GENDER WAGE GAP IN WESTERN BALKAN COUNTRIES

BILJANA APOSTOLOVA, MSC
INDEPENDENT POLICY RESEARCHER EU AND US POLICY
Apostolova10@hotmail.com

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The aim of this paper is to briefly represent the considerable ‘Gender Pay Gap’ in Western Balkan countries, which has inevitable impact on the status of women in their economic and social life. The fact that women earn less than men is a consistent observed phenomenon in Western Balkan countries and has been continuously increasing since the outset of transition. This research is based on the existing European indicators: segregation of the labor market, the employment status, discrimination and educational differences that contribute for the wage gap.

At the first phase I define the Gender wage gap and the EU priorities in the field of gender equality. Next phase I include separate presentation of the Wage gap in the FYR Macedonia, Serbia and Croatia, for more detailed indication of the causes which contribute to the high level of Wage gap.

**Key words:** Gender Discrimination, Gender wage gap, employment status, labor market segregation.
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# ABBREVIATIONS

<table>
<thead>
<tr>
<th>ABBREVIATION</th>
<th>DESCRIPTION</th>
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<tbody>
<tr>
<td>CEDAW</td>
<td>Convention on the Elimination of All Forms of Discrimination against Women</td>
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<td>CEE</td>
<td>Central and Eastern European Countries</td>
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<td>CEEP</td>
<td>European Centre of Enterprises with Public Participation and of Enterprises of General Economic Interest</td>
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<td>EC</td>
<td>European Council</td>
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<td>ESA</td>
<td>Employment State Agency</td>
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<td>ETF</td>
<td>European Training Foundation</td>
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<td>ETUC</td>
<td>European Trade Union Confederation</td>
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<td>EU</td>
<td>European Union</td>
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<td>EUROSTAT</td>
<td>European Statistical Office – Luxembourg</td>
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<td>GDI</td>
<td>Gender-relative development index</td>
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<td>GEM</td>
<td>Gender empowerment measure</td>
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<td>GoS</td>
<td>Government of the Republic of Serbia</td>
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<td>HDI</td>
<td>Human development index</td>
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<td>ILO</td>
<td>International Labour Organization</td>
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<td>LFS</td>
<td>Labour Force Survey</td>
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<td>NEAP</td>
<td>National Employment Action Plan</td>
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<td>NES</td>
<td>National Employment Strategy; National Employment Service (Serbia)</td>
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<td>NSO</td>
<td>National Statistical Office;</td>
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<td>SSO</td>
<td>State Statistical Office</td>
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<tr>
<td>UEAPME</td>
<td>European Association of Craft, Small and Medium- Sized Enterprises</td>
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<tr>
<td>UN</td>
<td>United Nations</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
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<td>UNICE</td>
<td>Union of Industrial and Employers’ Confederations of Europe</td>
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1. INTRODUCTION

Gender Wage inequality is a social issue that has been publicly controversial throughout society for decades. In most societies, the differences and inequalities between women and men are manifest in the responsibilities each are assigned, in the activities they undertake, in their access to and control over resources and in decision-making opportunities.

The Western Balkan region has been facing for more than a decade striking challenges of two parallel processes-transitions to the market economy and democratic society and globalization, both causing tremendous changes in economic, political and social spheres of people’s life. While both processes have been offering opportunities beyond expectations, their threats have been equally challenging. In the line with the experiences in other CEE countries documented in several past research (e.g. Kantor 2004, Nowicka 2004, Ruminska-Zimny 2002), the costs of globalization and complicated transitional process in terms of raising inequalities in distribution of opportunities and resources have been affecting more women than men in Western Balkan.

Today, Pay inequality in the Western Balkan countries is a reflection of various inequalities between women and men on the labour market, such as segregations in sectors, occupations and work patterns, access to education and stereotypes. Women and men are legally equal, but they are not economically equal. According to the Human Development Report 2009, the ratio of estimated female to male earned income is 0.49% in FYR Macedonia, in Serbia women earn 0.59% of the male earned income and in Croatia women earn approximately 0.68% of the male earned income.
There is a wide variation in results of the Gender wage gap over time, between the Western Balkan countries and even among studies for a particular country. This paper is organized in the following way: at the first phase I introduce the general theory of the Gender wage gap, how the gender wage gap is defined and measured, than the priorities for EU action in the field of gender equality and achievement of equal economic independence for women and men and how the wage gap is measured at the EU level. Next phase I include separate presentation of the Wage gap in the FYR Macedonia, Serbia and Croatia, for more detailed indication of the causes which contribute to the high level of Wage gap.

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1 **Ratio of estimated female to male earned income**: Calculated on the basis of data in next two columns. Estimates are based on data for the most recent year available between 1996 and 2007. Following the methodology implemented in the calculation of the GDI, the income component of the GEM has been scaled downward for countries whose income exceeds the maximum goalpost GDP per capita value of 40,000 (PPP US$). For more details see http://hdr.undp.org/en/statistics/m1

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<table>
<thead>
<tr>
<th>Country</th>
<th>Estimated earned income-female ($)</th>
<th>Estimated earned income-male ($)</th>
<th>Ratio of estimated female to male earned income</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYR Macedonia</td>
<td>5,956</td>
<td>12,247</td>
<td>0.49</td>
</tr>
<tr>
<td>Serbia</td>
<td>7,654</td>
<td>12,900</td>
<td>0.59</td>
</tr>
<tr>
<td>Croatia</td>
<td>12,934</td>
<td>19,360</td>
<td>0.67</td>
</tr>
</tbody>
</table>

2. RESEARCH QUESTION

Using the comparative method, my aim is to provide the answer to the question- Why women in Western Balkan are less paid than men? I’ll explore what causes the wage gap between genders, where the man and woman stand with regards to some fundamental rights and equal opportunities.

This research paper is based on the existing European indicators (segregation of the labor market, the employment status, discrimination and educational differences that contribute for the wage gap) which are strongly related to the global gender wage gap.

When interpreting the pay gap indicator, account must be taken of the fact that it does not allow a distinction to be made between objective factors which explain the pay gap and those resulting from discrimination or other factors. It is reasonable to assume that both discriminatory and non-discriminatory factors are also responsible for the unknown portion of the gender pay gap. However, how much of the gender pay gap is attributable to discrimination remains controversial and there appears to be no empirical method of resolving this question.

3. DEFINING THE GENDER WAGE GAP CONCEPT

The gender pay gap refers to the difference between the wages earned by women and by men. The EU indicator for monitoring the employment guidelines take the earnings of men as point of reference, the unadjusted gender pay gap is thus calculated as the difference between men’s and women’s average gross hourly wage as a percentage of men’s average gross hourly wage. In that case, the gender pay gap indicates how many percentage points the earnings of women have to
increase in order to be equal to those of men. Although collective agreements and minimum wage laws are in principle gender-neutral, women still end up earning less than men (Eurostat, Labour Market Policy database).

Traditionally, within the context of human capital theory, differences in pay are explained by differences in individual characteristics like age, education and experience. Evidence suggests, however, that these differences only play a minor role in the persistence of the gender pay gap. Instead, the global gender pay gap seems more related to the level of occupational segregation and the wage structure. Women are generally over-represented in jobs in certain services – such as sales, catering, nursing, teaching and social services. As well as the ‘horizontal’ segregation into different types of jobs,’ vertical’ segregation also occurs: women are generally under-represented in the higher level, better-paid managerial and senior positions in organizational hierarchies and occupational career ladders and overrepresented in low-paid jobs.

The pay gap also reflects other inequalities on the labour market mainly affecting women – in particular the division of responsibilities in the home is highly gendered, with women doing most of the housework and care work for children and adult dependents (World Development Indicators of the World Bank). Many women work part-time or under atypical contracts: although this permits them to remain in the labour market while managing family responsibilities, it can have a negative impact on their pay, career development, promotion prospects and pensions.

The working time is another important factor influencing the situation of women on the labour market and their relative conditions. Nevertheless, the results of analytical studies on factors explaining the gender wage gap seem to indicate that the working time is not a crucial factor to explain it (see further in this paper). Part-time jobs are more likely found in lower-paid
occupations that offer more limited opportunities for career advancement than full time jobs (Eurostat, Labour Market Policy database).

3.1. EU action in the field of gender equality

Equal pay for equal work is one of the European Union’s founding principles. Enshrined in the Treaty of Rome in 1957, it was the subject of the Community’s very first legal provision in the field of equal treatment for women and men. A 1975 directive broadened the legal framework, prohibiting all discrimination on the grounds of gender for the same work or for work of equal value in respect of all aspects of pay.

Furthermore, in recognition of the continuing gender gaps in the labour market and the problems these present in reaching the Lisbon targets, the European social partners CEEP, UNICE/UEAPME and ETUC decided in their 2002-2005 work programme to start negotiations on a framework of actions on gender equality. The ‘framework of actions on gender equality’ was adopted in March 2005 with a particular priority on Reduction of the Pay gap.

In 2006, the European Commission published the Communication on A Roadmap for equality between women and men 2006–2010 (COM (2006) 92 final), which set as a priority the elimination of the gender pay gap. This was followed in 2007 by the Communication on Tackling the pay gap between women and men (COM (2007) 424 final), which discusses a number of ways to address the gender pay gap: legislation, employment policies, encouraging employers to respect equal pay and the exchange of good practices at community level.
In November 2008, a European Parliament resolution made recommendations to the Commission on the application of the principle of equal pay for men and women. These recommendations highlight a set of integrated initiatives to tackle the gender pay gap, including the availability of analyses and the request for transparency, work evaluation and job classification, the role of equality bodies, the prevention of discrimination, gender mainstreaming, the use of sanctions and streamlining of EU regulation and policies.

In March 2010, to mark the 15th anniversary of the declaration and platform for action adopted at the Beijing UN World Conference on Women and the 30th anniversary of the UN Convention on the Elimination of All Forms of Discrimination against Women, the Commission adopted the Women’s Charter, in which the Commission renewed its commitment to gender equality and to strengthening the gender perspective in all its policies (Strategy for equality between women and men 2010-2015 - Brussels, 21.9.2010).

As a result of the various EU actions in the field of gender equality, in some countries, the persistence of the gender pay gap has initiated a range of policy measures. In others countries, however, the gender pay gap ranks less high on the national policy agenda and few concrete programs or policy measures are pursued:

i. Equal pay policy aiming at tackling direct or indirect gender wage discrimination;

ii. Equal opportunities policy aiming at encouraging women to have continuous employment patterns, and de-segregating employment by gender;

iii. Wage policies aiming at reducing wage inequality and improving the remuneration of low paid and/or female-dominated jobs.
4. GENDER WAGE GAP IN WESTERN BALKAN- PRESENTATION BY COUNTRY

4.1. Gender Wage gap in the FYR Macedonia

Similar to other Western Balkan countries, the transition in FYR Macedonia had not only radically altered the social status of the entire population, but it also affected the widening of the gap between man and women, both in terms of social status and opportunities and access to available resources in the society. These differences may be perceived in several socio-economic parameters.

There are still important gender disparities with regard to wage earnings. The average net wage paid to men in 2008 and 2009 was higher than the average wage paid to women, with most unequal compensation (gap around 20% and higher) observed in sectors agriculture, manufacturing, trade, hotels, health and social work (SSO data, Statistical book “Women and Men in the Republic of Macedonia”, 2009,2010). The wage differences between genders in the country are more pronounced in the private sector, in rural areas and among low educated workers (primary education or less) (Angel-Urdinola and Macias 2008).

Table 4.1

The female employment rate in the country is lower than that of males, with a gender gap in the labour force participation. In 2008 men with 50.7% in the total employed population, contrasted with women who participated with 32.9%. The difference in the activity rates of the population is even greater, i.e., it amounts to 50.2% for women, as opposed to 76.6% of the men who were active in the labour market in 2008. In 2009 and in the second quartile of 2010 are roughly identical and amounted to 34.5% (2009) and 33.5% for women, and 31.6% (2009) and 33.4% for men (SSO 2010 news release No 2.1.10.17).
Table 4.2

The difference in employment rates between genders decreases with education so that higher-educated females had only slightly lower employment rates than males in 2009 (51.3% for man and 48.7% for women respectively, data based on 15+ age group) (SSO LFS 2009).

Table 4.3

4.1.1 Factors and other key findings

a) Segregation of the labour market

Cross analysis of data on the structure of employment by occupation and gender reveals that most women and men worked in low skilled manual occupations in 2007, albeit women did so at somewhat lower proportion (44.8% for women against 55.6% for men). On the other hand, the share of women employed in highly skilled non-manual occupations (32.2%) was greater than the one for men (24.6%), which might be attributable to the dominance of females in the public administration (SSO LFS 2008). The share of women employed as professionals in 2009 (26.8%) was lower than the one for man (73.2%), and higher in the position associate professional (51.8%) for women against (48.2%) for man (SSO LFS 2010).

Table 4.4

The employment status by gender reveals that women in the FYR Macedonia tend to be predominantly in dependent employment. According to 2009 LFS estimates there were 86.3% men working as either self employed or employers, against only 13.7% women of the total male
and female employment, respectively. In addition, significant 14.6% of all employed women worked as unpaid family workers (mainly in agriculture), in contrast to only 7.0% of men.

Figure: 4.2

b) Working Hours

Whereas at the beginning of transition, part-time employment was more usual for males than females indicating that it mainly served as a second job, in 2008 the share of part-time employment among women was greater. The share of part-time employment among men in the country in 2008 stood fairly below the average level for EU-27 level (4.7% vs. 7.8%, respectively), but the gap between the national and EU average level was much higher for females (7.6% vs. 31%, respectively) (ESA annual statistics on newly signed employment contracts).

The possibility for a part-time work is a key factor in raising female participation and employment. In particular, the decreasing role of traditional family support during transition, the recent extension of the statutory retirement age for females, the limited access to child and elderly care, all rise the importance of part-time employment opportunities for females are important factors in determining the choice and opportunity of females to participate in the labour market and to work (Mojsoska, 2008).

Hence, flexible working arrangements are especially important for employed women, currently, there are only few firms that allow flexible working hours (flexible half-hour interval to come at and leave from work), while other forms of flexible scheduling of work are not used, despite that they are regulated with the Labour Law. Moreover, public administration, where majority of
females work, does not allow flexitime (*Labour Market in the FYR Macedonia. 2009. Employment, Social Affairs and Equal Opportunities DG. Euro–Balkan Institute*).

Additionally, the World Bank study (2008) found that there is a difference in the type of informal work performed by genders with females being mainly informally involved as unpaid workers in agriculture, whereas males as self-employed or employers in unregistered firms.

c) Domestic work

Division of household work (domestic chores, child and elderly care) between men and women is an important determinant of females’ economic activity, types of jobs they undertake and their ability to balance paid and family responsibilities.

In 2004, the SSO conducted a time use study that shows that family responsibilities usually are not shared by spouses; instead the bulk of activities are performed by females. Among employed persons, the average time per day that females devoted to household chores (4.40 hours) is about 2.5 times greater than average men’s hours spent on home tasks. Clearly, if fathers participated more in the care for even very young children, women’s activity in the labour market would be easier, and gender disparities in this regard would be reduced (ILO and Council of Europe, 2006).

Angel-Urdinola and Macias (2008) and ETF (2008) find that the most important reason for female inactivity is household responsibilities. In particular, 55% of inactive females are housewives, though the effect of this factor on inactivity is magnified at the lower levels of education.

d) Discrimination

In addition to the above mentioned factors influencing activity of women, ILO and
Council of Europe, 2006 suggest that women, especially certain groups of women, such as older women, or women with young children, might face discrimination at hiring and firing, and even when seeking services of employment agencies. In the area of pay discrimination, ILO notices that the country has not properly implemented the convention C100, Equality of Opportunity and Treatment, in particular the requirement for equal remuneration for work of equal value still living a room for a gender pay gap. In particular, this requirement is not entirely implemented in the national labour law which provides for the principle of equal remuneration for equal or same work, but not for workers performing work of a different nature which is, nevertheless, of equal value. In addition, it is not clear to what extent is the principle of equal remuneration for men and women for work of equal value implemented in the practice.

A recent labor market assessment conducted in the country by the World Bank (Angel-Urdinola and Macias, 2008) indicate that about 83% of the gender gap in remuneration in the country is unexplained pointing to discrimination against female workers. Gender pay discrimination can be further reduced by the proper implementation of the national Law on Equal Opportunities of Women and Men which should, among other, remove gender stereotypes and prejudices, promote more balanced choice of educational careers, including enrolment of girls in technical schools, foster female participation in decision-making, etc.

### 4.1.1. National initiatives for gender equality

Equal treatment and opportunities for women is particularly important in order to ensure that women have same opportunities in the labour market as men do which is important precondition for greater participation of women in the labour market.
In 2006, the Parliament passed the Law on Equal Opportunities that defines discrimination, prescribes policies and measures for ensuring gender equality, as well as responsible institutions and structures. Besides the Law on Equal Opportunities, the Labour Law also gives special treatment for female workers, for example in case of overtime and night work, as well as in a case of pregnancy and parenthood. In addition, the law states that employers are obliged to support employees in balancing work and family life, but this concept of “support” is rather vague and too general. The replacement rate while on maternity leave is 100% of the previous wage. The Labour Law also prescribes that a mother can take a one and ½ hour (paid) break per working day for breastfeeding the child, up until 1 year of age of child, which is rarely implemented in practice.

In 2007, the Government adopted the National Action Plan for Gender Equality 2007-2012. The aim of the policy instrument “women and work” is achieving the four strategic objectives: 1) increase of the rate of employment among all women; 2) improvement, advancement and strengthening of the economic status of the women; 3) support of the process of transition from informal to formal economy in the service sector (care for children, care for elderly people, cleaning services, etc.); 4) increase the rate of employment of women in rural areas (State Statistical Office of the FYR Macedonia. 2010 news release No 2.1.10.17).

Furthermore, there are several studies exploring the issue of possible introduction and level of minimum wage in the country. For instance, Angel-Urdinola (2008) argues that given the imperfect competition in Macedonia (due to high discrimination and low mobility) and monopsonistic labour market, firms can allow to pay (female) workers below their marginal product of labour, which reduces their supply of labour. In such situation, if minimum wage is introduced at or below competitive market wage, overall employment might increase and the
gender pay gap decrease because a minimum wage is likely to be more binding for low-skilled women than for low-skilled men. However, additional evidence is needed to define regional labour markets in Macedonia as monopsonistic ones. In addition, in a country with high unemployment, increasing labour supply might not be a primary concern.

Additionally, the Gender-related Development index\(^2\) for the FYR Macedonia in 2009 was assessed at 0.795. In other words the GDI value for the country represents 99.4% of its HDI\(^3\) value, and out of the 155 countries included in the ranking, 64 countries had better ratio than the FYR Macedonia. Also the country ranked 35th out of 93 countries in the gender empowerment measure\(^4\) (GEM), with a value of 0.625

### 4.2. Gender wage gap in Croatia

Croatia, as a post-socialist country, shares many labor market characteristics with other Western Balkan countries. Therefore, it is not surprising that the unadjusted wage gap is relatively low. The average monthly gross wage of women was around 11 percent below that of men in 2008,

\(^{2}\) The gender-related development index (GDI), introduced in Human Development Report 1995, measures achievements in the same dimensions using the same indicators as the HDI but captures inequalities in achievement between women and men. The greater the gender disparity in basic human development, the lower is a country's GDI relative to its HDI.

\(^{3}\) Each year since 1990 the Human Development Report has published the human development index (HDI) which looks beyond GDP to a broader definition of well-being. The HDI provides a composite measure of three dimensions of human development: living a long and healthy life (measured by life expectancy), being educated (measured by adult literacy and enrolment at the primary, secondary and tertiary level) and having a decent standard of living (measured by purchasing power parity, PPP, income per capita).

\(^{4}\) GEM reveals whether women take an active part in economic and political life. It tracks the share of seats in parliament held by women; of female legislators, senior officials and managers; and of female professional and technical workers- and the gender disparity in earned income, reflecting economic independence. Differing from the GDI, the GEM exposes inequality in opportunities in selected areas.
making it one of the lowest unadjusted gaps in Europe - even one of the lowest among the former socialist countries (Central Bureau of Statistics, Republic of Croatia. LFS Man and woman in Croatia 2009).

Table 4.5

Figure 4.3

Compared to other countries, Croatia has a somewhat lower female participation rate than the EU-10 countries (post-socialist EU member states). Whereas in comparison with the EU-15 (“old” EU countries), its female participation rate for the 25 to 49-year-old cohort is slightly higher, and for the 15 to 64-year-old cohort it is substantially lower.5

The unemployment rate of women is for the last several years higher than the rate for men, as is their share in unemployment. Nevertheless, the participation of women in self-employment increased from 37.8% in 2007 to 38.7% in 2009.

Table 4.6

The employment gap decrease with the educational level. There is a minor difference in the employment rate between high educated women and man.

Table 4.7

5 According to Eurostat, the average female participation rate (unweighted) of the ten post-socialist EU countries was relatively stable between 1998 and 2008, around 62 percent for the population of 15 to 64-year-olds and 82 percent for the population of 24 to 49-year-olds. In “old” European market economies (EU-15), female participation rates have been on the rise, reaching 65 percent for the group of 15 to 64-year-olds and 79 percent for the group of 24 to 49-year-olds in 2008.
4.2.1. Factors and other key findings

a) Segregation of the labour market

In Croatia, like in the most European countries, women make the majority of unemployed, being concentrated in lower-income professions. Women are generally paid less than the men for the same type of work, and are faced with the “glass ceiling” syndrome. (Statement by Ms. Tamara Šterk Office for Gender Equality Government of the Republic of Croatia OSCE Review Conference on Human Dimension Session 8: Tolerance and Non-Discrimination II (1) Warsaw, 6 October 2010).

Data reveal that the women in Croatia are well educated, but despite that feebly represented at the leading positions in the bodies of the state administration and public enterprises while the proportion of female sex is particularly high in less professional, industrial, commercial and office work as well as in the sphere of service sector which is generally known to have low salaries and inadequate possibilities of professional advancement and training.

Table 4.8

Working hours and discrimination

Croatian lawmaker has limited working time to maximum of 40 hours per week coupled with the obligation that the employee in time vis maior, an extra amount of work and other cases of urgent situation, upon the request of an employer works longer than working hours but most 10 hours per week (overtime work).6 Mutatis mutandis, this is relatively common time limit of the full time duration, but in the case of motherhood and parenthood, it becomes a problem. Moreover, a

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6 Cf. Article 38(1) and 41(1) of the Croatian Labour Act.
distribution of the care for children and family confirms absolute inequality between women and men. For a man, more children almost always mean greater activity at the labor market while a woman is always put in the worse position with long and anti-social working hours, especially in the countries burdened by the transitional problems. The substantive equality concept implies that it is not enough to work on banning such forms of indirect discrimination but use positive action, i.e. positive discrimination, eliminate past and future failures which make women suffer on the labor market in the time of motherhood.\textsuperscript{7}

The system of part-time work, that is almost completely immanent to the female population on the labor market, additionally discriminates women if it is not adequately applied and institutionally protected. It cannot be said that the part-time work is not regulated in Croatia, but one notices its extremely low level of employment. This is partly due to the provisions of the Pension Insurance Act related to the part-time work employment\textsuperscript{8} that have been up till recently quite discouraging, complete absence of the transition from fixed to flexible working hours, high rate of unemployment and extremely big illegal labor market (Statement by Ms. Tamara Šterk Office for Gender Equality Government of the Republic of Croatia OSCE Review Conference on Human Dimension Session 8: Tolerance and Non-Discrimination II (1) Warsaw, 6 October 2010).

\textbf{4.2.2. National action towards gender equality}


\textsuperscript{8} Nacionalni akcijski plan zapošljavanja, op. cit. (n. 2), p. 17.
Croatian Constitution has promoted the gender equality as one of the highest values of the constitutional order and as such made it a basis for its interpretation, and thus has unquestionably made a step further than the future Constitution of Europe. Namely, the latter has promoted the gender equality as objective not a higher-order value, even though the equality of women and men has been formerly incorporated in the article 2 of the Amsterdam Treaty (1997), instead of previous article 141 (ex 119) of the Treaty of Rome (1952). Hence, the establishing agreements at the end of 1990s have incontestably expressed the great value of the gender equality strategy.

The issue of gender equality in Croatia is also regulated by the provision of the equally named law –Gender Equality Act which denotes the same presence of women and men in the all spheres of public and private life, their equal status, equal possibilities in realization of all their rights as well as the equal benefits of achieved results. Even though the Law has defined basic notions, emphasized the role and obligation of media, political parties and education in promotion of gender equality, its main failure is that it has been accepted in the form of common not constitutional, i.e. organ law. (Barkovic I., Vinkovic M. 2008).

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9 "Freedom, equal rights, national equality and equality of genders, love of peace, social justice, respect of human rights in violability of ownership, conservations of nature and the environment, the rule of law an democratic multiparty system are the highest values of the constitutional order of the Republic of Croatia and the ground for the interpretation of the constitution." Article 3 of the Constitution of Republic of Croatia, Narodne novine, No. 41, 2001.


12 Article 5 of the Gender Equality Act.
Additionally, Croatia ranks 44th out of 109 countries in the GEM, with a value of 0.618. The HDI for Croatia is 0.871, which gives the country a rank of 45th out of 182 countries with data (HDR 2009).

**NOTE:** The Croatian reality is characterized by the gap between legal norms and every day realities in respect of equal pay for women and men. Due to the lack of data in Croatia, it is not possible to make an analysis of pay according to gender, but it has been indirectly proven that professions and work performed by mostly women are lately much less paid.

### 4.3 Gender wage gap in Serbia

Women in Serbia are similar to the women in other post-socialist countries in their lower earnings, though it must be noted that women earn less than men even in the most developed countries of the European Union. Typically female jobs are losing in the market race where there are still gender-specific jobs. New tensions lead to the two-fold vulnerability of women – at work and at home.

The Serbian labor market is characterized by generally low employment rates for women, while unemployment rates tend to remain high and are thus seen as the greatest factor of gender inequality. Women make up approximately 36.5% of the labor force (aged 15-64). This rate is considerably lower than male activity rate, which was 53.2% of all men in the labor force.

**Table 4.9**

Furthermore, women’s position in the labor market is shaped by poor prospects for full-time employment and a high probability of working in unpaid jobs at home or the in “gray economy.” This is still a significant source of income for unemployed women. Statistics show that unemployment for women in the labor force is 1.5 times higher than
unemployment for men in the same work (Anthropology of East Europe Review 28(1) 2010). According to the latest data provided by the Statistical Office of the R. Serbia, there is an earning gap between the genders with equal educational attainment. Women in all educational level have lower earnings than the equally qualified man.

Figure 4.4

Table 4.10

4.3.1. Factors and other key findings

a) Segregation of the labour market

Women in Serbia mostly work in poorly paid jobs, they are frequently employed in the gray economy, and are infrequently found in managerial and “prestigious” positions. As a result of numerous comparative studies in the region (Gender in Transition 2007), findings have been published asserting that the position of women in these countries differs significantly from that of women in Western Europe.

The introduction of a 30% quota requirement in election law mandated increased representation of the less represented sex on election lists but did not mandate that women have to be nominated to the National Assembly by the party. In 2008, there were five women Ministers (18.5% of the total) and 42.6% of the Assistant Ministers were women. The reasons most often given for women’s lower levels of participation in politics include traditional family obligations, child care responsibilities, and the lack of available support services. The Gender Equality Strategy sets a
goal of 40% representation for women in GoS legislative bodies (the EU standard) and seeks a quota for the executive branch of the GoS, which is currently lacking.\textsuperscript{13}

According to the latest data provided by the Statistical Office of the R. Serbia, most of the women are employed as professionals (15.5\%) and agricultural works (21.3\%), and lowest percentage are employed in financial sector (2.7\%) and public administration (4.7\%).

**Table 4.11**

Women also constitute the majority of another group in the labor market, which suffers from a particularly unfavorable position. These are the so-called helping household members, who usually work outside the sphere of the formal labor market (without a contract) and without any salary. The portion of women in this category grew from 69.6\% in 2005 to 72.3\% in 2009 (NSO, LFS, 2006a, 2009a).

**Table 4.12**

**Table 4.13**

An important indicator of economic inequalities is the share of women and men in decision-making positions. Data from the Agency for Business Registers implies that women’s access to

\textsuperscript{13} Information in this section was taken from the Government of Serbia’s Strategy on Gender Equality and from the UN (2008) document “Serbia: National Context and Outstanding Priorities”.

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director positions is still poor. In 2005, there were 20.8% of women among business company directors, while in 2009 this figure stood at 20.6%.14

Focus-group studies conducted by the Association of Business Women in Serbia (Popović-Pantić and Petrović 2007) show that women are often harassed at work, especially in small and medium-sized companies. Furthermore, their working conditions are poor, as they lack guaranteed rights and they are frequently laid off if they become pregnant. Additionally, many employers avoid employing women in traditionally male positions, such as engineering positions, or often employ women in positions requiring good looks.

\textit{b) Working hours}

Statistics show that the difference of the length of employment between man and women is very low, in particularly the full time employment rate for man in 2009 was 91.0% against 90.1% for women and the rate for part time employment was estimated at 9.0% for man and 9.9% for women.

\textbf{Table 4.14}

\textit{Discrimination}

According to the NES report, single mothers or younger women are in a particularly unequal position as employment advertisements often include specifications for candidates’ looks and age. Discrimination against women in the labor market also includes the concrete questions frequently

posed to women at job interviews that inquire about family plans or maternity, and which employers can use as the basis for not hiring women.

Consequently, the legal framework regulating the position of women in Serbia’s labor market on the whole is not aligned with the legal solutions as defined by the European Union. For instance, the law explicitly prohibits discrimination on the basis of gender, ethnic affiliation, race, marital status, sexual orientation, and political orientation, and guarantees standards related to working conditions, education and other principles that need to be observed to achieve gender equality. Due to legal gaps, different forms of discrimination exist, such as unequal wages. Therefore, the legal system in this area is assessed as fragmented and inefficient (Kolin and Čičikarić 2010).

4.3.2. National action for gender equality

The Constitution of the Republic of Serbia prohibits discrimination on the basis of gender and guarantees equality of women and men. However, until quite recently, some other key components of a full package of laws designed to promote gender equality were missing (see the 2007 Alternative Report to the CEDAW Committee). In 2009, the GoS made numerous significant advances in this regard, including adoption of an anti-discrimination law, the Law on Gender Equality, and The National Strategy for Promotion of Improved Status of Women and Gender Equality.

Furthermore, the Law on Equality of Sexes was adopted in December 2009 (initially, it was to be named the Law on Gender Equality, but the term gender and it's meaning in Serbia is not clear

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15 In doing so, the Constitution provides a gender-neutral definition of discrimination and does not specifically define discrimination against women, per se.
enough; sex, on the other hand, is quite straightforward term denoting biological characteristics, but it doesn’t conclude that the society makes clear distinction between private or social segments that belong to one of the sexes, which is the path towards understanding of the term gender).

In the previous Report of the Serbian Government, the objective of finalizing the institutional framework for achieving gender equality was defined as a mid-term objective, which was supposed to be realized by 2008. Bearing in mind that the set objective was not completed (even though it was worked on in the previous period of time), it has been kept with a changed time framework, foreseeing its realization by 2011. Normative, institutional and strategic assumptions were recognized as the most important system assumptions in order to achieve gender equality.

**NOTE:** Collect sex-disaggregated data and support research on gender issues whenever possible: Serbia suffers from a dearth of sex-disaggregated data and it is very difficult to find good (or any) statistics on many key issues. This situation makes it more difficult to conduct adequate gender analysis at either the strategic or the project levels. The Statistical Office of the Republic of Serbia issued the first compilation of sex-disaggregated statistics (“Women and Men in Serbia”) in 2008, but it is relatively modest in scope.

5. **CONCLUSION**

The relatively low observed gender pay gap in Western Balkan countries may be misleading in judging women’s welfare status in the labour market in at least three aspects. The first is their relatively low employment rate; the second is the pronounced educational advantage of female employees over their male counterparts; and the third is women’s role in terms of family responsibilities. A low employment rate points to certain barriers for women to enter the job
market and find a job. Educational attainment of women which is higher than that of men means that the gender wage gap for comparable educational levels is larger than the average unadjusted gap. Further, this suggests that the productive characteristics of women may be much less appreciated than that of men. Lengthy absence from work due to child bearing may preclude women from earning more.

However, what is worrisome in Western Balkan is that discrimination appears to be on the rise. For example, the gender wage gap is relatively low in Serbia, and it has been falling during the years of transition, today discrimination is quite large – it is larger than the gap. Angel-Urdinola (2008) finds evidence that as much as 82.6% of the gender gap in the FYR Macedonia is unexplained (by any observable factor) pointing to a high discrimination against female workers. Furthermore, many studies also point that, the elaborated and exposed problems of the gender inequality on the labor market in Croatia are the consequence of social stereotypes and institutional protection which does not provide adequate protection. Legal and political framework is essentially similar to the problems in the EU, but the subordinated position of a woman in the working environment and family is the result of the multifaceted forms of discrimination emerged from the anti-discriminatory legal basis (Barkovic I., Vinkovic M. 2008).

Therefore, Western Balkan countries, in the manners of own and European dilemmas in the area of gender equality, must strengthen institutional protection of women’s rights, encourage the work of women’s think-tank associations, develop atypical forms of employment contracts, initiate transition from fixed to flexible working hours and give greater attention to feminist activities.
In all, in the light of growing international awareness of the role of women in economic and social development, its efforts to become a member of the European Union (EU) which is committed to achieve gender equality and its endeavors to increase national competitiveness and to ensure sustainable growth and development in the highly dynamic and globalized world, Western Balkan countries must increase the awareness of the need to empower women to realize their full potential in their political, economic and social participation in overall national development.

6. REFERENCES


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LABORSTA Internet (E) http://laborsta.ilo.org/

Ministry of labour and social policies of Macedonia; http://www.mtsp.gov.mk
Republic of Croatia Central Bureau of Statistic: http://www.dzs.hr/default_e.htm

State statistical office of Macedonia; http://www.stat.gov.mk/

Table 4.1: Net-pay and Structure by gender in % 2008 and 2009

<table>
<thead>
<tr>
<th>Net pay</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>man</td>
<td>women</td>
</tr>
<tr>
<td>50-90€</td>
<td>54.5</td>
<td>45.5</td>
</tr>
<tr>
<td>130-200€</td>
<td>63.9</td>
<td>36.1</td>
</tr>
<tr>
<td>200-250€</td>
<td>69.1</td>
<td>30.9</td>
</tr>
<tr>
<td>250-350€</td>
<td>73.0</td>
<td>27.0</td>
</tr>
<tr>
<td>350-500€</td>
<td>78.7</td>
<td>21.3</td>
</tr>
<tr>
<td>500-700€</td>
<td>84.0</td>
<td>16.0</td>
</tr>
</tbody>
</table>

Source: State Statistical Office. LFS (Statistical review: Population and Social Statistics)

Table 4.2: Working population of 15-64 years old

<table>
<thead>
<tr>
<th>Employment rate</th>
<th>Unemployment rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>man</td>
</tr>
<tr>
<td>2008</td>
<td>50.7</td>
</tr>
<tr>
<td>2009</td>
<td>52.6</td>
</tr>
<tr>
<td>2010/2</td>
<td>52.7</td>
</tr>
</tbody>
</table>

Source: State Statistical Office. LFS (working population of 15-64 years old)

Table 4.3: Labour market indicators by gender and education attainment in 2009

<table>
<thead>
<tr>
<th>Level of education</th>
<th>Employment rate%</th>
<th>Unemployment rate%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>man</td>
<td>women</td>
</tr>
<tr>
<td>No education</td>
<td>63.7</td>
<td>36.4</td>
</tr>
<tr>
<td>Primary</td>
<td>68.7</td>
<td>31.3</td>
</tr>
<tr>
<td>Higher education</td>
<td>55.5</td>
<td>44.5</td>
</tr>
<tr>
<td>University degree</td>
<td>51.3</td>
<td>48.7</td>
</tr>
</tbody>
</table>

4.4: Employed by activity of business entities and gender

<table>
<thead>
<tr>
<th>occupation</th>
<th>2008 man</th>
<th>2008 women</th>
<th>2009 man</th>
<th>2009 women</th>
</tr>
</thead>
<tbody>
<tr>
<td>professionals</td>
<td>71.5</td>
<td>28.5</td>
<td>73.2</td>
<td>26.8</td>
</tr>
<tr>
<td>Associate professionals</td>
<td>49.8</td>
<td>50.2</td>
<td>48.2</td>
<td>51.8</td>
</tr>
<tr>
<td>clerks</td>
<td>50.5</td>
<td>49.5</td>
<td>46.9</td>
<td>53.1</td>
</tr>
<tr>
<td>Agricultural workers</td>
<td>72.7</td>
<td>27.3</td>
<td>90.0</td>
<td>10.0</td>
</tr>
<tr>
<td>Craft workers</td>
<td>87.1</td>
<td>12.9</td>
<td>91.7</td>
<td>8.3</td>
</tr>
</tbody>
</table>

Source: State statistical Office. LFS (employed by activity of business entities and gender)

Table 4.5: Women's and men’s salaries by activity, 2008 average

<table>
<thead>
<tr>
<th>Activity</th>
<th>2008 salaries in kuna</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, forestry and fishing</td>
<td>man: 4801, women: 4042</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>man: 4908, women: 3773</td>
</tr>
<tr>
<td>Accommodation and food service activities</td>
<td>man: 4700, women: 4160</td>
</tr>
<tr>
<td>Financial and insurance activities</td>
<td>man: 8714, women: 6675</td>
</tr>
<tr>
<td>Education</td>
<td>man: 6069, women: 5144</td>
</tr>
<tr>
<td>Human health and social work activities</td>
<td>man: 7353, women: 5563</td>
</tr>
</tbody>
</table>

Source: Central Bureau of Statistics, Republic of Croatia. LFS 2010 Man and woman in Croatia

Table 4.6: Employment and unemployment rate by gender

<table>
<thead>
<tr>
<th></th>
<th>Employment rate</th>
<th>Unemployment rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>man</td>
<td>women</td>
</tr>
<tr>
<td>2008</td>
<td>55.7</td>
<td>44.3</td>
</tr>
<tr>
<td>2009</td>
<td>53.7</td>
<td>46.3</td>
</tr>
</tbody>
</table>

Figure 4.3: Women’s salaries as percentage of men’s by activity, 2008 average

![Bar chart showing women's salaries as percentage of men's by activity, 2008 average.](image)

Source: Central Bureau of Statistics, Republic of Croatia. LFS 2010 Man and woman in Croatia

Table 4.7: Labour market indicators by gender and education attainment in 2008

<table>
<thead>
<tr>
<th>Level of education</th>
<th>Employment rate% man</th>
<th>Employment rate% women</th>
<th>Unemployment rate% man</th>
<th>Unemployment rate% women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>43.9</td>
<td>32.9</td>
<td>9.0</td>
<td>12.0</td>
</tr>
<tr>
<td>Higher education</td>
<td>73.3</td>
<td>56.1</td>
<td>7.1</td>
<td>14.1</td>
</tr>
<tr>
<td>University degree</td>
<td>84.9</td>
<td>87.5</td>
<td>5.1</td>
<td>7.3</td>
</tr>
</tbody>
</table>


Table 4.8: Employed by activity of business entities and gender

<table>
<thead>
<tr>
<th>occupation</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>man</td>
</tr>
<tr>
<td>High ranking officials</td>
<td>70,4</td>
</tr>
<tr>
<td>Agricultural workers</td>
<td>73,4</td>
</tr>
<tr>
<td>Education</td>
<td>24,3</td>
</tr>
<tr>
<td>Public administration</td>
<td>56,0</td>
</tr>
<tr>
<td>Financial activities</td>
<td>29,7</td>
</tr>
</tbody>
</table>

Source: the Croatian Information Documentation Referral Agency. Women and Men in Croatia 2010
Table 4.9: Employment and unemployment rates by gender

<table>
<thead>
<tr>
<th></th>
<th>Employment rate</th>
<th>Unemployment rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>man</td>
<td>women</td>
</tr>
<tr>
<td>2008</td>
<td>53,2</td>
<td>36,5</td>
</tr>
<tr>
<td>2010/2</td>
<td>54,3</td>
<td>40,3</td>
</tr>
</tbody>
</table>


Table 4.10: Average salaries and wages by level of educational attainment and gender, 2010

<table>
<thead>
<tr>
<th>Educational attainment</th>
<th>Average salaries in dinars</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>man</td>
</tr>
<tr>
<td>High education</td>
<td>91490</td>
</tr>
<tr>
<td>Secondary education</td>
<td>48459</td>
</tr>
<tr>
<td>lower education</td>
<td>31286</td>
</tr>
<tr>
<td>High qualified</td>
<td>54957</td>
</tr>
<tr>
<td>Semi qualified</td>
<td>33039</td>
</tr>
</tbody>
</table>


Figure 4.4: Average salaries and wages by level of educational attainment and gender

Table 4.11: Structure of employed persons by sections of activities

<table>
<thead>
<tr>
<th>occupation</th>
<th>2008</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public administration</td>
<td>5,3</td>
<td>4,8</td>
</tr>
<tr>
<td>education</td>
<td>2,4</td>
<td>7,5</td>
</tr>
<tr>
<td>Health and social work</td>
<td>2,6</td>
<td>12,0</td>
</tr>
<tr>
<td>Agricultural workers</td>
<td>20,0</td>
<td>21,4</td>
</tr>
<tr>
<td>Financial sector</td>
<td>1,3</td>
<td>3,1</td>
</tr>
<tr>
<td>Professionals</td>
<td>8,3</td>
<td>14,2</td>
</tr>
<tr>
<td>Elementary occupations</td>
<td>8,4</td>
<td>10,1</td>
</tr>
</tbody>
</table>


Table 4.12: Structure of employees by type of job

<table>
<thead>
<tr>
<th>Type of job</th>
<th>2008</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent job</td>
<td>86,0</td>
<td>89,1</td>
</tr>
<tr>
<td>Temporary job</td>
<td>7,9</td>
<td>8,2</td>
</tr>
<tr>
<td>Seasonal job</td>
<td>3,2</td>
<td>1,5</td>
</tr>
</tbody>
</table>


Table 4.13: Employed by economic status and gender

<table>
<thead>
<tr>
<th>Economic status</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>employee</td>
<td>62,7</td>
</tr>
<tr>
<td>Self employed</td>
<td>33,4</td>
</tr>
<tr>
<td>Unpaid family worker</td>
<td>3,9</td>
</tr>
</tbody>
</table>


Table 4.14: Employment by working hours and gender

<table>
<thead>
<tr>
<th>Working hours</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full time employment</td>
<td>91,0</td>
</tr>
<tr>
<td>Part time employment</td>
<td>9,0</td>
</tr>
</tbody>
</table>