVID-19



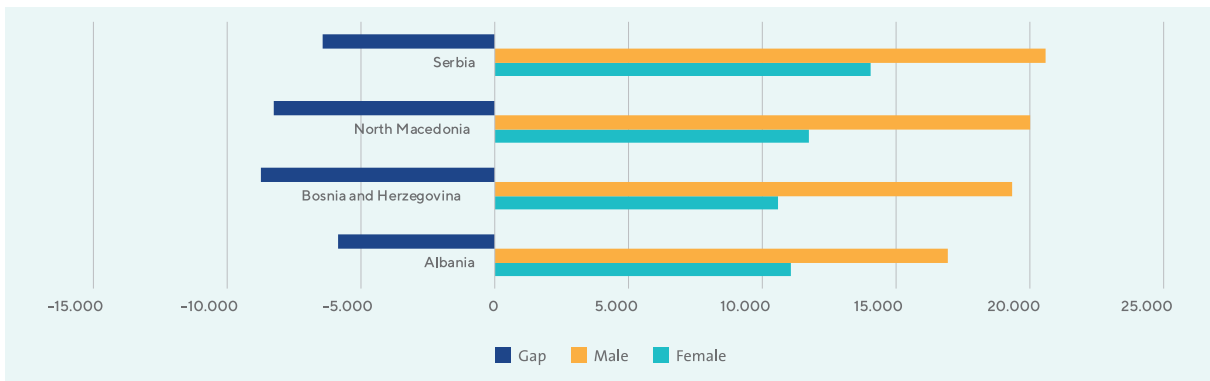
Source: Human Development Reports database, <http://hdr.undp.org/en/content/database>.
Note: The indices are not calculated for Kosovo.

Women in the Western Balkans are poorer than men. A disaggregated 2019 estimate of income (gross national income per capita) in the Human Development Index shows the largest gaps in Bosnia and Herzegovina (45 per cent) and North Macedonia (42 per cent) while the difference is slightly smaller in Albania (35 per cent) and Serbia (32 per cent).

⁹ The Gender Development Index measures gender gaps in human development achievements by accounting for disparities between women and men in three basic dimensions of human development: health, knowledge and living standards, using the same component indicators as the Human Development Index. The index is the ratio of the Human Development Index components calculated separately for females and males using the same methodology as the Human Development Index. The Gender Development Index is a direct measure of the gender gap showing the female Human Development Index as a percentage of the male index. For more details on computation, see the Technical Notes at: <http://hdr.undp.org/en/content/gender-development-index-gdi#:~:text=The%20GDI%20is%20the%20ratio%20of%20the%20HDIs,Notes.%20The%20GDI%20is%20calculated%20for%20167%20countries.>

¹⁰ The Gender Inequalities Index is a composite measure reflecting inequality in achievement between women and men in three dimensions: reproductive health, empowerment and the labour market.

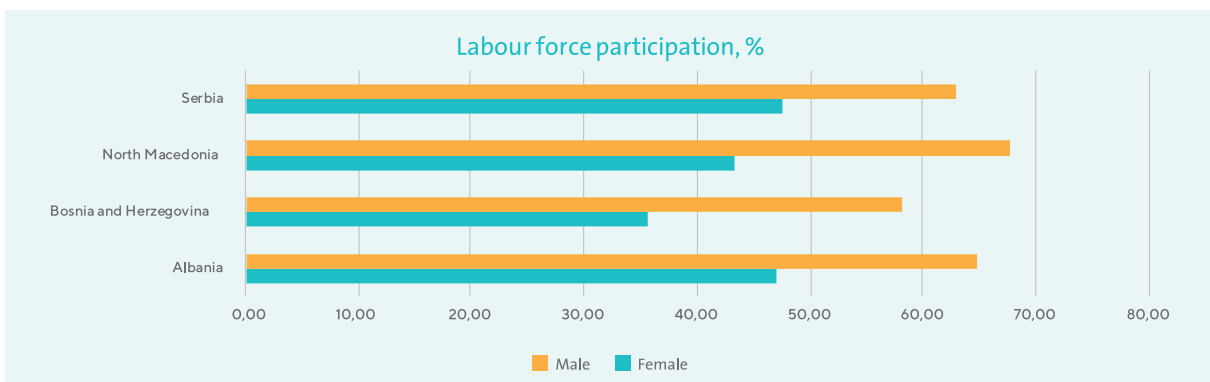
Figure 2.
Estimated gross national income per capita¹²



Source: Human Development Reports database, <http://hdr.undp.org/en/content/database>.

The largest gender gaps in the Western Balkans are in employment, which is heavily affected by the COVID-19 crisis (Figure 3).

Figure 3.
Labour force participation and gender in the Western Balkans before COVID-19



Source: The World Bank, Gender Statistics, and modelled ILO estimates, percentage of population aged 15 and above. The ILO does not estimate data for Kosovo.

Overall, women's highest labour market participation is in Serbia at 47.4 per cent and Albania at 46.4 per cent, while Bosnia and Herzegovina is at the low end at 35.4 per cent. Men participate in the labour force at a rate of 60 to 70 per cent, with the exception of Bosnia and

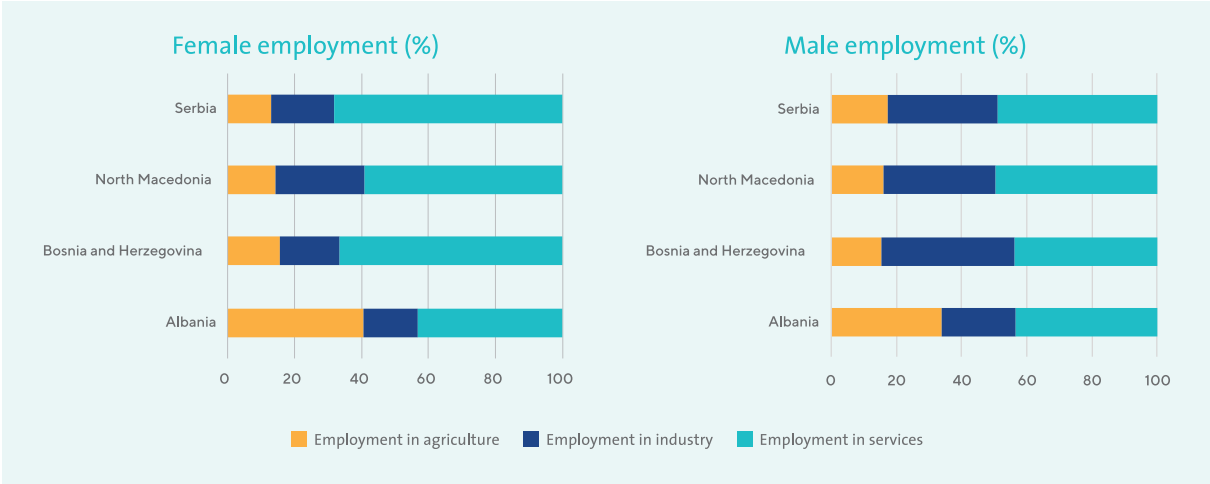
Herzegovina, where the rate is slightly lower at 58 per cent. Although labour force participation is not estimated for Kosovo by the International Labour Organization (ILO), the 2019 national Labour Force Survey estimated female labour market participation is 21.1 per cent.¹¹

¹¹ The estimated gross national income per capita is derived from the ratio of female-to-male wages, female and male shares of the economically active population and gross national income (in 2017 purchasing power parity terms). See Technical Note 3 at: http://hdr.undp.org/sites/default/files/hdr2020_technical_notes.pdf.

In terms of specific economic sectors, in Albania, employment in agriculture is still very high for both women (41 per cent) and men (34 per cent) as a share of total employment (Figure 4). In other countries, agriculture accounts for less than 20 per cent of employment. Jobs in industry are predominantly occupied by men, whereas in North Macedonia, 26.6 per cent of female employment is in this sector.

The services sector is the main source of employment for women, at 68 per cent in Serbia, 66.5 per cent in Bosnia and Herzegovina, and 43.3 per cent in Albania. This is also the economic sector hardest hit by the current crisis, as is true around the world.

Figure 4.
The structure of employment in 2019



Source: The World Bank, Gender Statistics, and modelled ILO estimates, percentage of population aged 15 and above. The ILO does not estimate data for Kosovo.

2.

THE SPREAD OF COVID-19 AND HEALTH IMPLICATIONS



2. THE SPREAD OF COVID-19 AND HEALTH IMPLICATIONS

As soon as the virus outbreak was declared a pandemic by the World Health Organization (WHO), governments throughout the region acted immediately, enacting public health protection measures, including curfews and other restrictions on movement. Schools and day-care centres were closed, along with public transportation, personal services and all non-essential

businesses. State borders shut down too. These measures led to sharp declines in consumption and employment, and lost revenues for businesses, with consequences seen in government finances within the first month. The fiscal and regulatory measures taken by governments are discussed in more detail in the second part of this report.

Table 2.
Overview of the spread of COVID-19 and implications in the Western Balkans

Country	Date of first infection	Total cases	Total cases, per 1 million people	Total deaths	Total deaths per 1 million people
Albania	8 March 2020	50,637	17,596	1,040	361
Bosnia and Herzegovina	5 March 2020	103,232	31,465	3,511	1,070
Kosovo	13 March 2020	47,456	25,509	1,215	653
North Macedonia	26 February 2020	75,597	36,286	2,194	1,053
Serbia	6 March 2020	282,601	40,582	2,482	356

Source: WHO Coronavirus Disease (COVID-19) Dashboard, 17 December 2020; national authorities.

The five Western Balkan countries and territories have seen 559,523 cases of COVID-19 and 10,442 deaths (Table 2). Per 1 million people, the largest number of infections has been in Serbia, while Bosnia and Herzegovina has recorded the most deaths. Sex-disaggregated data on infections and deaths are presented in Table 3.

Table 3.
COVID-19 cases and deaths in the Western Balkans, by sex

Country	Confirmed cases, percentage		Deaths, percentage	
	Men	Women	Men	Women
Albania	48	52	67.02	32.98
Bosnia and Herzegovina	51.74	48.26	65.37	34.63
Kosovo	49	51	64.5	35.5
North Macedonia	51.12	48.88	63.28	36.72
Serbia	n/a	n/a	61.66	38.34

Source: <https://globalhealth5050.org/>, as of 16 December 2020 (for Serbia, 3 May 2020); national authorities.

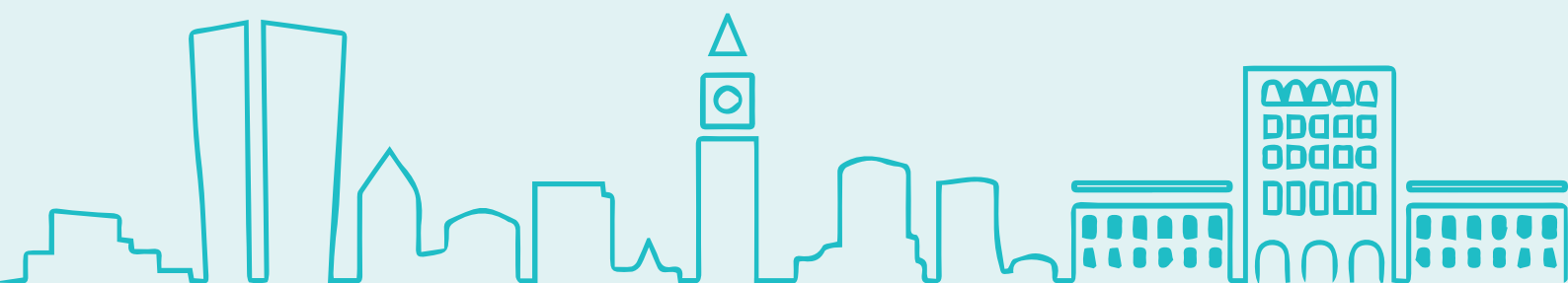
The gender gaps in infections are mostly small. Slightly more women in Albania caught the virus, while more men did in Bosnia and Herzegovina and North Macedonia. The virus has been much deadlier in male patients, however. Men comprise over 60 per cent of deaths in all countries covered by this report, with the highest rate at 67.02 per cent in Albania.

3.

COUNTRY-SPECIFIC FINDINGS



3.1 ALBANIA



3.1 ALBANIA

GOVERNMENT RESPONSE TO THE CRISIS

COVID-19 has radically changed Albania's economic outlook. While the economy was projected to grow at 3.5 per cent in 2020, by April, real gross domestic product (GDP) was expected to contract by 5 per cent.¹² The structure of the overall budget planned for 2020 shifted significantly. Expenditures increased by about 240.8 million euros¹³ or 5 per cent of GDP.

The Government acted immediately to contain the virus and support an overstretched health system after the first registered cases of COVID-19 in March 2020. Unfortunately, the pandemic hit when Albania was still recovering from the devastation¹⁴ of a 6.3 magnitude earthquake in late 2019.

Under these circumstances, decisions on budget cuts and reallocations were taken rapidly and without adequate analysis, including from a gender perspective. The overwhelming need to prioritize public health emergency needs and to strengthen prevention and safety likely reduced funding for other public investments such as to continue advances in gender equality.

The Government instituted a range of policy responses to protect the population and businesses. These comprised welfare benefits and other support to individuals, financial support and guarantees for businesses, and home education support. Policies to mitigate the overall impact of the pandemic consisted of budget rebalancing (budget cuts and subsequent reallocations within line ministries) and response measures funded by public debt or existing funds.

Measures included:

Fiscal measures

- 80 million euros provided to companies struggling to pay employee salaries through the Sovereign Guarantee.
- Income support measures for individuals and households, excluding tax and contribution changes
- The Government subsidized the salaries of about 60,000 employees of small businesses or self-employed people, costing about 1.25 million euros.
- Extended aid package or "war wages"¹⁵ supported 100,000 employees in small businesses, 66,000 employees in large businesses and 10,000 employees in the tourism sector, all affected by the lockdown. As of April 2020, 176,000 families had received a direct payment of 3,195 euros for a total of 52.6 million euros.
- The Government temporarily doubled the monthly social benefits for about 70,000 very poor families, mostly Roma and Egyptian women and men working in the green economy,¹⁶ at a cost of about 2.72 million euros.
- 52 million euros was allocated for the immediate needs of disadvantaged groups such as people in remote rural areas, and Roma and Egyptian women and men living in slums, as well as to support small businesses.

Measures to promote burden sharing within the private sector

- The Government permanently erased late payment interest for active debtors that were current energy consumers, families or small business, with a financial effect of up to 121 million euros.

¹² IMF (International Monetary Fund). 2020. *Country Report No. 20/118*. April.

¹³ The exchange rate used in this report is 1 Albanian lek = 125 euros.

¹⁴ About 202,000 women and men were directly affected by the earthquake: 51 lost their lives, 903 were severely injured and 17,000 transferred to temporary housing facilities.

¹⁵ The "war wage" is the cash benefit/partial wage reimbursement provided by the Government for those unable to work during weeks of restricted movement.

¹⁶ Women and men engaged in recycling activities by collecting different materials and selling them to recycling businesses.

The budget rebalancing affected all line ministries. The Ministry of Defence was the most affected, while the Ministry of Finance and Economy was the major recipient of reallocations. The cuts mostly related to current expenditures not linked to strategic or crucial activities, and capital expenditures, primarily linked to infrastructure projects.

- 30.4 million euros¹⁹ was designated for the Ministry of Health and Social Protection for the wages of front-line medical staff, for addressing the further increase of COVID-19 cases, and for providing economic aid in cash to families from vulnerable groups²⁰ per the government fiscal scheme.²¹

The total budget for measures to respond to the COVID-19 emergency was about 144 million euros. From this sum:

- 108 million euros¹⁸ was designated for “war wages” for all workers who lost jobs during the pandemic and/or could not work due to restrictions.

Table 4 shows the main recipients of COVID-19 funds from budget reallocations and increased public debt.

Table 4.
Line ministries that were the main recipients of COVID-19 funds

Institution	Amount allocated to COVID-19, euros
Ministry of Health and Social Protection	44 million
Ministry of Tourism and Environment	761,000
Ministry of Defense	198,562
Ministry of Finance and Economy	99 million
Total funds	144 million

Source: Expert calculations based on information received from ministries

The Ministry of Finance and Economy was responsible for financial measures targeting unemployment during the lockdown. The total amount of funds planned for these measures was 108 million euros, but only 99 million euros was spent by December 2020. Only 73.6 euros was reallocated from other institutions. The rest came from increased public debt.

remuneration, including a bonus for front-line medical staff, as well as necessary equipment to help them during the pandemic. To date, 522 physicians, 1,130 nurses and 134 epidemiologists have received a 1,000 euro bonus as a reward for their work with COVID-19 patients. Most front-line medical staff, especially nurses, are women.²¹

The Ministry of Health and Social Protection, as the second biggest recipient of COVID-19 funds, is in charge of protection measures targeting mainly front-line medical staff. A total of 44 million euros with 30 million euros reallocated from other institutions, and the remaining 14 million euros coming from greater public debt) was designated to fund additional

The Ministry of Defence took charge of the emergency response through the direct delivery of aid packages for vulnerable groups, while the Ministry of Tourism and Environment oversaw quarantine facilities (hotels, etc.) for those entering Albania during the lockdown, and helped with the repatriation of Albanians.

¹⁷ This is the total amount planned for financial measures in response to the pandemic, not only reallocations from the budget.

¹⁸ The last Normative Act reallocated 11.2 million euros to the Ministry of Health and Social Protection. The total amount reallocated for measures to respond to the COVID-19 pandemic is now 30.8 million euros from 19.2 million euros reallocated in the first budget rebalancing.

¹⁹ Vulnerable groups targeted by this scheme are mostly Roma and Egyptian women and men working in the green economy, but no gender-disaggregated data are provided on beneficiaries.

²⁰ The Government temporarily doubled monthly social benefits for about 70,000 very poor families at a cost of about 2.8 million euros.

²¹ No gender-disaggregated data were provided in the budget document, so it is not possible to define the financial impact of the scheme for women and men medical staff. The assumption is made based on data from the Institute of Statistics in previous years. See: www.instat.gov.al/en/publications/books/2019/women-and-men-in-albania-2019/.

POTENTIAL GENDER IMPACTS OF BUDGET REBALANCING

The containment measures, although necessary for saving lives, have had negative effects on men and women in Albania. UN Women's Rapid Gender Assessment²² showed that women self-employed workers were most affected by the lockdown in terms of their work. Women suffered a significant decline particularly in income from farming and remittances.

The assessment indicated that every second employed woman (51 per cent) was working remotely (from home) compared to almost every fourth man (27 per cent). A rise in unpaid care work, economic uncertainty, greater risk of domestic violence during confinement, restricted and unsafe mobility as well as poor access to health services²³ were only some of the causes of growing inequality between men and women during the pandemic.

The budget rebalancing of 108 million euros for economic development has enabled cash transfers of 588,000 euros to registered unemployed women and men,²⁴ of whom 55 per cent (or 1,553) are women. These figures confirm the higher rate of women among active unemployed citizens (those registered as unemployed before 10 March 2020), totalling 2,823 beneficiaries. The cash transfer was given from April to June 2020.

About 99 million euros for cash transfers was spent to support:

- 290,236 women and men who lost their jobs during the lockdown;
- Transport companies that could not deliver services during the lockdown;
- Manufacturing businesses;
- Albanians affected by lockdown measures outside the country, and who could not comply with the rules of a three-month stay in a Schengen country;²⁵ and

- Refinery workers who lost their jobs due to the pandemic.

Since the government measure targeted only registered unemployed women and men, those not legally registered as jobseekers as of 10 March 2020 and/or those working in informal employment were left behind.

Measures for industry have been funded mainly from the Sovereign Guarantee scheme,²⁶ which saw no additional funds from the budget rebalancing but did receive a boost through public debt stock. A gender equality impact is evident among beneficiaries, since only 105 women-owned businesses could use the scheme. They comprise just 14 per cent of the 760 eligible larger registered businesses.²⁷ Total funding disbursed was about 98.4 million euros. There are no gender-disaggregated data on beneficiaries.

For agriculture, a total budget cut of 4.2 million euros came both from current and capital planned expenditures for 2020. To mitigate the negative impact of the pandemic, agricultural subsidy schemes were increased by 3.2 million euros during the rebalancing of budget ceilings at the Ministry of Agriculture and Rural Development. The last budget rebalancing as of 16 December 2020 resulted in a total increase of only 56,000 euros for the rural development budget programme. This change was dictated by the impossibility of using all funds for subvention schemes and the reallocation of funds for other purposes. Even before the pandemic, the subvention schemes did not ensure that all women in rural areas would equally benefit. Only 14 per cent²⁸ of beneficiaries were women, although 45 per cent of employed women work in agriculture compared to 35 per cent of employed men.²⁹

Social protection has seen an increase of about 8 million euros for funding the disability scheme and the economic aid scheme. There are no official gender-disaggregated data on beneficiaries, but as women make up to almost 55 per cent³⁰ of beneficiaries from

²² See the UN Women factsheet at: <https://www2.unwomen.org/-/media/field%20office%20eca/attachments/publications/2020/07/factsheet-albania-fin-min.pdf?la=en&vs=1208>.

²³ Most problems concerning access to health and other public services were caused by containment measures, especially a lack of public and/or private transportation.

²⁴ This refers only to women and men registered as unemployed from January to 10 March 2020.

²⁵ Under the Schengen Agreement, citizens of Schengen countries can cross the internal borders of all member states without passport checks. The Schengen visa entitles the holder to visits of up to 90 days every 6 months in the entire Schengen area. See also: <https://www.auswaertiges-amt.de/en/einreiseundaufenthalt/visabestimmungen-node/schengen-node#:~:text=The%20Schengen%20Agreement&text=Citizens%20of%20Schengen%20countries%20can,in%20the%20entire%20Schengen%20area>.

²⁶ Around 80 million euros was provided to companies with difficulties paying employee salaries through the Sovereign Guarantee.

²⁷ Chamber of Commerce and Industry of Tirana. See: <https://www.cci.al/anetaresia/>.

²⁸ Official data from the Ministry of Agriculture and Rural Development. See: <https://www.financa.gov.al/programi-buxhetor-afatmesem-2020-2022-faza-iii/>.

²⁹ Data from the Institute of Statistics.

³⁰ Official data from the Ministry of Finance and Economy.

vulnerable groups, they likely benefit most from this budget reallocation. Given the increase in gender-based violence, especially domestic violence during the complete lockdown, the Ministry of Health and Social Protection provided full support to the one national centre operating 24/7 to help victims of sexual violence.

The general conclusion from analysing the budget rebalancing is that cuts and reallocations hindered progress in reducing pre-existing gender inequalities in all sectors. Response measures fell short in addressing the different needs of women and men.

SECTORAL ANALYSES

Analysis of budget cuts and reallocations showed that COVID-19 response and recovery measures could have significant impacts on agriculture and economic development. Policy measures and reallocations should therefore closely consider gender-specific needs and challenges in each sector.

Agriculture

The Ministry of Agriculture and Rural Development has continued efforts to mitigate the effects of the pandemic in rural areas. A new scheme of 8 million euros targeting registered farmers who use heavy machinery was approved and is being implemented. All registered farmers using these machines, according to the Ministry of Agriculture and Rural Development, are men.

Different efforts to engender other mitigation measures in agriculture have included awarding five additional points to woman applicants to prioritize them in support schemes where men predominate. All owners of an agricultural farm, meaning all members of a farm family, can apply for subsidies, for instance. While the law on immovable property provides that women have the same rights as men to immovable property, and that property should be registered under both spouses' names, thus giving women the same chance as men to apply for subsidies, there is a great risk of women being only de jure applicants. The de facto beneficiaries of subsidies are usually men.³¹

The increase in current planned expenditure on the rural development programme (3.2 million euros in total) was dedicated to increasing beneficiaries of subsidies. About 2.36 million euros came from current funds; the rest entailed reallocations within the Ministry of Agriculture and Rural Development budget. Although it is not possible to calculate the number of women benefiting from the increase, as the applications are still in process, more funding with a consequent increase in the number of beneficiaries may be an opportunity for more women to benefit.

Albania's first budget rebalancing³² resulted in cutting 2.88 million euro from the agricultural extension and counselling programme. The planned expenditures targeting women under this programme are direct allocations, linked to current costs, while a budget cut of 80,000 euros affects extension and counselling services overall. Although this budget cut does not affect the gender-specific output in terms of the "number of women benefiting from the counselling and extension programme", it has a potentially negative impact on delivery of counselling services for women. The rationale behind this cut was that these services could not be done face-to-face during the pandemic, so in the last budget rebalancing,³³ all unused funds were reallocated to other programmes.³⁴ The Ministry of Agriculture and Rural Development has proposed finding other innovative solutions such as conducting training through digital platforms, which is difficult for women farmers in remote rural areas where electricity is missing, let alone the Internet and electronic devices. Limiting training and advisory activities may prevent many women from becoming informed not only of new technologies, but also of the application process for subsidies, yielding a lower number applying to and therefore benefiting from these schemes.³⁵

Many self-employed women on family farms as well as unemployed women in rural areas carry a disproportionate burden of unpaid care work as well as unpaid work on farms owned by men. Yet they are not equally benefiting from policy measures in response to the pandemic.

³¹ Different civil society organizations have reported the same issues with the subsidies scheme for women farmers. See: <https://albania.un.org/en/51864-unpacking-impact-covid-19-women-and-girls-albania>.

³² Normative Act 240/2020.

³³ Normative Act 36/16.12.2020.

³⁴ There are still no official data on the reallocation.

³⁵ During 2019, 270 women out of 571 women beneficiaries of subsidies were informed about the subsidies through extension and counselling services.

Economic development

The newly approved scheme to address unemployment³⁶ introduced by the Ministry of Finance and Economy targets only legally registered unemployed women and men, leaving behind all non-registered informal workers, mostly from remote rural areas and the most vulnerable groups in society. Considering the negative impacts of COVID-19 on job retention and incomes, it becomes imperative to rethink ways to include undeclared workers so that no one is left behind.

The Rapid Gender Assessment³⁷ showed that the closure of non-essential businesses had an immediate impact on employment, with almost 15 per cent of respondents reporting they had lost their jobs. Results also highlighted a disproportionate impact on working time for employed women. Regardless of employment status, women were more exposed to decreased working hours and potential loss of income. Self-employed women in the 45 to 54 age group were hit harder (66.7 per cent) by reduced work. Almost one in two (46 per cent) self-employed women living with children had to cut their working time, mainly to look after children and housework.

According to the Ministry of Finance and Economy, cash transfers for unemployment payments before COVID-19 were 105 euros (50 per cent of the minimum wage). A decree of the Council of Ministers on social benefits doubled this payment to 210 euros. This support targeted only people already registered in the financial aid scheme before 10 March 2020, with a total of 2,823 beneficiaries. Among them, 55 per cent were women, reconfirming higher rates of women among the unemployed.³⁸

Ministry of Finance and Economy data on beneficiaries of the “war wages” scheme show that 60,000 employees of *legally registered small businesses* and/or *legally registered self-employed* people were the beneficiaries of an allocation of 13 million euros. An extended aid package was issued supporting 100,000 employees in small businesses, 66,000 employees in large businesses and 10,000 employees

in the tourism sector, all of which were affected by restrictive measures during the lockdown. All of these schemes targeted legally registered employed or unemployed women and men.³⁹

Self-employed women and men were most affected by lockdowns. Those who were not registered had the opportunity to declare the name of their employer and gain a cash transfer. No data are available on the number of women and men pursuing this opportunity, but the Rapid Gender Assessment showed that 56 per cent of self-employed women compared to 50 per cent of self-employed men were strongly affected by the crisis. Almost all women⁴⁰ working in the care economy, such as cleaners, babysitters, and kindergarten and nursery staff, but also garment workers⁴¹ as well as men working in construction and farming activities, are not legally registered and therefore cannot access schemes to mitigate pandemic impacts. The current *crisis is disproportionately affecting low-wage workers in the services sector, more so than previous recessions.*

SUMMARY FINDINGS AND RECOMMENDATIONS

Analysis of the financial changes caused by rebalancing budgets combined with the key findings of recent gender assessments yields some specific recommendations to engender financial measures and further mitigate negative fallout on women and men.

General recommendations for engendering the COVID-19 response and recovery

- Use gender-disaggregated data and statistics to conduct ex-ante gender analysis to assess the situation of women and men, and the anticipated impacts of policy responses.
- Integrate gender equality considerations in all interventions across sectors. Prioritize those that would alleviate negative economic fallout on the most disadvantaged women.

³⁶ Employment promotion programmes to be implemented in 2021.

³⁷ UN Women Albania. 2020. “COVID-19 is taking a higher toll on women – shows UN Women Albania rapid assessment.” <https://albania.unwomen.org/en/news-and-events/stories/2020/07/covid-19-is-taking-a-higher-toll-on-women-shows-un-women-albania-rapid-assessment#:~:text=The%20Rapid%20Gender%20Assessment%20reveals,compared%20to%2028%25%20women>.

³⁸ The Ministry of Finance and Economy reports that the total amount paid from April to June was 1.76 million euros.

³⁹ According to the Labour Force Survey, women are less likely to participate in the labour market. See: <http://www.instat.gov.al/en/themes/labour-market-and-education/employment-and-unemployment-from-lfs/publication/2020/quarterly-labour-force-survey-q2-2020/>.

⁴⁰ Recent studies from different civil society organizations have shown that individuals who have experienced several months of unemployment in a given year or only worked part time are likely to be disqualified.

⁴¹ These include people working in what locally are called *fassonerias*, or manufacturing businesses that supply textiles and apparel to larger companies.

- Ensure transparent and participatory decision-making through sharing timely and accurate information, supporting public discussions, and guaranteeing that all rights-holders, especially the most vulnerable, are heard.
- Improve data collection systems by ensuring that gender-disaggregated data are available for monitoring the success of government measures.
- Apply gender-responsive budgeting to assess the pandemic from a gender perspective, and enable gender-responsive planning of budget reallocations and prioritization of interventions to further mitigate negative effects on gender equality in the short and long terms.
- Make women's empowerment the focus of policy responses to close gender gaps and accelerate progress in reducing pre-existing gender inequalities in all sectors.
- Use interinstitutional dialogue and cooperation to help improve the design and implementation of policies addressing gender inequalities.

Sector-specific recommendations

The Ministry of Agriculture and Rural Development should prioritize response measures that target women farmers and non-farmers in rural areas by *allocating funds for counselling and information on new technologies and ways to benefit from subsidy schemes*.

While face-to-face meetings are not possible, new technologies and innovative ways of communication, such as virtual/online meetings, SMS, mobile phone apps, etc. could be considered as alternative means to develop activities targeting women in rural areas. A reallocation of funds could enable the *purchase of electronic devices and delivery of online services for women farmers who otherwise cannot access these*.

While designing subsidy schemes, especially during emergencies, the Ministry of Agriculture and Rural Development should *apply gender-responsive criteria and equally target women and men in rural areas*. It should pay special attention to *single-parent farming and non-farming families, and isolated women farmers⁴² and girls without education*, as they did not benefit from any previous response and recovery measures.

Although handicrafts are considered a very important part of culture and the preservation of tradition, *rural women and girls engaged in making them* have not been included in any financial measures in response to the pandemic. Interinstitutional cooperation between the Ministry of Agriculture and Rural Development, Ministry of Tourism and Environment, and Ministry of Culture could reallocate funds and implement specific subsidy schemes.

The new financial support scheme targeting small and medium enterprises designed by the Ministry of Finance and Economy should prioritize enterprises owned by women as beneficiaries. While women own or manage only 26.2 per cent of small enterprises (one to four employees),⁴³ they have been more affected by the pandemic, which has widened pre-existing gender gaps.

The Ministry of Finance and Economy should also consider ways to *target all workers affected by the pandemic, without excluding those who are not legally registered and are engaged in undeclared work as cleaners, babysitters, construction workers, etc.* Subsidizing the social insurance contribution for the first year or similar tax relief measures could incentivize employers to legally register undeclared workers.

⁴² Women isolated with their families because of blood feuds, especially in North Albania. These women are usually the only breadwinners of the family as they are the only ones who can leave the house.

⁴³ This rate is lower than in other categories. The number of businesses with women owners or administrators is greater in the services sector than in the production sector, at 33.2 per cent and 11.8 per cent, respectively.

3.2 BOSNIA AND HERZEGOVINA



3.2 BOSNIA AND HERZEGOVINA

GOVERNMENT RESPONSE TO THE CRISIS

The Federation of Bosnia and Herzegovina, Republika Srpska and Brcko District introduced a number of economic and fiscal measures, including adopting laws and regulations to mitigate the consequences of the pandemic, extending deadlines for filing tax returns, adjusting trade margins for certain categories of goods, taking labour market measures, enacting financial sector steps such as bank loan freezes and rebalancing budgets.

This section analyses policy responses and subsequent budgetary allocations in the Federation of Bosnia and Herzegovina and Republika Srpska as the primary managers of the economic and health crisis. The Council of Ministers and institutions of Bosnia and Herzegovina coordinate activities with regard to international donations and loans, and foreign policy, and oversee negligible crisis-related budgetary measures and spending. Measures by cantonal governments in the Federation of Bosnia and Herzegovina generally follow and supplement those introduced by the Federation. Brcko District mimicked measures introduced by the two larger entities.

In addition to prompting public health measures, governments in Bosnia and Herzegovina adopted the first supplementary budgets in April and May 2020 to address the pandemic. Mitigation measures were introduced in respective laws⁴⁴ and reflected in supplementary budgets.

The Federation of Bosnia and Herzegovina adopted a supplementary 2020 budget in April increasing expenditures by 11.2 per cent.⁴⁵ The Government planned a stabilization fund worth 255 million euros⁴⁶. Support to businesses centred on subsidies for social contributions on minimum wages for companies that faced more than a 20 per cent decrease in turnover compared to the same period in 2019.

A guarantee fund of 10 million euros was envisioned to ease company liquidity. Funding for both measures was allocated to the Ministry of Finance (Figure 5).

Similar trends were evident in the supplementary budget adopted by the Republika Srpska in May 2020,⁴⁷ which was 5.5 per cent larger than the original 2020 budget. It included a stabilization fund to finance minimum wages and social contributions for affected businesses. The largest cut was in the Ministry of Energy and Mining (38 per cent), where a 1 million euro grant to support business activities and improvement of businesses was abolished. Subsidies for agriculture and rural areas remained unchanged, in the amount of 38.3 million euros.

POTENTIAL GENDER IMPACTS OF BUDGET REBALANCING

In the Federation of Bosnia and Herzegovina, significant cuts were made in sectors where effects on gender equality are monitored. The Ministry of Development, Entrepreneurship and Crafts saw funding cut by 79 per cent, and the Ministry of Labour and Social Policy by 10 per cent.

Cuts for the first ministry included grants of 2.7 million euros, which supported several projects giving women and youth preferential treatment⁴⁸ when applying for subsidies for their businesses. For the latter ministry, cuts comprised cash subsidies for families with children from 10 million to 250,000 euros, and adoption of a related law was postponed. Funding in agriculture, where gender effects are also observed, was maintained at the same level as originally planned, with a 25 per cent increase from the previous year.

⁴⁴Decree Law on Tax Measures for Mitigation of Economic Consequences of COVID-19 (Uredba sa zakonskom snagom o poreskim mjerama za ublažavanje ekonomskih posljedica nastalih usljed bolesti COVID-19 izazvane virusom SARS-CoV-2 "Službeni glasnik Republike Srpske, br. 35/20, 46/2020). Law on Mitigation of Negative Economic Consequences (FBiH Zakon o ublažavanju negativnih ekonomskih posljedica [Službene novine FB&H, br. 28/20]).

⁴⁵A second set of measures was introduced in October 2020 by a decree on intervening measures for support of sectors in the economy in the Federation most affected by the pandemic. An amount of 45 million euros was allocated for tourism and hospitality, transport and communications, agriculture and the food industry, and export-oriented companies (Službene novine FB&H, br. 74/20).

⁴⁶The exchange rate used in this report is 1 euro = 1.95583 convertible marks.

⁴⁷A second rebalance of the 2020 budget was adopted on 2 December 2020. It had not been made publicly available at the time this report was published.

⁴⁸An additional 5 out of 100 points are given to female and young applicants (double points added if both).

In the Republika Srpska, funding of the Ministry of Economy and Entrepreneurship was cut by 20 per cent. This included a 1.4 million euro cut in assistance for increasing business efficiency and introducing new technologies, despite increasing demands for businesses to adapt through digitalization and other technologies. This might be more of a challenge for women-owned businesses, who already tend to have less access to technology. Funding for agriculture remained at a high of 38.4 million euros.

Both governments redirected funds originally planned for entrepreneurship and support to new businesses to stabilization funds aimed at general support to the economy to ensure business continuity and keep employment from further deterioration. The rationale was that many women and men would postpone or even give up starting a new business due to the crisis,⁴⁹ but in reality, more people might consider doing so after being laid off, or to capitalize on newly created business opportunities, such as in delivery services, online businesses, online classes and trainings, etc. The fact that some existing programmes were originally tailored to increase women's participation in the labour market indicates a potentially widening gender gap as a result of budget rebalancing.

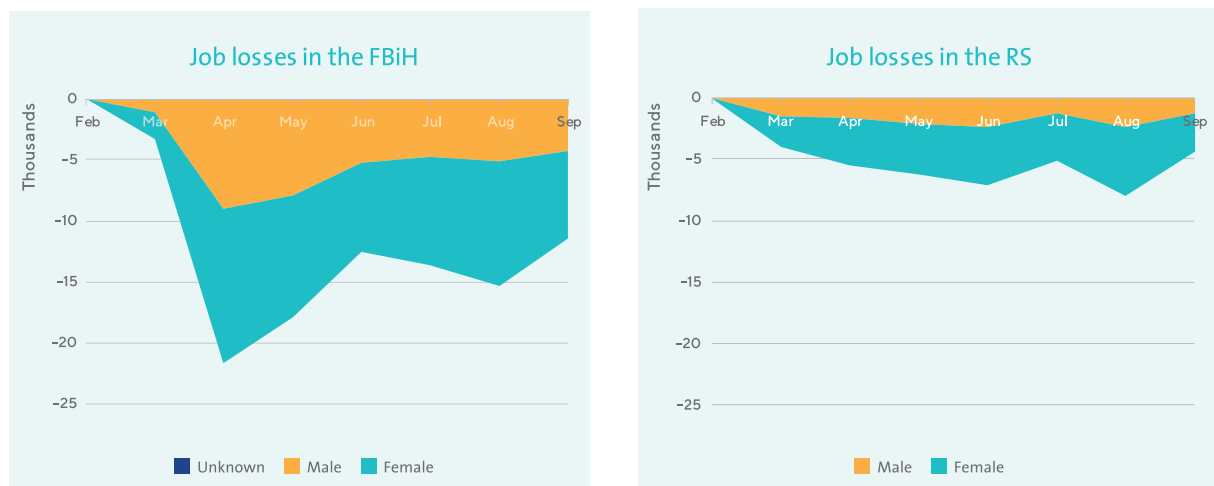
SECTORAL ANALYSES

Job losses

Besides widespread health implications, major consequences of the pandemic revolve around job losses. The governments in Bosnia and Herzegovina based their policy response almost exclusively on tackling this problem. Budget cuts and allocations were geared towards establishing a fund to finance job retention schemes.

Changes in formal employment since the beginning of the crisis are shown in Figure 5, which indicates drops and later improvements in June 2020 in the Federation of Bosnia and Herzegovina and July 2020 in the Republika Srpska, after fiscal measures began and movement restrictions were eased.⁵⁰

Figure 5.
Monthly changes in employment in Bosnia and Herzegovina since the beginning of the pandemic



Source: Tax administrations, authors' calculations. Figures relative to February 2020 (0), month by month.

⁴⁹Based on consultations with representatives of ministries of finance.

⁵⁰The data reflect only changes to formal, registered employment with the tax administrations. Data for temporary contract and informal workers are not shown.

In the Federation of Bosnia and Herzegovina, the largest decline in formal employment happened during April 2020, a full month of lockdown, before a significant bounce back in June. In the Republika Srpska, the fall in employment was more gradual and culminated in June and August. Around 60 per cent of jobs in the Federation of Bosnia and Herzegovina and 70 per cent of jobs in the Republika Srpska that were lost during the pandemic belonged to women.

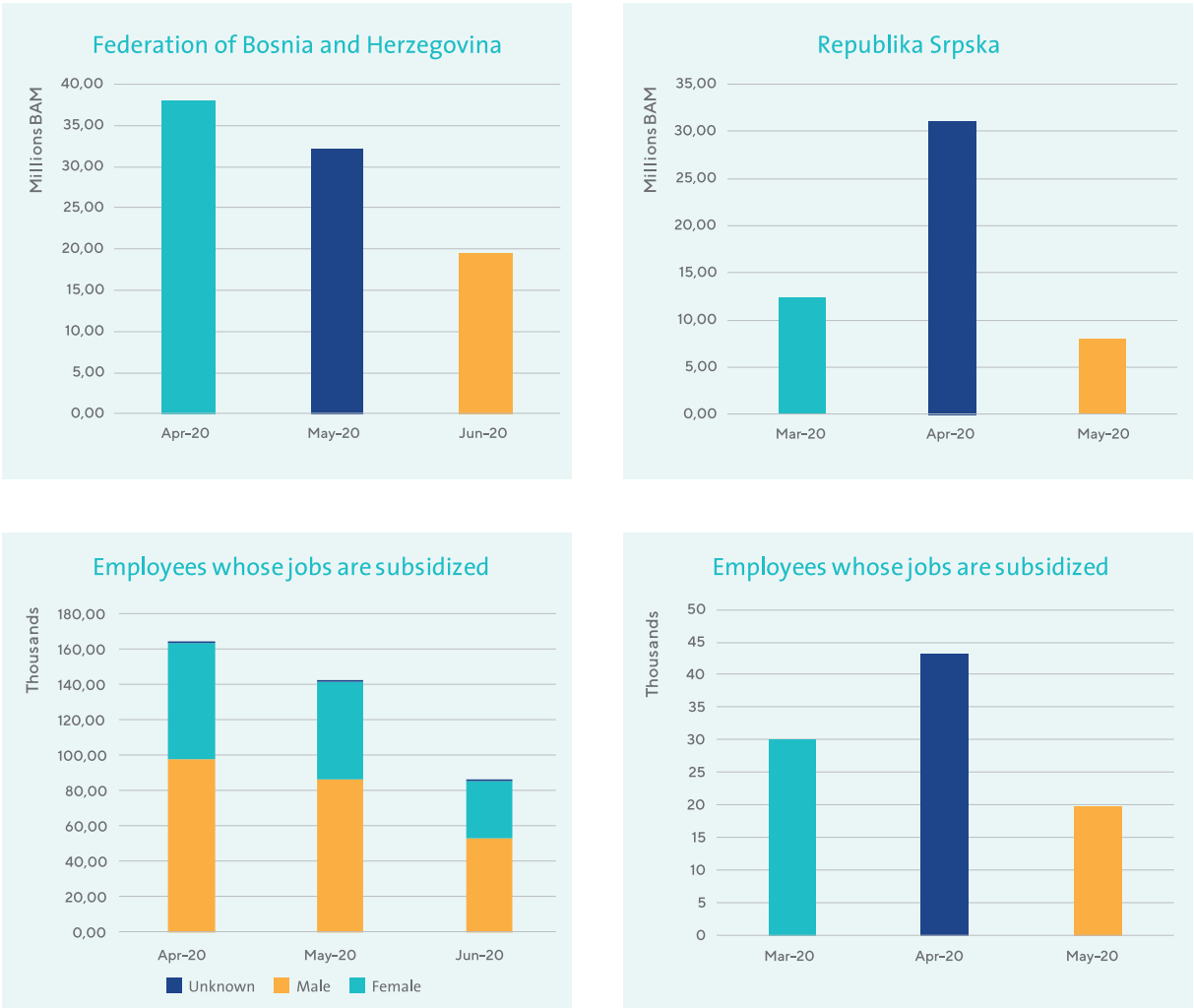
This might simply be due to the easing of restrictions on businesses and individuals, and the “reopening” of the economy, but wage subsidies were also disbursed during this period. Support was given for three months in both entities, with a falling trend as companies stopped meeting eligibility criteria once the economy reopened (Figure 6). Support for companies in the Federation of Bosnia and Herzegovina involved covering social security contributions for remaining employees; 60 per cent of all funds went to retain men’s jobs.

Initial results of the government response to the COVID-19 crisis – job retention schemes:

As Figure 5 shows, the fall in employment was contained in the months following the lockdown.

A gender-neutral approach to designing job retention schemes and other mitigation measures reinforced pre-crisis inequalities and indirectly favoured jobs held by men.

Figure 6. Job retention schemes as the main policy response to the COVID-19 crisis in Bosnia and Herzegovina



Source: Tax administrations, authors’ calculations.
 Note: Sex-disaggregated data on subsidies were not provided by the Republika Srpska Tax Administration.

Social protection

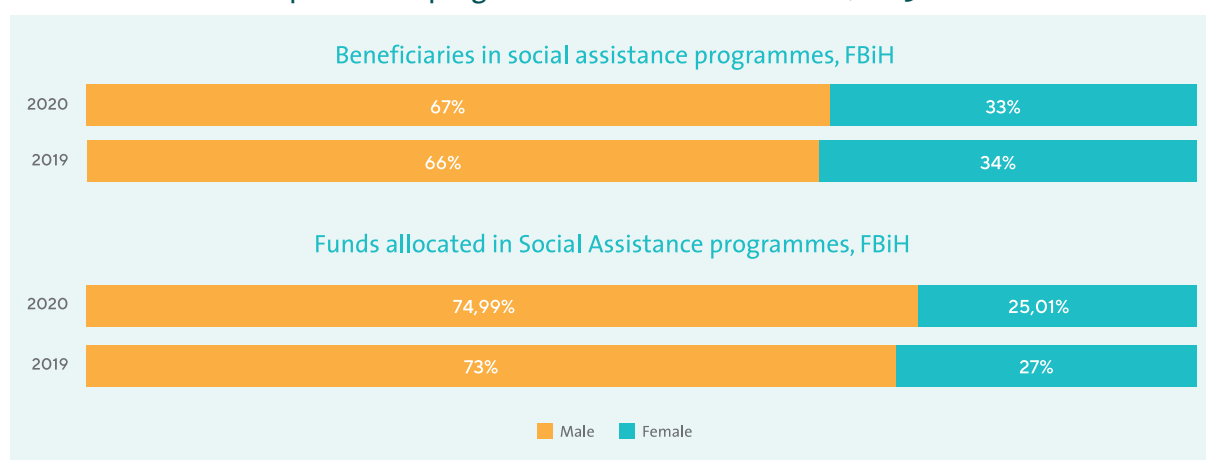
In the Federation of Bosnia and Herzegovina, some organizations are required to implement gender-responsive budgeting for spending and reporting.⁵² The largest budget expenditures are on labour and social policy, with the latter affected by cuts of almost 10 million euros in terms of funding the planned law on the protection of families with children. The crisis has pressured the social policy sector as containment measures and their consequences have likely led more people into poverty amid job losses and the fall-off in supplementary sources of income such as remittances. Pre-existing social protection programmes might not be fit for current needs, while the major policy response has emphasized registered businesses and employment. Informal workers have been left aside,⁵³ even as informal employment accounts for 30.9 per cent of total employment for men and 29.8 per cent of all employment for women.

Social services in the Federation of Bosnia and Herzegovina are regulated and implemented by the Federation and 10 cantons, which have similar

services but different eligibility criteria and levels of funding. A number of social benefits to individuals are delivered as a combination of cash allowances and social services (e.g., permanent or one-off allowances, care and assistance at home, or placement in a social welfare institution, family, etc.). Programmes for social assistance and the protection of families with children, which are the focus of this gender analysis, are implemented both by the Federation and cantons.⁵⁴

More than half of all spending goes to child support and maternity benefits for employed women. It is not surprising, therefore, that women are the primary beneficiaries of social protection programmes. They made up 67 per cent of all beneficiaries and received almost 75 per cent of funds in 2020, with a slight increase from 2019 (Figure 7). This ratio goes beyond programmes related to motherhood and childcare. For example, general cash support programmes and cash support for assistance and care by another person have more female beneficiaries. These data support the argument that more women are poor and vulnerable in Bosnia and Herzegovina.

Figure 7.
Beneficiaries of social protection programmes and funds allocated, 2019-2020



Data source: SOTAC database, provided by the Ministry of Labour and Social Policy of the Federation of Bosnia and Herzegovina on 9 November 2020

⁵¹ Article 37, Federation of Bosnia and Herzegovina Law on Budget Execution.

⁵² The World Bank. See: <https://www.worldbank.org/en/topic/socialprotection/brief/social-protection-and-covid-19>.

⁵³ Analysis is based on data from the joint SOTAC database. Although it lacks all necessary data, it still provides a good overview of programmes and beneficiaries. Data provided by the Federation of Bosnia and Herzegovina Ministry of Labour and Social Policy on 9 November 2020.

In 2020, spending increased for some programmes, like temporary cash support and health insurance, which can be directly linked to the COVID-19 crisis.

A new cash benefit in 2020 for the third and every subsequently born child was noted in the database but with little fiscal significance to date. The much debated new law on the protection of families with children was meant to equalize rights and benefits for mothers and children across the Federation of Bosnia and Herzegovina, but poses additional budget pressures and has yet to be adopted.

SUMMARY FINDINGS AND RECOMMENDATIONS

Fiscal measures, specifically job retention schemes targeting all sectors of the economy and all companies according to the same criteria, resulted in a policy response mirroring the situation in the labour market pre-crisis. Subsidies in the Federation of Bosnia and Herzegovina ended up sustaining men's jobs (60 per cent) much more than women's (40 per cent), while more women (60 per cent) lost jobs than men (40 per cent).

In the Federation of Bosnia and Herzegovina, women are the majority (two thirds) of all beneficiaries of social protection programmes, more half of which involve child and maternity benefits for employed women. The larger share of female beneficiaries in general cash allowance programmes as well as cash support for assistance and care by another person indicates that more women are poor and vulnerable.

Several recommendations are as follows.

- Targeted support to companies/sectors most affected by the crisis should benefit women more, as women are the majority of employees in those sectors (such as services in tourism, hospitality, education and health).
- Support targeted to poor and vulnerable groups should benefit women and their communities – there is rising evidence of benefits to households, communities and society overall when women are in charge of finances.
- The pursuit of equal opportunities for women and men should not be abandoned in a crisis, especially in the labour market. There should be continued efforts to eliminate discrimination related to parenthood, encourage the sharing of parental leave, provide child benefits to ease the position of women in the labour market, and improve women's skills.

3.3 KOSOVO



3.3 KOSOVO

GOVERNMENT RESPONSE TO THE CRISIS

The Kosovo Government has designed mitigation and recovery measures through three instruments: the Emergency Fiscal Package approved on 30 March 2020; savings from the revision of the 2020 budget that were allocated to the Economic Recovery Programme; and measures within the Law on Economic Recovery.

The Emergency Fiscal Package contained 15 measures for immediate financial intervention, with an initial budget of 170.6 million euros (2.1 per cent of GDP). On 18 May, the Government allocated an additional 10.9 million euros (0.14 per cent of GDP). The package provided income support to households (additional support for social assistance recipients, pension recipients, and citizens with severe social conditions, declared as unemployed by the competent institution, and who are not beneficiaries of any monthly income from the Kosovo budget); employment retention measures for companies (wage subsidies and support for newly registered employees); support to municipalities and public enterprises; bonus payments for front-line workers; support to agriculture and exporters; support for the financial liquidity of microenterprises and the self-employed; and support for projects to assist non-majority communities.

With this revision, 365 million euros was allocated to support implementation of the Economic Recovery Programme.⁵⁴ Until now, 87 million euros has been allocated from the programme; on 15 December, an additional 60 million euros was provided to the newly launched fund for credit guarantees.⁵⁵ Of the 87 million euros, the Government has allocated 60 million euros for wage subsidies, 12 million euros for agriculture subsidies, 7.5 million euros for social assistance, 1 million euros for entrepreneurship, 1 million euros to support to publicly owned enterprises, 2.5 million euros for culture, sports and entrepreneurship, 1 million euros for regional development grants and subsidies, 1 million euros for non-majority community projects and 1 million euros to support women's economic empowerment.

A specific budget to advance women's economic empowerment is a good practice, introduced for the first time by the Government. Funds have been used to support kindergartens, which mainly employ women and are important institutions for working mothers and those in education, training and/or seeking a job. They also reduce unpaid care work.

The Law for Economic Recovery approved by the Assembly on 4 December 2020 includes measures to stimulate aggregate demand. It allows the withdrawal of 10 per cent of pension savings from the Kosovo Pension Saving Trust, and permits the Government to withdraw 100 million from the Kosovo Privatization Agency. Due to revisions, the 2020 budget increased by 11 per cent, with no changes in wages and salaries, but with an 11.8 per cent increase in the budget for goods and services, a 7.3 per cent increase in subsidies and transfers, and an 8.6 per cent increase in capital expenditures.

POTENTIAL GENDER IMPACTS OF BUDGET REBALANCING

Although the Kosovo Law on Gender Equality requires gender-responsive budgeting, it is enacted in a fragmented manner,⁵⁶ and not yet integrated in budgetary preparation, implementation and monitoring. Based on interviews with representatives of the Ministry of Finance, mitigation and remedy measures as well as budget cuts and reallocations did not fully account for gender, aside from some good practices by the Agency for Gender Equality and the Kosovo Investment and Enterprise Support Agency.

Budget revisions have been implemented by all ministries and budgetary organizations. While the Ministry of Finance required that all consider reducing their budget, no standardized methodology guided the cuts. The budget for the Economic Recovery Programme drew from budget reallocations, the budget of the Kosovo Privatization Agency and borrowing. The largest

⁵⁴ It also includes compensation for Diaspora Green Card insurance compensation.

⁵⁵ This was launched on 14 December 2020. It is not yet clear which businesses will be eligible.

⁵⁶ For example: the Kosovo Government allocated about 1.1 million euros for pensions for survivors of sexual violence during the war. It has continuously supported shelters for survivors of violence against women (support has doubled since 2015).

budget cuts by percentage were made in the Ministry of Infrastructure (36 per cent), Ministry of Return and Communities (32 per cent), Ministry of Regional Development (21 per cent), and Ministry of Education, Science and Technology (17 per cent). In absolute terms, the largest cuts were made in the Ministry of Infrastructure (72 million euros) and the Ministry of Education, Science and Technology (12.5 million euros). For the latter, budget cuts are likely to differently impact women and men and can be observed ex-ante, while for capital investments, where implementation is long term, ex-ante analysis is less reliable.

In the Ministry of Education, Science and Technology, the reductions have been made in recurrent (goods and services) and capital expenditures. For recurrent expenditures, the budget has been reduced for all subprogrammes. Among other expenditures, the budgets for children with special needs and teacher training were reduced. Since 57 per cent of teachers are women,⁵⁷ the lack of a training budget will affect women more. A reduced budget for children with special needs⁵⁸ is likely to have a greater impact on mothers, who are usually the primary caregivers.

The capital expenditure budget for the ministry has also been cut, including 664,000 euros for constructing sports facilities in about 20 schools. The only evidence of engagement in sports activities is from the Labour Force and Time Use Survey commissioned by the Millennium Challenge Corporation of 2017.⁵⁹ This study found that, on average, men spend 0.6 hours on sports compared to 0.2 hours per day for women. The limited engagement of women and girls in sports was also reported in the draft analysis of the Agency for Gender Equality on gender and sports (not yet published). Given that private sports are expensive in Kosovo, and that parents are more prone to encourage boys to participate in them, sports infrastructure in schools is of greater importance for girls, who will also lose more from the budget reduction. Without data on girls in school sports prior to the budget revision, however, quantitative analysis is not possible.

Significant budget reductions are evident for public universities, where a large share of newly enrolled students (60 per cent) in 2019-2020 were women. The budget reduction will not impact the continuation of studies, but will influence conditions for studying and perhaps the quality of education.

⁵⁷ See: <http://masht-smia.net/Publikimet/39ALB.pdf>.

⁵⁸ The Ministry of Education, Science and Technology did not respond with information on components cut due to revisions.

⁵⁹ H. Siddiqui, A. Gashi, J. Higgins, B. Dasgupta and M. Pucilowski. 2018. Kosovo Labour Force and Time Use Survey. Study conducted at the request of Millennium Challenge Corporation.

⁶⁰ Kosovo Agency of Statistics (ASK). 2015. Agriculture Census 2014 – Final Results (Regjistrimi i Bujqësisë 2014 - Rezultatet përfundimtare). <http://ask.rks-gov.net/media/1374/rezultatet-perfundimtare.pdf>.

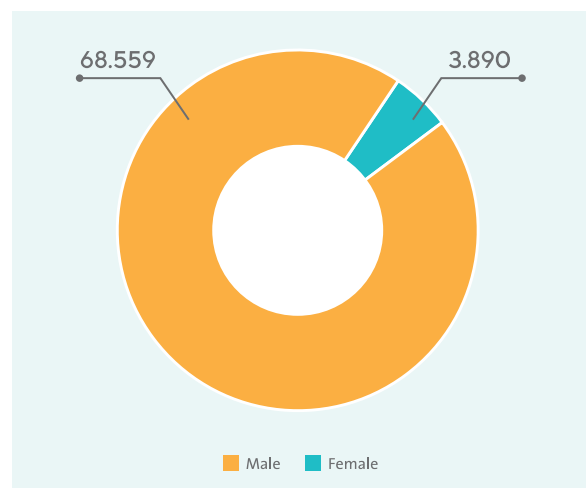
SECTORAL ANALYSES

This section presents a gender assessment of Economic Recovery Programme measures implemented by the Ministry of Economy and Environment, and the Ministry of Agriculture, Forestry and Rural Development. It also highlights good practices.

Subsidies for agriculture

Within the 87 million euros allocated for the Economic Recovery Programme, the Government provided 12 million euros for agriculture, doubling subsidies to formalized farmers. In 2019, agriculture and forestry in Kosovo constituted 8.1 per cent of GDP. According to the Agriculture Census of 2013-2014, women made up 58.2 per cent of the agricultural workforce of 362,700.⁶⁰ Although women are the backbone of agriculture, they remain in largely informal positions. In 2019, out of 72,449 farmers with a Farm Identification Number, only 5 per cent were women (Figure 8).

Figure 8.
Number of active Farm Identification Number holders, by gender



Source: Ministry of Agriculture, Forestry and Rural Development, December 2020.

The lack of a Farm Identification Number deters women farmers from accessing agricultural subsidies. In 2019, out of 43,522 subsidy beneficiaries, only 4 per cent were women (Table 5). Women are underrepresented as owners of agriculture enterprises, comprising only 19.8 per cent in 2017.⁶²

Table 5.
Subsidy beneficiaries, by gender in 2019

	Women	Men	Total in euros	Share of women in total budget, percentage
Number of beneficiaries	1,573	41,949	43,522	4
Total subsidies	1,192,939	26,961,450	28,154,389	4

Source: Ministry of Agriculture, Forestry and Rural Development, December 2020.

To redress gender imbalances, the Ministry of Agriculture, Forestry and Rural Development uses an affirmative measure for grants, and provides women applicants with two additional points. But such provisions do not exist for subsidies. The Government's decision to double subsidies for farmers is an important support, yet applying criteria without a gender perspective has meant the main direct beneficiaries will be men. Out of 12 million euros allocated for doubling subsidies, based on 2019 data and the gender composition of the Farm Identification Number holders, only half a million will be received by women farmers, sustaining gender imbalances in public fund allocations. To date, there has been no analysis assessing barriers to women farmers in formalizing their enterprises and accessing

subsidies. To recognize and reward women's role in agriculture requires in-depth analysis of these aspects.

Economic recovery

To support businesses impacted by the pandemic, within the Economic Recovery Programme, 60 million euros were allocated to support businesses with wage subsidies paid directly to them. There were 37,769 companies with 206,582 registered employees that could benefit (Table 6). For each employee, a business received 290 euros; financial support depended on the number of employees. This implies that large enterprises benefited more.

Table 6.
Allocation of the budget for businesses, estimates of the Ministry of Finance

Number of employees	Number of businesses	Total budget by size (in millions of euros)	Share of businesses owned by women*
1-10 employees	33,600	27.3	11.6%
11-50 employees	2,701	16.0	4.7%
51 and more employees	378	16.7	2.9%
Total	36,679	60	

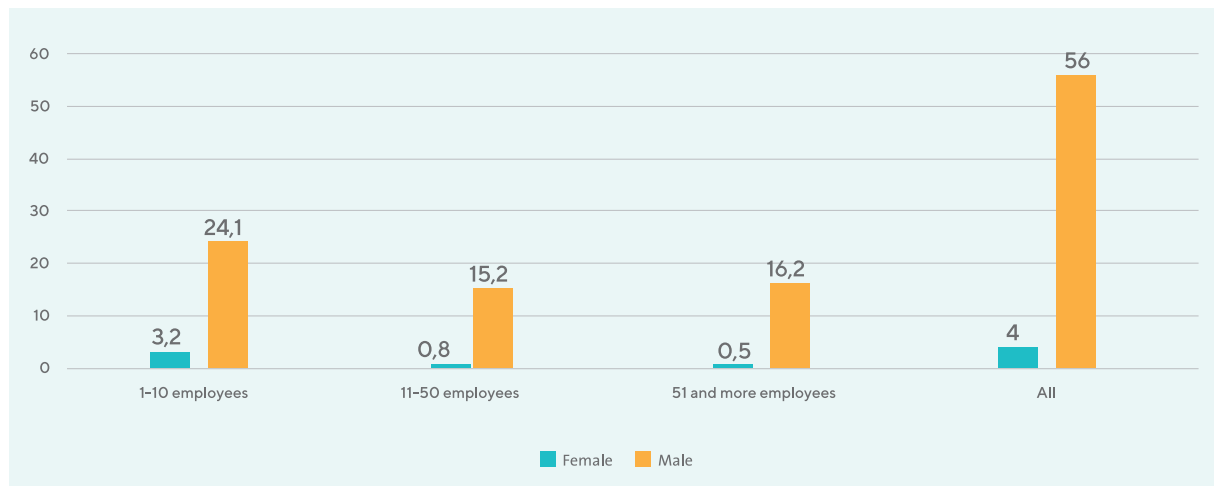
Source: Ministry of Finance; Kosovo Agency of Statistics, *Women and Men in Kosovo 2016-2017*.

Assuming that women-owned businesses within each business category by size have the same number of employees as those of men, women-owned businesses will receive only 4 million out of 60 million euros (Figure 9). This is due to the small

number of women-owned enterprises, many of which are microbusinesses. The universal consideration of all firms, without taking into account their specific challenges and needs, enforces gender imbalances.⁶¹

⁶¹ Kosovo Agency of Statistics. 2018. *Women and Men in Kosovo 2016-2017*.

Figure 9.
Estimated budget for businesses, by gender (in millions of euros)



Source: Authors' calculations.

GOOD PRACTICES IN DIRECTLY SUPPORTING WOMEN

Several measures directly support women. Within the Economic Recovery Programme, for the first time, the Government planned a budget of 2 million euros for the Agency for Gender Equality. Out of this sum, by November 2020, 1 million euros had been allocated to the agency. This will be used to support kindergartens. The remainder will support small women-owned businesses, cooperatives and non-governmental organizations (NGOs) that offer community-based services. A sum of 1 million euros will assist kindergartens as important for women's employment and working mothers. Funds will go towards rent for coming months, wages for employees, heating costs, teaching materials, library supplies, toys, sanitary and hygienic material, improved or extended service infrastructure (kitchens, bathrooms, painting of walls, etc.), food packages, technology improvement (setting up a camera system) and subsidies for children from vulnerable families (such as single parents, social assistance households, etc.). By the end of November, 115 kindergarten beneficiaries had signed a contract with the Agency for Gender Equality to receive support.

A second good practice entails the 470,000 euros allocated to the Ministry of Trade and Industry for supporting women-owned businesses through a measure implemented by the Kosovo Investment and Enterprise Support Agency. In early December, 32 subsidies were disbursed to women-owned businesses.⁶²

A third good practice relates to the credit guarantee fund, where a specific window of support is dedicated to women-owned businesses. A credit guarantee of up to 80 per cent of collateral will offer important assistance, since women-owned businesses often face difficulties in accessing finance. The Government has just provided 20 million euros for the fund.

SUMMARY FINDINGS AND RECOMMENDATIONS

Kosovo responded quickly in developing an Emergency Fiscal Package. It approved the Economic Recovery Programme and passed the Law for Economic Recovery. To make space for financing the Economic Recovery Programme, the Government revised the 2020 budget, which led to budget cuts in nearly all ministries and budgetary organizations. There was no gender-responsive methodology to inform these changes, however.

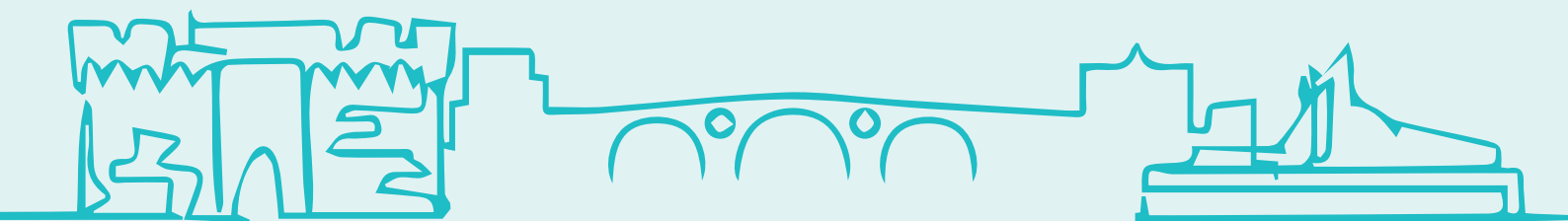
Analysis for selected sectors shows that measures will largely benefit men. Out of 12 million euros in additional funds for agricultural subsidies, women may gain only 500,000 euros, even as they account for more than half of the agricultural labour force. Further, women-owned businesses may receive only 4 million out of 60 million euros for wage subsidies for businesses. These gaps are due to the low shares of formalized women farmers and women-owned businesses, among other issues, and the lack of response measures designed to redress gender imbalances.

⁶² Republic of Kosovo Ministry of Trade and Industry. 2020. "MTI finalizes the allocation of subsidies for women entrepreneurs." Pristina. <https://kiesa.rks-gov.net/page.aspx?id=2,5,479>.

Key recommendations stemming from this analysis are:

- Kosovo institutions should develop capacities to comply with the legal provision for gender-responsive budgeting. If a system for gender-responsive budgeting is put in place, the needs of women and men will be taken into account even during extraordinary situations like the COVID-19 crisis. A methodology and guidance on key aspects to consider for budget cuts and reallocations is needed for all budgetary institutions.
- Conducting gender analysis would better capture the diverging needs of women from different socioeconomic backgrounds, so that no women are excluded from government measures.
- Support to businesses should not be universal. Instead, given that women-owned businesses often face different challenges, such as a lack of collateral, measures should aim to redress their barriers to business development. The Government has designed a specific measure for women-owned businesses, a practice that should be promoted and used in future interventions. In addition, affirmative measures moving forward should prioritize women-owned businesses.
- Despite being an important share of the agricultural workforce, women mostly operate informally and do not benefit from government subsidies. So far, no initiatives have been taken to formalize women in the agriculture sector, underlining that it is time to identify best practices and introduce incentives to do so.
- Good practices similar to the one implemented by the Agency for Gender Equality should be promoted. Such specifically tailored interventions should be based on in-depth analysis and ex-ante impact assessments, ensuring that measures address challenges across sectors but also correct gender imbalances.
- A lack of gender-disaggregated data remains a pressing challenge to mainstreaming gender in policy implementation and conducting gender impact assessments. Gender-sensitive indicators and data should be developed, based on the identification of current availability and responsible institutions. Institutions that already have gender-disaggregated data should use them for evidence-based policy analyses and reporting. Other institutions should identify missing data and collect them per identified indicators and development results. The Ministry of Agriculture, Forestry and Rural Development, for example, does not adequately report data on the gender composition of grants and subsidies. Higher levels of coordination may also be in order. The Kosovo Agency Report on Social Welfare does not report the gender composition of social assistance recipients, even though the Ministry of Labour and Social Welfare has this data.
- Gender impact assessments of each measure would inform the Government in steering future interventions and understanding what works or does not.

3.4 NORTH MACEDONIA



3.4 NORTH MACEDONIA

GOVERNMENT RESPONSE TO THE CRISIS

As elsewhere, the macroeconomic environment in North Macedonia worsened with the pandemic. GDP growth in the first three quarters of the year was -5.4 per cent. GDP projections by the end of 2020 are in a range of -4.4 per cent (Ministry of Finance) to -4.9 per cent (National Bank of North Macedonia). A relatively fast recovery is expected in 2021 of around 4 per cent.

Large job losses were projected initially. The ILO “nowcasting” model, which tracks declines in working hours resulting from both layoffs and other temporary reductions in working time, predicted large job losses across the Western Balkans, translating into approximately 85,000 full-time jobs lost in North Macedonia in 2020.⁶³ The labour market showed some resilience, however, and the number of lost jobs is much smaller than initial expectations. Based on Labour Force Survey data, 13,800 jobs were lost on a yearly basis in the third quarter of 2020, about 1.7 per cent of total employment in the third quarter of 2019. One possible explanation for the better-than-expected labour market performance could be government measures, most specifically the wage subsidy programme, but there is no strong evidence to support this statement.

Women gained 3,300 jobs in 2020 compared to the year before, and saw an increased employment rate. On the other hand, the number of jobs held by men decreased by 17,000. Women’s unemployment rate in the third quarter of 2020 declined to 16 per cent from 19.6 per cent in the third quarter of 2019, whereas for men it increased to 17.2 per cent from 15.6 per cent. Part of the decrease in the unemployment rate of women resulted from women’s reduced activity, which led to an increasing gender activity gap⁶⁴ (from 21.2 percentage points to 21.5 percentage points).

Between January 2020 and October 2020, 18,432 jobs were lost on a net basis,⁶⁵ or 18 per cent of the total number of unemployed people in January

2020, before the recession. This compares to approximately 2,066 jobs lost on a net basis in the same period in 2019. Job losses were relatively large in April. The dynamics of job losses reflected the anti-crisis measures and especially wage support, which prevented some losses. Of total terminated work contracts from January to October, 44,399 or 51 per cent involved jobs lost by women.

The Labour Force Survey shows a different perspective, finding women were more likely to lose their jobs from January to October 2020. Women lost 9,231 jobs in net terms (18 per cent of women’s unemployment in January 2020) and men 9,201 (17 per cent of men’s overall unemployment).

The main income support policies in North Macedonia are social assistance, particularly the Guaranteed Minimum Income scheme, and unemployment benefits. Laeken indicators on poverty and social exclusion, however, show that social assistance is quite ineffective in reducing poverty, while pensions play a very important role in reducing poverty. The coverage of unemployment benefits is low, reaching only 4,989 individuals. Only 4.6 per cent of unemployed people in October 2020 received unemployment benefits, implying that these do not provide the needed safety net against lost jobs and incomes.

In responding to the pandemic, the Government adopted and implemented four packages with 57 measures,⁶⁶ with 1 billion euros⁶⁷ in financing (9.2 per cent of 2020 GDP). The measures from the first two packages have been fully implemented. Some measures of the third and fourth packages are expected to be implemented at the end of 2020 and beginning of 2021. The timing of implementation is mainly related to necessary legislative changes required for some measures (for instance, changing the Law on Value Added Tax, etc.). Overall, support for businesses, workers and the most vulnerable citizens has been quite comprehensive.

⁶³ ILO. 2020. *COVID-19 and the World of Work: Rapid assessment of the employment impacts and policy responses. North Macedonia*. Geneva: International Labour Organization. <http://bit.ly/3srFlao>.

⁶⁴ The difference between the activity rates of men and women.

⁶⁵ Calculated as outflow from the unemployment register to a job minus the inflow to the register from employment.

⁶⁶ Until the preparation of this report in mid-December 2020.

⁶⁷ The exchange rate used in this report is 1 euro = 61.5 Macedonian denars.

Government response measures prompted two revisions of the budget in 2020, but were also incorporated in the 2021 budget. The measures affected tax collection and implied increased budget expenditures, both leading to a higher budget deficit (-8.5 per cent of GDP) compared to what was initially planned (-2.3 per cent of GDP). The second budget revision was adopted by Parliament on 4 November 2020, soon after the new Government was established and incorporated measures in it for the fourth package (some measures will have financial consequences for the 2021 budget). Total revenues in the second revised budget were lower by 11.7 per cent compared to the initial 2020 budget, mainly as a result of the 16 per cent decline in tax revenue. Total expenditures were higher by 5.5 per cent, with current expenditures revised upwards and capital expenses cut.

The increase in current spending stemmed chiefly from doubling the amount of subsidies and transfers, largely reflecting the fiscal cost of measures by the Government. On the other hand, spending on wages, goods and services was reduced. Social benefit spending increased substantially to cushion the impact of the crisis on households, with social transfers accounting for 46.9 per cent of overall revised budget expenditures. This category was high even before the pandemic; it increased by 2.2 per cent. Capital expenditures were further cut, mainly in civil engineering (e.g., construction of roads), and procurement of machinery and equipment.

The largest increase in expenditure by institution was for the Government, by 4.5 times compared to the initial 2020 budget. This increase is related to the new budget programme and measures to confront the crisis and support the economy through wage subsidies to employers and payment cards (one-off support) for low-income workers, the unemployed, youth, etc. The Ministry of Labour and Social Policy is implementing the second largest set of anti-crisis measures, mainly social transfers, followed by the Agency for Financial Support in Agriculture and Rural Development, the Ministry of Economy, the Ministry of Health including the Health Insurance Fund, etc.

POTENTIAL GENDER IMPACTS OF BUDGET REBALANCING

Two general sets of response measures were most widely used by companies: the wage subsidy programme to prevent job losses and the so-called COVID-19 credit lines with low or no interest. Wage

subsidies have some of the largest fiscal costs and impacts on the labour market. The wage subsidy for the private sector was around 236 euros, at the minimum wage level. The subsidy was initially for April and May, and was then extended through June. It was intended for companies and self-employed people who suffered at least a 30 per cent decline in their revenues.

Women constituted 40.2 per cent of total employment before the pandemic in 2019, and in 5 out of 21 sectors their share of total employment was higher than that of men (over 50 per cent).⁶⁸ These sectors are health, education, real estate, financial and insurance activities, and scientific and professional services. The share of women in total employment in sectors abruptly and largely hit by the COVID-19 pandemic (transport and communications, accommodation and food, and trade) is lower than that of men. In particular, women constitute 13.5 per cent of employment in transport, 34.2 per cent in accommodation and food, and 44.7 per cent in trade. These data imply that more men than women should be eligible for wage subsidies. Women are overrepresented in some sectors of the economy hit very negatively, however, such as the textile industry, although men dominate in manufacturing as a whole. The initial expectation was that wage subsidies would provide adequate support for preserving the most affected jobs and sectors, which include those dominated by women and men.

Implementation of wage subsidies continued in the fourth quarter, with a break between July and September. They ranged between 236 and 354 euros, depending on the revenue decline of a given company.

Three specific measures were introduced to protect the incomes of the most vulnerable: the expansion of social protection tools (the Guaranteed Minimum Income programme) for persons and households that do not qualify for job retention measures and unemployment benefits; the fast-track processing of unemployment benefits for those who lost jobs during the pandemic; and one-off support for low-paid workers, the unemployed and students ranging from 49 to 146 euros (which was further extended with the fourth package of measures to other categories of vulnerable workers and citizens).

The Government relaxed eligibility rules for the main social assistance programme, the Guaranteed Minimum Income, to ensure that those who lose

⁶⁸Data from the Eurostat database, employment by economic sector, by gender.
See: https://ec.europa.eu/eurostat/databrowser/view/lfsa_eganz2/default/table?lang=en.

income both from formal and informal jobs may immediately enter the scheme. The programme targets households with no income or low income, meaning that a household could enter it irrespective of whether the income loss is related to the employment of women or men within a household. It acts as a second-best safety net in case of job loss, after unemployment benefits. The Guaranteed Minimum Income is the only available safety net programme for informally employed people who lost work during the pandemic. Considering that men dominate informal employment,⁶⁹ and assuming that the person who lost her/his job would apply for the Guaranteed Minimum Income as head of the household, the share of beneficiaries (households) where men receive the transfer will likely increase.

The criteria for unemployment benefits were also relaxed, allowing all workers who lost their jobs during March and April to become eligible for a maximum of two months of benefits, irrespective of the grounds for losing a job (except termination due to the expiry of a contract). While this decision did not consider a gender perspective, it may have resulted in more unemployed women receiving unemployment benefits than men, given that women were more likely to lose their jobs, especially in April.

While working women with regular work contracts, some self-employed women, and self-employed women artists and craft workers were generally covered with the first two packages of anti-crisis measures, certain categories of women were left out. These were mainly unpaid family workers in agriculture, informally employed women, single mothers, manufacturing workers and workers in sectors facing large risks of infection (production, but also shops, health-care workers, etc.).⁷⁰ The fourth package of measures, inter alia, extended support to vulnerable categories. This package includes one-off support of approximately 98 euros for new categories of vulnerable and low-income citizens such as single-parent families, passive job seekers and retirees with monthly pensions of up to 244 euros.⁷¹

SECTORAL ANALYSES

Unfortunately, gender-disaggregated data on recipients of government support is hard to gather. Sometimes such data do not exist or were not collected, such as on COVID-19 credit lines for companies. It is therefore difficult to make a comprehensive assessment of the impact of budget reallocations on women and men. In general, findings based on available data show that government emergency responses and budget rebalancing were gender blind. Gender was not considered in budget revisions, or by specific budget institutions or the Government. This fails to conform with the Law on Equal Opportunities of Women and Men, which stipulates incorporating gender perspectives into policymaking in all situations, including emergencies.

The labour market, unemployment benefits and active programmes

The pandemic has brought an increase in the number of registered unemployed people and has specifically affected women in terms of job losses. Data from the Labour Force Survey, however, also show that the number of jobs held by women as well as women's employment rate increased during the pandemic, though the labour force participation rate declined. Men saw a worsening of all major labour market indicators.

There were generally four types of measures aimed at those who lost their jobs. These should have covered both formal and informal workers: unemployment benefits, one-off financial support, the Guaranteed Minimum Income and active labour market programmes. The wage subsidies programme was the main measure to preserve jobs.

Regarding unemployment benefits, between March and October 2020, the number of beneficiaries increased by 49 per cent. Given that women were more likely to lose their jobs, the share of women receiving benefits increased from 52 per cent of total recipients in January to 56 per cent in October. This implies that changes in eligibility rules during the pandemic provided adequate support to women who lost their jobs. The one-off financial support to the unemployed through payment cards was gender neutral as it

⁶⁹ There are no available data on job losses in the informal economy during the pandemic. The last available information from 2017 showed that 19.7 per cent of men's employment (aged 15 plus) was informal, which was the case for 15.7 per cent of women's employment.

⁷⁰ UN Women. 2020. *Rapid Gender Assessment: The impact of COVID-19 on women and men in North Macedonia*. Skopje: UN Women. <https://bit.ly/2Ln7wH7>.

⁷¹ The Law for Financial Support was published in the Official Gazette No. 290 from 7 December 2020. The list of beneficiaries who meet the eligibility criteria was published publicly and the support was paid.

targeted all registered unemployed people, both active and passive jobseekers, and incorporated the increasing number of unemployed women.

Data on participants in active labour market programmes show an increasing number from 7,598 in 2019 to 10,632 by the end of November 2020. In 2019, women constituted more than half (52.5 per cent) of the total number. In 2020, the number of women participants increased as an absolute value (from 3,991 to 4,655), but women's share declined to 43.8 per cent, given a more pronounced increase in the number of men participating (from 3,607 in 2019 to almost 6,000 in 2020).

The wage support programme from April to June cost 84 million euros (0.8 per cent of GDP). It was used by 19,300 companies on average per month, supporting about 117,000 jobs/workers on average (18 per cent of the total number of employees) and 5,900 self-employed people (8 per cent of the total). Of the total wage subsidies for workers, slightly more than 47 per cent on average were used by women, or approximately 55,000 women on average per month compared to approximately 61,800 men. Given that the total number of jobs in the economy held by women (320,000 in the second quarter of 2020) is much smaller than that of men (461,000), the wage subsidy programme was more skewed towards women. At the same time, jobs held by women were more vulnerable to the pandemic, and subsidies prevented more potential job losses among women than men.

By October, 15.5 million euros had been spent for supporting almost 61,000 jobs in about 12,500 companies. In addition, 5.4 million euros assisted about 4,300 self-employed people. Support to both categories covered about 9 per cent of total workers and self-employed people. Data are not yet available on wage subsidies from October by gender.

Employment policy was quickly adapted to the emergency. Relatively effective changes were made to preserve the incomes and living standards of those who lost their jobs, both formal and informal workers, and to help employers retain their workers. A larger increase in the number of women drawing unemployment benefits was in line with the worsening position of women in the labour market in terms of registered unemployment. While the government decision to change eligibility criteria did not take gender into account, the end result was that income protection for women was relatively good. The effect of the wage subsidy programme can also be considered balanced in terms of protecting the jobs of women and men that could otherwise have been lost. Active labour market programmes, however,

where the main goal is to bring the unemployed into employment (or preserve employment), favoured greater support to men.

Social assistance

The poverty rate in North Macedonia is relatively high, reaching 21.9 per cent in 2019. Women aged 18 to 64 are slightly more likely to be poor (22 per cent) compared to men (21.1 per cent). Among different categories of citizens, only women who are inactive in the labour market face a higher risk of poverty than inactive men.

In 2019, North Macedonia embarked on a major reform of its social protection system. This involved, inter alia, the introduction of the Guaranteed Minimum Income scheme and greater support for children. These changes resulted in more extensive coverage of beneficiaries and increased benefits per household. The most valuable reform from a gender perspective was a new rule that Guaranteed Minimum Income payments be made directly to women if the household qualifies for an education or child allowance.

As one response to the pandemic, the Government introduced several measures for those who receive last resort benefits, or the Guaranteed Minimum Income. With the second revised budget, the allocation for social assistance programmes (the Guaranteed Minimum Income, and child and educational allowances) was increased to 52.6 million euros from 44.2 million euros in the initial budget, or by 19 per cent. With these increased budget allocations, the share of analysed social assistance programmes in overall budget expenditures increased from 1.1 per cent to 1.3 per cent. Changes to the Guaranteed Minimum Income for the emergency included: the reduction to one month of the three-month rule for income assessment of all new entrants, the waving of the activation requirement, and the limitation of means testing to income assessment, with property no longer taken into account. These criteria were applicable until December 2020.

The number of Guaranteed Minimum Income beneficiaries increased by 4,033 households in July 2020 compared to March 2020, or by 14 per cent. This number had slightly declined by November 2020 when 31,738 households received the benefit. Although the increase was much smaller than a government expectation that the number would rise by 15,500 households, it was important that the intervention was relatively fast and managed to support additional households.

From the beginning of the introduction of the Guaranteed Minimum Income in May 2019, the share of

women receiving it on behalf of the overall household has been stable, at 35 per cent of the total number of households. Amid the increase in the number of beneficiary households during the pandemic, this ratio stayed the same. The average amount of support per household climbed from 105 euros per the initial budget to 113 euros in the revised budget.⁷²

The number of household recipients of the child allowance increased by 2 per cent in July relative to March, but then declined slightly. In November, the number of beneficiaries was lower by 2 per cent relative to March. Women received the support in 76 per cent of households, a share that was stable in 2020, but had increased from the beginning of the reform and the introduction of the Guaranteed Minimum Income. The share was 57 per cent in May 2019.

Budget reallocations for social assistance were gender blind, limiting important gains that could have been made with some changes in the eligibility rules for the Guaranteed Minimum Income during the emergency. The person who receives the benefit within the household is important given evidence that when women receive funds they spend more on desirable items such as food or investment in children, and less on items such as tobacco and alcohol.⁷³

SUMMARY FINDINGS AND RECOMMENDATIONS

Recommendations are as follows.

- On a very general level, the Law on Equal Opportunities of Women and Men, which stipulates that gender should be incorporated in policymaking, applies to emergencies. Crisis measures and policies should therefore be gender responsive. A checklist of steps and procedures should be developed to guide each institution in enacting this legal obligation.
- The design of crisis measures and policies to respond to COVID-19 (but also to any emergency) should be based on gender analysis and assessments of potential effects on men and women as well as gender equality. An

intersectoral approach should be taken to identify multiple vulnerabilities, such as gender as well as class, employment status, the rural/urban divide, ethnicity, size of the household, etc.

- The Government should consider introducing gender-responsive planning, programme design and budgeting to advance gender equality and women's rights. While this is necessary in "normal" times, it may be even more critical in an emergency. Gender-responsive budgeting may help better identify the needs of women, and shape more effective interventions, given that in almost all crises women face more dire consequences than men, directly or indirectly. Gender equality requires changes in systems and processes to sustain progress; it cannot be achieved by gender-blind policies.
- Gender-responsive budgeting and the mainstreaming of gender into budget planning (including in emergencies) require gender-disaggregated data. The Government should prepare a plan for each institution to collect this data, in a systematic way, and require that they regularly publish it. Timely and accurate gender-disaggregated statistics enable policymaking grounded in evidence and gender-responsive analysis. This will ensure the optimal design of policies and planning of budgetary allocations.
- Crisis management bodies at the national and local level need to integrate gender in consultations and decision-making. Gender equality entities such as the Sector for Equal Opportunities in the Ministry of Labour and Social Policy, the coordinators for equal opportunities in ministries and municipalities, etc. can be involved to help integrate gender perspectives across the design, implementation and evaluation of crisis-related measures and policies.
- Budget adjustments during crises should be gender-sensitive and based on ex-ante analysis and assessments. They should take into account different needs, customs and behaviours of women and men. For instance, the closure of schools and kindergartens has more adverse impacts on women in terms of employment, household work, etc. This should be considered in decisions to close schools and the design of accompanying measures.

⁷² This is a very simple calculation, using the overall budget allocation divided by the number of beneficiaries (households) and divided by 12, i.e., per month.

⁷³ A. Armand and P. Carneiro. 2018. *Impact Evaluation of the Conditional Cash Transfer Program for Secondary School Attendance in Macedonia*. International initiative for Impact Evaluation: Impact Evaluation Report No. 69. <https://bit.ly/35FfGBm>. UN Women. 2019. *Measuring Women's Empowerment in Agriculture with Survey-Based and Experimental Economics Method*. Skopje: UN Women. <http://bit.ly/35FtWKv>.

3.5 SERBIA



3.5 SERBIA

GOVERNMENT RESPONSE TO THE CRISIS

The Government of Serbia adopted the Decision Declaring a State of National Emergency on 15 March 2020, which lasted until 6 May. During the state of emergency, and in the following months, different measures were enacted to mitigate the impacts of the pandemic. Funding was secured through two budget revisions passed in April⁷⁴ and November,⁷⁵ and through loans for almost 2.5 billion euros.

While this section looks in depth at two sectors, the economy and culture, a comprehensive package of measures covered other sectors as well, including health and social protection. With over 20 existing analyses of the results of these measures, the emphasis here is on budget changes in the economy as the biggest winner of budget revisions with a nearly 700 per cent increase, and culture as one of the hardest hit sectors after budget cuts of 14 per cent to an already meagre budget.⁷⁶ Both sectors have significant impacts on women and on gender equality.

The total value of economic measures related to COVID-19 until 30 September 2020 amounted to 5.9 billion euros⁷⁷ or 12.5 per cent of GDP. Government economic measures supported the economy and citizens through:

1. Tax policy measures encompassing deferred payment of payroll taxes and contributions for the private sector during the state of national emergency and for one additional month, which will be repaid in instalments but not before January 2021; deferred payment of advance payments towards corporate income tax in the second quarter of 2020; and exemption from value added tax for all donors. The total value of the measure was 1.6 billion euros or 3.4 per cent of GDP.
2. Direct support to the private sector was extended to sole proprietors paying flat taxes and sole proprietors paying taxes on real income, and micro, small and medium enterprises (disbursement of

net minimum wages for three months and 60 per cent of the net minimum wage for an additional two months); large private companies equivalent to 50 per cent of the net minimum wage during the state of emergency to employees who were terminated; and the hotel sector at 350 euros per bed and 150 euros per room. The total value of this measure was 1.15 billion euros or 2.4 per cent of GDP.

3. Measures to preserve private sector liquidity such as a *financial support programme* through the Development Fund of the Republic of Serbia and *guarantee schemes* for businesses. The total value of this measure was 2.25 billion euros or 4.8 per cent of GDP.
4. Other measures included a moratorium on the payment of dividends until the end of the year 2020, excluding public enterprises and loss of income arising from dividends; salary raises and other direct financial assistance (a 10 per cent increase in health-care workers' salaries, direct financial assistance in the amount of 34 euros to all pensioners, support to farmers and 100 euros disbursed to all adult citizens); and fiscal incentives for boosting domestic demand. These measures in total cost 868 million euros or 1.9 per cent of GDP.

When preparing revisions of the 2020 budget, the Government sent instructions to direct budget beneficiaries, recommending that all expenditures be cut by 20 per cent, except for salaries and investments. Given the urgency of the situation and expectations of a rapid response, the procedure for prioritizing and redirecting budget funds was informal. No consultations with relevant stakeholders took place, and no list of stakeholders consulted is publicly available. Only the Association of Business Women provided inputs on economic measures.

Estimated budget revenues for 2020 were originally 11.18 billion euros, and expenditures were 11.35 billion

⁷⁴ Regulation on changes to the general proceeds and revenues, expenditures and outlays of the Republic of Serbia Budget for 2020 to mitigate the adverse impact of the COVID-19 disease caused by SARS-CoV-2 virus (Official Gazette No. 60/2020 of 24 April 2020).

⁷⁵ The Law Amending the Law on the Budget of the Republic of Serbia for 2020 was adopted by the National Assembly on 12 November 2020 (Official Gazette No 135/2020).

⁷⁶ The idea was to avoid sectors that have been a primary focus of available analyses, including on health, employment, social protection and violence against women, because scarce analytic resources should be used to sustain emphasis on traditional priorities in the realm of gender equality as well as to cover new ground.

⁷⁷ The exchange rate used in this report is 117.57 Republic of Serbia dinars = 1 euro.

euros. The deficit was estimated at 172 million euros or 0.3 per cent of GDP. The budget was planned based on a projected GDP growth rate of 4 per cent in 2020 and a projected inflation rate of 2 per cent.

The April budget revision envisioned a reduction in revenues to 10.59 billion euros, as well as an increase in spending equivalent to 13.83 billion euros. The deficit thus increased to 3.24 billion euros. The abrupt increase in spending by 2.48 billion euros relative to the initially approved budget was driven by the need to implement measures to mitigate the negative socioeconomic impacts of the pandemic on businesses and citizens.

With the second revision in November, spending increased further, reaching 14.7 billion euros, driving the deficit up to 3.7 billion euros. Spending increased, resulting in a cost overrun of over 3.35 billion euros against the initial budget planned for this year.⁷⁸

After the two budget revisions, the Ministry of Economy received the largest increase (695 per cent), while the biggest cuts were made to the appropriations of the Ministry of Environmental Protection (26 per cent), Ministry of Culture and Information (14 per cent), Ministry of Justice (13 per cent), and Ministry of Labour, Employment, Veteran and Social Affairs (4 per cent). Significant increases were registered by the Public Investment Management Office (97 per cent), Office for Information Technologies and eGovernment (47 per cent), Ministry of Construction, Transport and Infrastructure (40 per cent), and Ministry of Energy and Mining (30 per cent).

POTENTIAL GENDER IMPACTS OF BUDGET REBALANCING

The relative strengths of efforts in Serbia to mitigate the consequences of COVID-19 through the budget include a clear focus on protecting the economy, employment, and micro, small and medium enterprises; the rapid response and deployment of the government package of measures; and attempts to redress the balance in the second budget revision after dramatic cuts in the first revision.

The weaknesses lie in the informal nature of decision-making and consultation on needs and responses; and the failure to ensure systematic collection and regular availability of gender-disaggregated data.

From a gender perspective, formalized, transparent criteria that prioritize gender equality and consider the situations of underrepresented and vulnerable groups of women and men are a way to ensure that funds are not reallocated in ways that undercut gender equality.

SECTORAL ANALYSES

Economy

The Ministry of Economy received the largest funding increase of over 695 per cent compared to the original budget, registering an increase in expenditure from 196 million euros to 1.56 billion euros. Such a dramatic increase proves the government's resolute commitment to safeguard the economy and employment by mitigating the negative effects of the pandemic on businesses and employed women and men. Economic measures were aimed mainly at preserving employment and business liquidity.

The Regulation of 10 April 2020 defined state aid for the liquidity of market participants, with a view to eliminating serious economic disruptions.⁷⁹ Economic measures were swift and targeted small and medium enterprises and entrepreneurs in all sectors, including services, where women-owned businesses tend to cluster.

Adopted economic measures covered different business sizes and sectors, and were unrolled very fast, less than a month after the pandemic was declared. The speed of the response had its own positive gender impact because women have a smaller share of capital, lower incomes and less access to resources, so they are more susceptible to every crisis hitting sole proprietors. Any delay in response increases the chances that women's businesses will shut down.

Blanket economic measures disregarded the reality that some service sectors were harder hit and needed more support than others, however. The consequences of the crisis were harsher for businesses that could not perform at all, compared to those that could continue doing business albeit to a reduced extent, or those that did not suffer the pandemic's economic impact. Assistance is always welcome for any business, but equal treatment of unequal businesses by size, activity and access to finance deepens the gender gap, as has already been documented. Blanket measures

⁷⁸ The Law Amending the Law on the Budget of the Republic of Serbia for 2020 (Official Gazette No 135/2020).

⁷⁹ It included the following instruments: subsidies, debt write-off, tax relief, subsidized interest rates for loans, guarantees for loans under conditions more favourable than market conditions, deferral of tax payments and/or social insurance contributions, wage subsidies for employees to avoid layoffs during the COVID-19 epidemic, and short-term export insurance.

could have been justified by the fact that targeting in emergencies incurs costs in time and money. At the same time, opportunities were missed to include special measures targeting subgroups of particularly vulnerable entrepreneurs including Roma women and men, women and men with disabilities, young women and men, rural women and new entrepreneurs.

One obstacle to integrating gender into measures to strengthen economic resilience has been the inconsistent collection, publication and use of gender statistics. Statistics on business owners and entrepreneurs should be disaggregated by sex in all records, databases and registers related to economic entities.⁸⁰ The adoption and consistent use of a streamlined definition of women's enterprises would also help to systematically monitor and compare progress. Women's companies could be classified as those that are at least 51 per cent owned by one or more women; those where a woman is a legal representative (manages the business operations of the company on a daily basis and makes long-term business decisions); and those where the company can operate fully under women's control.⁸¹

Even in a protracted crisis, there is time for a gender-responsive needs assessment of sector and business vulnerability, loss-reduction measures adopted by businesses, crisis impacts on businesses, business recovery ideas and plans, and the specific needs of women- and men-owned businesses. No such assessment, however, was cited by the Ministry of Economy as a basis for planning emergency assistance or the allocation of recovery funds. Private sector actors could receive assistance under the conditions that they did not lay off more than 10 per cent of the workforce and that they kept the same staff numbers after receiving assistance.

Conditionality turned into an effective ban on layoffs in microenterprises that employ up to nine staff, however. This is precisely the sector with the highest proportion of women entrepreneurs. Temporary payroll reduction is a sound business survival strategy, but women-owned firms were effectively deprived of using it. For micro firms, it is not sustainable to guarantee employment in crises that have tarnished entire sectors. When setting eligibility criteria for microenterprises, numerical rather than percentage-based values should be used.

With many sectors populated by women-owned firms facing restrictions and reduced economic activity,⁸² debt/liability write-offs instead of postponed payments, along with subsidized wages, would have been helpful. Although debt write-off was one instrument originally envisaged for supporting businesses, this was not included in subsequent regulations on support instruments.

Another issue arises from certain economic sectors no longer having a future or market, which will inevitably lead to losses of financial and human resources. Examples of these can be found in some segments of the travel industry, such as airline ticketing, where the number of people purchasing tickets online increases by the day, or in parts of the event industry that will take a very long time to recover, well beyond what many small and medium enterprises can afford to withstand.⁸³ As part of the COVID-19 recovery programme, these sectors should be identified and targeted. In those where the future is in question, programmes for transitioning from one activity to another (or reskilling) should identify and consider the experience, knowledge and competences previously acquired by women and men, and facilitate transfer of their knowledge to new entrepreneurial spheres.

Despite a variety of measures to sustain the economy, these did not specifically address gender-based inequalities, such as lower access to capital, finance and other resources by women-owned businesses, higher vulnerability to shock, a greater unpaid work burden, the small size of women-owned businesses and high informal employment. The package of assistance measures offered none specifically for women entrepreneurs.

There was no attempt to include the care economy. Because informal care providers and private sector care providers were in many cases left without income, economic recovery measures needed to encompass this large group, where women predominate. Funds for active employment and self-employment measures, as well as for support in transitioning from the informal to formal economy should be increased, supplemented by additional measures to reduce vulnerability. It is necessary to gain a better understanding of the type and extent of support that can permanently and effectively contribute to the inclusion of this group of women in the mainstream economy.

⁸⁰In line with the Law on Gender Equality, Article 40

⁸¹Keric Chinthe. 2017. *Power of Procurement: How to Source From Women-Owned Businesses, Corporate Guide to Gender-Responsive Procurement*. UN Women: New York.

⁸²Particularly the tourism sector, hospitality, creative industries, culture, transport and warehousing, the information technology sector and industry, according to research conducted by the Serbian Chamber of Commerce and the United States Agency for International Development economic development project in April 2020. In terms of company size, entrepreneurs and microenterprises were most severely affected.

⁸³M. Pajvancic, N. Petrusic, S. Nikolin, A. Vladislavljevic and V. Bacanovic. 2020. *Gender Analysis of COVID-19 Response*. OSCE.

With significant assistance provided mostly to salaried employees and companies, and farmers to a lesser extent, many men and women who perform precarious work and survive in the “shadow” economy were left without any income. They included seasonal workers, freelancers, women and men working under service contracts and other deliverable-based contracts who could not complete work due to the pandemic, and farmers selling products at green markets who lost both produce and income.⁸⁴ The share of women in these groups is significant. Only the one-off universal support to adult citizens of 100 euros benefited informal workers.

To ensure that gender is integrated across assessments of economic impacts and measures to mitigate these, and to subsequently support the development of micro, small and medium enterprises after the pandemic, gender expertise should be included in bodies that make decisions on economic measures, including through the involvement of gender equality mechanisms.

Culture

Slightly over 111 million euros or 0.99 per cent of total funds in the 2020 budget was allocated to the Ministry of Culture and Information. The ministry’s share after the first and second budget revisions dropped to 0.6 per cent.⁸⁵ The budget reduction started off at nearly 20 per cent in the first budget revision, and ended at 14 per cent or 15 million euros after the second revision. Although gender-disaggregated data on employment in culture are lacking,⁸⁶ independent studies indicate women have an over 60 per cent⁸⁷ share of jobs in both formal and informal cultural activities.

Although women outnumber men in public sector employment in culture, they are not adequately represented in management positions. In 34⁸⁸ public institutions, only 14 women hold management positions.

Salaries in cultural jobs are lower than the national average, and have been further reduced due to the crisis except in public institutions. A large number of women and men in the sector work informally, without regular income. Women are also more frequently in precarious, unstable and risky positions in cultural organizations. Flexible forms of work, usually informal, and coming with great stress and risk, especially in the visual arts and literature, represent their reality. During the pandemic, jobs and engagements were cancelled, and additional investments of time and financial resources were necessary to transition to online forms of work and content design. Support for this transition was not available.

The reduction of expenditure on culture further constrained revenues for local cultural institutions, which became less accessible to citizens, both women and men, although the most regular visitors to cultural events are women.⁸⁹ Whereas a significant increase was registered in overall budget-financed subsidies,⁹⁰ cultural subsidies were reduced by 22 per cent, from 18.28 million euros to 14.2 million euros.

The Ministry of Culture and Information exercises its mandate through direct payments to cultural institutions and public calls. Despite an 8.6 per cent decrease in funding across subsectors, the Ministry launched 52 public calls in 2020 compared to 51 in 2019.⁹¹

⁸⁴ With the exception of a small share of those close to major cities who supplied citizens by making door-to-door deliveries and engaged in short value chains, and who have in some cases expanded their market and sales.

⁸⁵ Compared to the European Union average of 1 per cent for culture and 0.4 per cent for information in 2019, according to Eurostat.

⁸⁶ According to the National Statistics Office, in the third quarter of 2020, total employment in culture was 20,812, including 10,467 men and 10,345 women. Culture here includes only creative, artistic and entertainment activities, and the activities of libraries, archives, museums and galleries. This definition is much narrower than the one of the Nomenclature of Economic Activities (Nace Rev 2), which includes book publishing, publishing of newspapers, publishing of magazines, publishing of computer games, production of film, video and television programs, sound recording and music publishing, preparation and broadcasting of TV programmes, activities of news agencies, architectural activities, specialized design activities, cultural education, creative, artistic and entertainment activities, libraries, archives, museums and other cultural activities.

⁸⁷ For example, Tatjana Nikolic. 2016. Gender relations on alternative music scene in Serbia and the region. *Rodni odnosi na alternativnoj muzickoj sceni Srbije i regiona*.

⁸⁸ There are 36 such institutions; data were not publicly available for two.

⁸⁹ Institute for Research into Cultural Development. 2015. “Cultural needs, habits and attitudes of citizens of Serbia.”

⁹⁰ From the planned 815 million euros to 2.37 billion euros

⁹¹ The highest reduction of 55.6 per cent occurred in international relations and European integration in the field of culture. Digitalization of cultural heritage and contemporary creation also experienced a significant decrease in the budget for public calls amounting to 33.1 per cent. Contemporary creation and creative industries suffered a decrease of 27.8 per cent. No reduction was recorded for information and media. Funds for co-financing projects through individual grants saw a significant increase of 85.7 per cent. Cultural heritage received greater funds for fewer projects.

Gender-disaggregated data on successful applicants in 2020 are not available, and it is not possible to identify the share of thematic projects contributing to gender equality. One exception is the Sector for Contemporary Creativity and Creative Industries in the ministry, which provided data on 16 projects that contribute to gender equality, primarily the role of women in society. These were supported by a total of 42,442 euros in 2020. Past empirical evidence indicates that women artists, and cultural and creative workers generally receive a significantly smaller share of budget support through public calls, and are less often promoted as bearers of cultural identity and contributors to cultural heritage, both traditional and modern.

In terms of support measures, from June to August, the Government disbursed 255 euros per month over three months to 2,353 independent professional artists, but again, sex-disaggregated data are not available. Overall, these artists received 1.8 million euros. This measure was implemented later than a similar measure aimed at employees of small and medium enterprises, and provided two months less assistance. Independent artists and freelancers in general have a more unfavourable position compared to permanent employees in the state administration and employees in the private sector.

The largest reduction of funds affected a programme on the digitization of cultural heritage. At a time when digitization is key to overcoming the challenges of the pandemic, increased investment would have been more appropriate. No support was provided to counter COVID-19-specific challenges such as the transition of offline content to online, and access to cultural content for rural women and men, and girls and boys, or for women and men with disabilities.

The decision to reduce expenditures on Radio Television Serbia and Radio Television Vojvodina by 19 per cent (4.95 million euros) in a time of increased need for information does not seem well justified. Elderly women and men rely most on public service broadcasting, as do women and men in rural areas.

Globally and in Serbia, cultural content was the first free content available during the pandemic and represents an invaluable contribution in helping people cope. This has been recognized by the United Nations Educational, Scientific and Cultural Organization⁹² and governments around the world. While this understanding is not widespread in Serbia, individual cultural institutions and creative content providers have achieved some good practices.

SUMMARY FINDINGS AND RECOMMENDATIONS

The measures adopted by the Government to mitigate the pandemic take up a significant share of budget allocations and rely on borrowing. Although measures were adopted in an urgent manner, consultations on them should have been broader based. Gender equality mechanisms and advocates of gender-responsive approaches should have taken part in the articulation of measures and decisions on budget reallocations, in line with the Budget System Law, which proclaims gender equality as one of the overall budget objectives.

Clear procedural steps; key considerations, including impacts on gender equality; mandatory stakeholder consultations and practical guidance for the process should accompany budget reallocations in response to crises. These would help avoid one-size-fits-all approaches and ensure that support measures reach all those in need, and respond to the specific requirements of women and men from different groups. In addition to positioning gender competence to inform planning and crisis mitigation alongside other types of expertise, gender-responsive budgeting should be systematically used to achieve gender equality and offset the negative impacts of crisis on women.

The Government should clearly state what it hopes to achieve with the combination of relief and recovery measures. Crises provide opportunities to take gender transformative measures, instead of investing in preserving the status quo and/or deepening gender gaps. Specific measures targeting women and men from vulnerable and underrepresented groups must be included, based on gender-responsive data, gender analyses and consultation with gender equality stakeholders. Women-owned microbusiness-specific measures should include debt write-offs, the lifting of a ban on decreasing the number of workers in order to receive government support, and assistance to restart or transition for businesses beyond recovery, including through easier access to finance.

Whereas the speed of the adoption of economic measures was beneficial for women business owners and entrepreneurs with fewer reserves and greater vulnerability, additional measures targeting specific vulnerabilities caused by gender inequalities were not adopted. Unpaid care work burdens and increased gender-based violence resulting from gender-based discrimination, lockdowns and frustration from

⁹² International Federation of Coalitions for Cultural Diversity.

See: <https://ficdc.org/en/publications/culture-in-times-of-pandemic-a-remedy-that-needs-to-be-taken-care-of/>.

the inability to make ends meet were issues left unaddressed.

Gender-responsive measures in culture and information should comprise an integral part of crisis response and rehabilitation. While the jobs of salaried cultural workers in the public sector have been protected, thus benefiting women who predominate in this group, many women artists and freelancers have been left to experience the cruelty of the marketplace. It is important to base measures on

broad sectoral realities, rather than focusing solely on the formally employed.

Overall, economic and cultural measures in Serbia were geared towards safeguarding employment rather than supporting vulnerable groups of women and men. Based on experiences from managing the COVID-19 crisis from March to December 2020, more systematic integration of gender is required in crisis management and alleviation.

4.

CONCLUSIONS AND RECOMMENDATIONS



4. CONCLUSIONS AND RECOMMENDATIONS

This report provides some preliminary findings on the impact of COVID-19 on women and men throughout the Western Balkans, primarily in terms of how they might be affected by budget revisions, and if and to what extent they benefited from government emergency response measures and financial support, including in different sectors from a gender perspective.

Fiscal measures in all countries and territories primarily involved support to companies and employment through wage subsidies, including salaries at small and medium enterprises and for self-employed people; liquidity support through sovereign guaranties; income support for individuals and households, especially very poor families; and tax deferrals and financial stability measures, such as moratoriums on debt repayments for households and companies.

One-time income support in Albania, North Macedonia and Serbia was intended to reach the informal sector and vulnerable groups. In North Macedonia, payment cards targeted low-income workers, the unemployed, youth, etc., while Serbia disbursed 100 euros to all adult citizens. In Albania, the Government doubled monthly social benefits for about 70,000 very poor families at a cost of around 2.8 million euros.

Support to companies via wage subsidies, aimed at curbing the economic fall and rising unemployment, was the main policy measure in all countries. Yet an ex-ante gender analysis of economic response measures was largely missing, which in some instances worsened the potential gender impacts of budget rebalancing.

In Albania, the Government increased the amount of the Sovereign Guarantee by 80 million euros to help companies with difficulties in paying employee

salaries, but only 14 per cent of these companies were owned by women. The number of businesses with women owners or administrators is greater in the services than in the production sector, at 33.2 per cent and 11.8 per cent, respectively, while women own only 26.7 per cent of small and medium enterprises. At first, 60,000 employees of legally registered small businesses and/or legally registered self-employed persons were the beneficiaries of 13 million euros. An extended aid package supported 100,000 employees in small businesses, 66,000 employees in large businesses and 10,000 employees in the tourism sector affected by the lockdown. All financial schemes targeted only legally registered employed or unemployed women and men, however, and generally failed to measure and account for differential impacts by gender. Not only were self-employed women and men outside the system of legal registration most affected by lockdown measures, but work that is not legally registered is most common in sectors and occupations that women dominate.⁹³ These include the care economy, where women work as cleaners, babysitters, kindergarten and nursery workers. The same is true for some male-dominated occupations such as construction and farming activities.

Those not registered were given the opportunity to become registered by declaring the name of their employer in order to benefit from a cash transfer. Although no official data are available on the number of women and men who took this opportunity, UN Women's Rapid Gender Assessment and expert calculations indicated that among employees, 29 per cent of women and 27 per cent of men were most affected. Among the self-employed, this was the case for 56 per cent of women and 50 per cent of men.

In Bosnia and Herzegovina, women held around 60 per cent of jobs in the Federation of Bosnia and Herzegovina and 70 per cent of jobs in Republika Srpska that were lost during the pandemic. Job retention schemes were implemented in both entities, with support given for three months, and

⁹³ Recent studies from different civil society organizations have shown that individuals who have experienced several months of unemployment in a given year or only worked part time are likely to be disqualified for this reason. This presents a disadvantage for those not consistently attached to the labour market in the last year, including many students, low-wage workers, parents, people with minor disabilities or formerly incarcerated people. Given occupational segregation patterns and labour market discrimination, such requirements also tend to disproportionately exclude women, and Roma and Egyptian minorities working in the green economy.

a falling trend as companies stopped meeting eligibility criteria once the economy reopened. The support that companies received in the Federation of Bosnia and Herzegovina covered 392,600 individual social security contributions (on a minimum wage level) amounting to around 45 million euros for remaining employees; 60 per cent of all funds went to supporting employed men and 40 per cent to employed women. Matching measures in wage subsidies were implemented at lower levels of government, primarily cantons. In the Republika Srpska, more than around 25.5 million euros was spent on subsidies for 93,000 wage-earners, but no sex-disaggregated data are available.

Programme implementation was vastly different between Albania and Bosnia and Herzegovina (Federation of Bosnia and Herzegovina). In the former, the measure targeting employment was allocated at 91.85 per cent of planned funds, while in the latter, only 18 per cent of funds allocated to the Stabilization Fund were disbursed in social security contribution subsidies.

Kosovo has a small share of women-owned businesses overall, with a large part owning microbusinesses, leading to concerns that women might benefit much less from wage subsidies disbursed on universal criteria (the number of employees), without taking into account the increased fragility of small businesses. Based on the share of women-owned businesses, they would receive only an estimated 7 per cent of funds.

In North Macedonia, the wage subsidies programme was the main measure to preserve jobs. From April to June, it cost 84 million euros, and was used by 19,300 companies supporting about 117,000 workers on average per month. Slightly more than 47 per cent of funds on average went to women during this period. Although a gender perspective was not mainstreamed in the programme, given that women hold a lower total number of jobs in the economy, the wage subsidy was skewed towards them, suggesting that the pandemic had a stronger impact on jobs held by women. The worsening position of women in the labour market is further highlighted through unemployment benefits, where due to changed eligibility criteria, the share of women beneficiaries increased to 56 per cent by October 2020. Furthermore, by November 2020, women's share in active labour market programmes had fallen to 43.8 per cent, while the share of men was more pronounced. This suggests that active labour market programmes did not provide sufficient support to address impacts on women in the labour market.

In Serbia the inability to continue with precarious work, often in the so-called "shadow" economy, left many women and men without any income.

They included seasonal workers, freelancers, people working under service contracts and other deliverable-based contracts, and farmers who lost both products and income. The share of women in these groups is significant. Only the one-off universal support to adult citizens of 100 euros benefited informal workers.

Overall, a gender assessment of the job retention schemes and unemployment benefits shows these measures have mostly failed to address the specific vulnerabilities of women in the job market. Further efforts are needed to reach women in the informal economy in particular. This implies moving away from universal support schemes, and using gender analysis to better capture the diverging needs of women from different socioeconomic backgrounds.

High rates of women in the informal economy, increased unpaid care work and rising risks of gender-based violence indicate the critical role of social protection programmes.

Bosnia and Herzegovina has a complex system of social protection. In the Federation of Bosnia and Herzegovina, responsibilities are shared between the federal government and 10 cantons. Women are primary beneficiaries of programmes of social assistance and protection for families with children, using two thirds of allocated funds in both 2019 and 2020, with a slight increase in 2020. This is no surprise, as more than half of all spending goes to child support and maternity benefits for employed women. Still, this gender ratio is also present in general cash support programmes, including for assistance and care by another person, showing that more women are poor and vulnerable. In 2020, increased spending for temporary cash support and health insurance were directly linked to the COVID-19 crisis. The new law on the protection of families with children meant to equalize rights and benefits for mothers and children across the Federation of Bosnia and Herzegovina has yet to be adopted, however, as it poses additional pressures on budgets. Until then, women and children will continue to experience discrimination based on their place of residence.

In 2019, North Macedonia's large-scale reform of the social protection system introduced the Guaranteed Minimum Income scheme, resulting in more extensive coverage and increased benefits per household. The newly introduced rule that payments be made directly to women if the household is eligible for education or child allowances should result in an increase in women beneficiaries. In responding to

the pandemic, the Government boosted allocations to social assistance programmes to 52.6 million euros and made changes in application criteria expected to increase beneficiary households by 15,500. The number of Guaranteed Minimum Income beneficiaries rose by 14 per cent, while the share of women receiving the benefit remained the same as in 2019 at 35 per cent of recipient households. This suggests that men were the primary beneficiaries from the changes. While the share of women drawing the child allowance has increased to 76 per cent of total beneficiaries since the introduction of the reform, this percentage remained the same in 2020, implying that changes in the eligibility criteria during the crisis did not bring greater coverage to women facing a higher risk of poverty. More meaningful results could have been achieved through gender-responsive eligibility rules, such as in defining who receives the benefit.

While positive steps on social protection programmes have taken place in Western Balkan countries, rights-holder participation in decision-making, such as on eligibility rules, quotas etc., coupled with midterm evaluations of the effectiveness and gender sensitivity of these programmes are both necessary to achieve desired outcomes.

Agriculture is notable for intersections between climate change and food security, COVID-19 and gender equality. The sector also deserves attention as women's labour easily becomes invisible through informal and/or low-paid work. In both Albania and Kosovo, however, agricultural support schemes in 2020 primarily benefited men, despite existing mechanisms to improve gender equality established in previous gender-responsive budgeting initiatives. In Albania, a new scheme was introduced targeting registered farmers who use heavy machinery, all of whom are men. Women will not benefit from the increased spending, even though almost half of employed women, about 45 per cent, work in agriculture compared to 35 per cent of employed men. On the other hand, activities to counsel and inform women farmers and non-farmers were not redesigned to meet the social distancing rules of the pandemic, resulting in funds not being spent and a subsequent reallocation of these resources to other activities.

In Kosovo, in 2019, only 4 per cent of beneficiaries of agricultural subsidies were women. While the

responsible ministry uses preferential treatment for female applicants for grants in agriculture, it does not do the same for subsidies. In 2020, funds for subsidies doubled as part of the Economic Recovery Programme, under the same criteria, indicating that men would be the primary beneficiaries. Women in Kosovo represent an important share of the agricultural workforce, but very few are formalized farmers, which limits access to government subsidies. No initiatives have been taken to formalize them, suggesting it is time to identify best practices and introduce incentives for formalization.

In Serbia, budget changes in two sectors were considered: the economy with the biggest increase, amounting to almost 700 per cent, and culture with a modest budget further cut by 14 per cent. Neither the increase nor decrease led to gender-responsive approaches. In public sector employment, where women outnumber men, income stability was guaranteed and some increases were introduced. In the private sector, employment was subsidized through budget assistance. Yet among cultural workers, an estimated 60 per cent of whom are women, support was less or non-existent, and insecurity much greater. Workers with the least security and access to rights, such as freelancers, informal workers and persons on short-term contracts, were deprived of markets, rights and assistance. Many women used to earn a living in these jobs. While it is not realistic to expect a government to subsidize incomes for the entire adult population, it is important as a gender justice issue to ensure that women are not overrepresented among groups that receive less or no support. Historical shortcomings in access to funds and opportunities can only be reversed by a more diligent and significant investment in gender equality and women's empowerment.

All five countries and territories have laws that stipulate gender equality across the public and private spheres, including equal access to economic resources and benefits from related outputs, as well as possibilities to introduce affirmative measures to decrease the identified gender gaps.

In Albania and Serbia, organic budget laws prescribe gender equality as one of the overall budget principles. Other countries and territories had introduced different gender-responsive budgeting practices prior to this crisis⁹⁴

⁹⁴For example, in Bosnia and Herzegovina (Federation of Bosnia and Herzegovina), the Law on Budget Execution stipulates that a gender-responsive approach has to be implemented in budgetary spending in a number of sectors.

In any crisis, gender-responsive policy measures should be systematically pursued and guided by clear procedural steps and practical guidance, and key gender considerations developed through gender ex-ante analyses and mandatory consultations with women's non-governmental organizations. This would contribute to avoiding one-size-fits-all approaches, and help ensure that support measures reach all those in need and respond to the specific needs of women and men from different groups.

Gender equality principles and the gender impact of the crisis have not been taken into account in COVID-19 emergency response measures in the Western Balkans. In Albania, budget cuts and subsequent reallocations hindered progress in reducing gender inequalities in all sectors, while response measures fell short in properly addressing the different needs of women and men. Bosnia and Herzegovina shows the effects of a gender-neutral policy response in job retention schemes, where more women lost jobs, but more support went to sustaining jobs held by men. Universal consideration of companies in job retention schemes throughout the region reinforced pre-crisis labour market characteristics that include much lower participation of women. Furthermore, abolishing budgetary spending aimed at women to put together funds to generally support the economy is further exacerbating gender gaps. There are good practices, such as Kosovo's measures targeting women, but they are small compared to the total funds allocated to the emergency response.

To avoid similar tendencies in future crises, where one category in society bears an increased burden from the crisis but suffers shortages in public spending, a gender-sensitive approach should be obligatory in designing policies and allocating public spending. This is equally important in stable times.

Economic and fiscal policies need to be designed to recognize and close existing gender gaps in economic empowerment, employment, access to public funding and social services. Special emphasis should be given to the protection of poor and vulnerable women and their economic empowerment, while those working in the informal economy should fully benefit from government-backed socioeconomic measures while being provided with opportunities to formalize their activities.

Finally, the health implications of COVID-19 have been worse for men. Health-care policies need to take this into account going forward.

At the same time, health workers are primarily women who have assumed an enormous burden in dealing with the crisis. In the near future, this sector should be the focus of an analysis similar to the one in this report.



UN Women Regional Office for Europe and Central Asia
Abide-i Hürriyet Cad. İstiklal Sok.
No: 11 KEY Plaza Kat:8
34381 Şişli, İstanbul, Turkey

eca.unwomen.org
facebook.com/unwomeneuropecentralasia
twitter.com/unwomeneca
youtube.com/unwomeneuropeandcentralasia
flickr.com/unwomeneuropecentralasia
ok.ru/unwomen