

## **Gender certification: how to use the modelling approach to achieve SDG5 and beyond**

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Along the international and national dimensions, any assessment connecting the promotion of gender policies with economic growth and sustainable development points to fair distribution and appropriate stimulation of talents and skills of men and women as an essential prerequisite (Adema et al 2014). This consideration is even more important for potential and factual employment of male and female workers contributing to GDP growth, and for their participatory role in processes aimed at defining priorities, strategies and operational measures to be implemented and impacting on economic public and private sectors (Díaz García and Brush 2012).

It is particularly in this latter one that a vision encompassing innovative, sustainable and high-performance tracks now requires companies to adopt an inclusive approach, to gradually and effectively incentivise the female component in top positions (Goltz, Buche and Patak 2015). This will lead to assess and measure women's contribution, in quantitative terms or due to their top and decision-making positions, on companies' performance (Brush, de Bruin and Welter 2009; Coleman 2016). On the other hand, such a measurement proves the introduction of preventive and objective measures, e.g. through regulation of quota systems, as a key factor having positive governance outcomes and economic results in companies that introduce gender-based structural and production approaches (Kabeer 2009).

At the same time subjective factors, which can in any case have a significant impact on companies' performance, cannot be considered less important: it is the so-called female leadership style, which is often more inclusive and innovation-oriented than in male-led businesses (Peris-Ortiz, Rueda-Armengot and Osorio 2012).

These considerations emerged particularly in the management of business during the pandemic and initiated a careful and comprehensive analysis of the needs of male and female workers in a business environment, with the ultimate aim of introducing a different vision of professional commitment for a business performance that respects personal needs and in any case is able to contribute to both better business performance and to medium and long-term post-pandemic economic growth (Torres, Maduko, Gaddis, Iacovone, Beegle 2021).

If this remark is brought back to the international framework, a direct linkage should be made to the universality, interrelation and indivisibility inherent to the 2030 Agenda for Sustainable Development and its Sustainable Development Goals (SDGs), among which - for the gender dimension - the relevance of Goal 5 clearly emerges.

Goal 5 intends to pursue gender equality, calling first of all for a change of pace that starts with overcoming stereotypes and discriminatory behaviour affecting women in the family and at the workplace. Among the main targets, periodically monitored by the United Nations (UN) through the programming of activities in the framework of the High Level Political Forum (HLPF) and all the bodies and entities that have direct or complementary competence on gender issues, the following ones needs to be recalled for their connection with measures that both public and private actors are called upon to introduce in their programmatic and operational frameworks:

5.4 Recognise and value unpaid care work and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household, according to national characteristics

5.5 Ensure women's full and effective participation and equal leadership opportunities at all levels of decision-making in political, economic and public life

5.a Initiate reforms to give women equal rights of access to economic resources, such as access to ownership and control of land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws

5.b Improve the use of technology that can assist women's work, especially information and communication technology, to promote empowerment, i.e. strength, self-esteem, awareness of women

5.c Adopt and strengthen concrete policies and enforceable laws for the promotion of gender equality and the empowerment, i.e., strength, self-esteem, awareness, of all women, girls and young women at all levels.

Compared to the initial formulation of the targets of Goal 5, firstly in 2017 and then in 2022, the HLPF carried out a review based on some monitoring results, which showed a partial achievement of the Goal as for legislative measures aimed at promoting real and effective gender equality, access to and completion of basic education for girls and young women, and the fight against forced marriages. Undoubtedly, most critical issues were recorded to combating female stereotypes, poor political representation and scarce participation of women in decision-making processes, and preventing and combating gender-based violence in all its forms. According to the tracker tool to assess Goal 5, on a scale that quantitatively measures its horizontal growth in a dynamic manner, data collected in the SDG Global Database is rather limited in percentage terms (48%), looking forward a careful and comprehensive review of the above mentioned targets.

If Goal 5 and its targets are examined from a business perspective only, it is crucial that gender equality and respect for diversity are introduced and become an integral, if not fundamental, part of business strategies through a series of complementary actions (Harrison, Leitch and McAdam 2015): for example the predetermination of corporate performance objectives and the contribution from male and female workers according to their knowledge, skills, abilities and experience; performance assessment through agreed and objective parameters; performance certification through predefined procedures, on the basis of approved standards and in compliance with the principle of evaluative transparency (Sonfield et al 2001).

Only by adopting such an approach, which places at the centre gender equality as set out in Goal 5 and its targets, careers of female workers in particular, from selection to advancement, from top management and decision-making positions to retirement, is instrumental for individual, personal, family and company growth since it is based on a gender culture which is non-discriminatory but inclusive and incentivising female workers (Sweida and Richard 2013; Htun, Jensenius and Nelson-Nuñez 2019).

A similar approach, albeit contextualised in relation to baseline values recorded in the European regional area, is introduced in the EU Strategy for Gender Equality 2020-2025, in which key policy objectives and actions to achieve gender equality in the EU Member States by 2025 have been set out. The Strategy requires, for its full and effective implementation, that the EU institutions and Member States act, in parallel and jointly, to adopt and implement a number of specific measures for the achievement of gender equality: this complex goal can be pursued in a step-by-step manner if the gender perspective is systematically included at every stage of policy development and implementation processes in all EU policies, internally as well as in the EU external policy. Alongside the guarantee of systemic attention paid to gender equality, it is and will be equally important to ensure respect for the principle of intersectionality in gender

issues in a broad sense, as defined by the European Institute for Gender Equality (EIGE) as an “analytical tool for studying, understanding and responding to ways in which sex and gender intersect with other personal characteristics/identities and the ways in which these intersections contribute to specific discrimination”.

In the release of the annual reporting on the implementation of the Strategy, the assessment about female involvement and active participation in decision-making processes, with particular regard to business, showed how, despite an increasing improvement of quantitative data, results achieved are still not positive and there are clear country divergences (Klyver and Grant 2010). If in 2021 around 30% of the membership of the boards of directors of the main public listed companies are women, this figure is among the lowest since 2010. Only the percentage for 2020-2021, reported by the Gender Diversity Index and relating to 668 companies in Europe, goes from 0.56 to 0.59. For a real change of pace, alongside measures already introduced by the governments of EU Member States aimed at fostering a fairer representation in the main bodies of business companies, it is necessary to envisage hard regulatory measures that carefully discipline the quota system and related sanctions against companies that do not comply in due time (Baughn, Chua and Neupert 2006). In fact, although this approach is already in force in some national legislations, EU secondary legislation which has led to a first agreed text of a directive for the regulation of female component in medium and large-sized companies might be a good starting point for the achievement of the highest quantitative target within a sufficiently short time (2026 at the latest) - starting in October 2021 from an average of 36.4% of women members of the boards of directors of the largest listed companies in EU Member States where such legislation is in force. To achieving positive results, however, focus should be paid not only on highest positions (chair and chief executive officer - respectively 8.5% and 7.8% in October 2021 at the European level), but also on the lower ones (non-executive and senior executive - respectively 33.3% and 20.2%).

At the same time, as for objectives identified at the European regional level, gender dimension and business dynamics have been reframed in line with renewed strategic priorities for growth and post-pandemic development through the compilation and adoption of Regulation (EU) 2021/241 of 12 February 2021, which sets structural and operational axes of the Recovery and Resilience Plan. In this context, the introduction of cross-sectoral measures aimed at a multi-sectoral pursuit of gender equality and equal opportunities have been translated by EU Member States into national strategies to translate the aforementioned measures into domestically relevant interventions, alongside the so called Missions, components and related investments that competent governmental authorities have decided upon.

In comparison to commitments made by Italy for the achievement of SDGs in the UN system, commitments formulated at the European level are instrumental to address critical issues so that gender issues once again take a central place in the framework of national policies. To this scope the National Strategy for Gender Equality 2021-2026, following the European one, aims at achieving quantitative objectives for positioning the country at a higher level than the current one (14) in the ranking of EU Member States measured through the European Index for Gender Equality.

These commitments imply also a greater inflexibility, when implementing measures are directly related to the access to EU financial resources by the Government only for the concrete achievement of pre-established objectives. The content of the National Recovery and Resilience Plan, which has slightly anticipated the National Strategy, should be read in this perspective. Therefore these documents require a concerted action: the five priority areas of the National Strategy (work, income, skills, time, power) are further developed in the Missions of the National Recovery and Resilience Plan in

compliance with Art. 18(4)(o) of Regulation (EU) 2021/241 ('The Recovery and Resilience Plan shall be adequately substantiated and justified. It shall set out in particular the following aspects: (...) (o) an explanation of how measures in the Recovery and Resilience Plan can contribute to gender equality and equal opportunities for all and the mainstreaming of these objectives, in line with Principles 2 and 3 of the European Pillar of Social Rights, UN Sustainable Development Goal 5 and, where appropriate, the national gender equality strategy').

On a general note, in order to assess ex ante the overall rationality of the National Recovery and Resilience Plan in light of the implementation impact on gender equality, with special attention to the incremental percentage of female employment, it was estimated that the cross-sectional dimension of this issue will boost female empowerment to achieve an increase of 3.7 percentage points over the next three years. This concerns several Missions of the Plan, among which, in particular, Missions 4 (Education and Research) and 5 (Cohesion and Inclusion) directly refer to the need to adopt measures and implement actions that will clearly affect female employment.

Precisely to this purpose the project introduced in the National Recovery and Resilience Plan adopted by Italy and named 'Gender Equality Certification System', included in Mission 5, Component 1, Investment 1.3 of the Plan, has been conceived. The project intends to outline the structural and operational framework of a national gender equality certification system, ensuring adequate technical support to businesses for the adoption of development policies aimed at reducing the gender gap.

A key legislative measure for the definition of the aforementioned framework is Law No. 162/2021, which regulates the aforementioned certification system, to be established as of 1 January 2022.

The system is outlined in detail in Art. 4: it is instrumental for the identification and recognition/certification of measures adopted by a company and aimed at overcoming the gender gap, in terms of equal pay for equal tasks and of protection and support for female workers engaged in family and personal life.

The awarding of certification is based on minimum parameters, to be identified and adopted through a ministerial decree signed by the political authorities in charge for equal opportunities, labour and economic development, and ensuring that companies with less than or more than 50 employees comply with these criteria by submitting, on a compulsory or optional basis, an annual report over human resources management illustrating pay framework, professional growth opportunities, and measures and incentives in favour of work-life balance. The proof of compliance with these parameters shall also facilitate in an explanatory manner how companies collect data and monitor results, involve trade union representatives and equality bodies at local level, ensure all-out and widespread information on the certification system. The assessment over the functioning of the system is assigned to a permanent technical committee on gender certification in companies, composed of representatives of competent public administration, equality advisors and councillors, trade union representatives and experts.

Art. 5 provides in favour of certified companies partial tax relief against a social security coverage for female workers, and a bonus score by the authorities managing national and regional European funds, for companies' project proposals for the purpose of granting State aid to co-finance business investments. Each certified company will therefore be able to count on these benefits by not exceeding the annual limit of 50,000 euros starting in 2022, and this condition will be assessed on an annual basis to confirm the aforementioned benefits. The authorities managing funds should provide for the indication, in the calls for tenders, notices or invitations relating to procedures for the acquisition of services, supplies, works, of bonus criteria they intend to apply to the

evaluation of the offer: this procedure applies, of course, to tenders relating to public investments, in whole or in part, funded within the framework of the National Recovery and Resilience Plan.

The reference to regulatory and operational instruments adopted at European level is essential to the proper functioning of the certification system. In this perspective, before describing in detail the mechanism set up by Italy, it is important to refer to some standards defined on a regional basis, which constitute a useful model for legislative processes taking gender issues into account.

The first is the Declaration on Gender Responsive Standards, drafted and adopted by the United Nations Commission for the European Area (UNECE) in the framework of the initiative launched by the Working Party on Regulatory Cooperation and Standardization Policies (WP6), as the body in charge of compiling and promoting standards that can be adopted by public administrations and companies, *inter alia* for the more effective achievement of the Agenda 2030 SDGs. In the Declaration, the starting point is the limited representation of women in standard-setting processes, consequently impacting on a limited empowerment of women in the public and private sectors (Chiplunkar and Goldberg 2021). Therefore, it is necessary to introduce gender-responsive standards to ensure a real balance of professionalism, knowledge and experience, for an effective gender inclusiveness monitored within an action plan through the collection and analysis of quantitative and qualitative data (Sullivan and Meek 2012).

It is worth of mentioning, in the Annex to the Declaration, that this complex objective is achievable through different categories of actions: working towards gender-balanced / representative and inclusive standards development environments, in relation to the female component in both public and private environments, evaluating gradual results achieved also in terms of experiences and good practices proving the elaboration and use of standards in a truly equal and inclusive gender manner; creating gender responsive standards through a network of female experts, using or adapting existing standards or shaping new ones and facilitating their knowledge and use through dedicated training; creating gender responsive standards bodies in charge of compiling, adopting and implementing action plans and planning information and training on standards.

The second is a tool that allows for a careful assessment of projects, always along the gender dimension, adopted by the EU: the Gender Impact Assessment (GIA), introducing criteria of preventive, contextual and consequent analysis, facilitates an impact assessment on both positive and negative effects following the adoption of a gender measure through legislative acts or broader policies. GIA is not based upon generic or abstract criteria but on needs and dynamics affecting individuals - individually or collectively – as direct beneficiaries of the measure. In order for the assessment to be truly useful, it is not sufficient to carry out an analysis that highlights gender differences in terms of access to and participation in decision-making processes for the production of legislative and/or policy measures aimed at promoting women's empowerment. Indeed it is necessary to introduce a targeted statistical methodology for the collection of gender-disaggregated data, to propose and use indicators to measure trends in male-female relations and role dynamics in both the public and private sectors, and to assess *ex ante* the impact of legislative and/or policy measures for ensuring an increase in the level and quality of women's leadership and participation in economic and social decision-making processes (Díaz García and Carter 2009).

On the basis of these standards, which can undoubtedly represent useful models to guide the creation and functioning of *ex-ante* and *ex-post* evaluation mechanisms over impact of policies along the gender dimension, Italy has recently adopted an innovative practice, called UNI/PdR 125:2022. It was developed by the Working Group on gender

certification of companies coordinated by the Department for Equal Opportunities of the Presidency of the Council of Ministers, with the participation and contribution of other competent public administrations.

The practice focus on the analysis and assessment of public performance, referring to all policies that encourage a cultural change towards gender equality and that enhance female talents in order to drive the country's economic growth and social development in an all-embracing way. First and foremost, it monitors the implementation of existing legislative measures or the introduction of new ones, in compliance with the constitutional provisions on equality and equity. In this sense, policies that aim at guaranteeing the so-called formal equality, pursuant to Article 3, paragraph 1 of the Constitution, when referring to the sharing of care roles in the family context, but also policies that promote equal opportunities for the pursuit of so-called substantive equality, in compliance with Article 3, paragraph 2 of the Constitution, are assessed. The practice also explores and evaluates the respect and promotion of the principle of equity, read in the light of gender dynamics and endorsed by public and private actors since it is introduced in specific legislative provisions and included in any procedure for the elaboration and implementation of a gender-sustainable policy as a precondition for access to tenders, public funding or reward mechanisms in the private sector. Furthermore, the practice intends to assess measures and policies put in place to incentivise the employment of women based on the knowledge and professional skills of young female workers, with specific reference to business, facilitating the same companies in credit and tax procedures. In this context, measures will also be examined to promote concrete equality between male and female workers in terms of access to labour, professional growth and training opportunities, income equality, and equality in taking leave to care for families (Asif, Muzi and Amin 2019).

The monitoring of the practice relies on a set of targeted and comparable performance indicators to analyse a company which adopts an inclusive approach to achieving full and effective gender equality.

The indicators (KPIs) are categorised in relation to six main areas of investigation: culture and strategy, governance, HR processes, growth opportunities and inclusion of women in the company, gender pay equity, parental protection and work-life balance. Each indicator is associated with a score, whose achievement or non-achievement is calculated in its proper area: culture and strategy as well as governance – 15%; HR processes – 10%; growth opportunities and inclusion of women in the company, gender pay equity, parental protection and work-life balance – 20%. The minimum overall score of 60 % is expected to be achieved by each company thus accessing to the certification.

The companies monitored and assessed vary in size, ranging from the smallest (1-9 employees) to multinationals, characterised by a much more complex structure beyond the number of employees. Each indicator measures a percentage, calculated on the basis of an initial assessment and the performance over a two-year period. This evaluation can be quantitative, translated into a percentage reporting the company value or the average value calculated on a national basis according to the company performances in relation to the areas or productive sectors. The evaluation can also be qualitative, illustrating the presence or absence of trends and achievements. Quantitative and qualitative evaluations will give an overall score for all areas of investigation, allowing the achievement of a minimum score (60%), as above reported, as an essential prerequisite for gaining certification.

At present Accredia is the Italian body in charge for the accreditation of evaluation entities bodies, in accordance with the UNI CEI EN ISO/IEC 17021-1 standard, specifically for the UNI/Pdr 125:2022 practice, as envisaged by the Decree of the Minister for Equal Opportunities and Family Affairs of 29 April 2022. By decision of 30

June 2022, this body has accredited the first three evaluation bodies for gender equality certification of companies on 11 July 2022. These first three bodies are Bureau Veritas Italia Spa, Dnv Business Assurance Italy Srl and Rina Services Spa, which therefore will be able to issue gender equality certification to companies that apply for it.

As far as small and medium-sized enterprises and micro-enterprises are concerned, the Department for Equal Opportunities will support them in the certification process by providing a maximum contribution of EUR 2,500 per enterprise for technical assistance and accompanying services and a maximum contribution of EUR 12,500 per enterprise to cover certification costs (Long Hoang and Stefańczyk 2018). Two separate public notices will be published for companies and evaluation bodies to define how the contributions will be disbursed.

In this way, gender certification, although contextualised at a national level and in line with European recovery priorities, is well suited to be framed into the 2030 Agenda with the aim of integrating gender perspectives into all SDGs implementation: since SDG5 is a core goal, the economic contribution of women in the public and private sector should be reinforced.

The very recent and negative comments released during the HLPF concerning the functioning of indicators inherent to targets and sub-targets of SDG5 calls for the introduction of new tools to monitor and assess the performance of public and private/business actors for a concrete achievement of gender equality (Wodon et al 2020). So far new methodological attempts at the international level could require and be based upon national practices, such as the gender certification. This model indeed could be explored moving from the 6 macro-areas of indicators pertaining to different variables to identify inclusive organisations and worthy of obtaining gender certification.

These areas clearly make reference to the 2030 Agenda for Sustainable Development in its cross-cutting and holistic substantive relevance and therefore this preliminary analysis of the Italian gender certification model might encourage a first assessment of its relevance in line with international standards to measure the methodological compliance with global key criteria and indicators but also could contribute for the examination of the gender certification model in its reasonableness, applicability and replicability, also beyond the national reference context.

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