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Gender pay gap: a non-existent topic in Croatia?

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Introduction

Due to the fact that data about the gender pay gap in Croatia are not yet included on the Eurostat web page, the comparison of the situation in Croatia with those in other EU countries becomes somewhat difficult. Still, some data do exist on the bases of which the issue of the gender pay gap can be approached.

Gender pay gap and labour market situation

According to the Croatian Bureau of Statistics data (CBS, 2011) women's average salaries as a percentage of men's were at the level of 89.4% in 2009, which indicates that the pay gap was 10.6%. Similar values were obtained in previous years, i.e. from 2005 when the CBS has started to produce annual reports about women and men in Croatia. The data calculated by the CBS are based on average monthly gross earnings in legal entities (meaning that persons employed in the craft sector are excluded) and they are based on the information about earnings reported by employers.

Three additional analyses performed by experts are also worth mentioning here. In a study based on the data from the LFS (wages reported by employees, self-employed excluded), the unadjusted pay gap was found to be 14% in the public sector and 19% in the private sector in 2010 (Franičević, Matković, 2011). The recent study done inside the EU IPA project on women in the labour market in Croatia analyzed differences in net earnings of men and women by educational attainment, age, and occupation, and found out that discriminatory practices are in place, and though "gender-based discrimination seems to be more prevalent in occupations with lower skills and at lower educational attainment levels, (...) there seems to be a continuous age-based discrimination over the life-cycle earnings by gender" (Hazi, et al, 2011: 85-86). The most profound analysis was performed by D. Nestić (2010) who calculated (also on the basis of the LFS data) both the unadjusted wage pay gap and conditional (adjusted) gender wage gap. According to him, the unadjusted wage gap was 13.9% in 1998 and 10.5% in 2008.¹ A large difference between the public and private sector was observed, as the gap was 14.9% in the private sector and only 6.9% in the public sector. The mean gender gap was lower for those with higher level of education. However, when calculating the counterfactual gender wage gap ("wages that would emerge if women were given men's labour characteristics but continued to receive rewards based on those characteristics as women", pp. 111), the gender gap was as high as 20% in 1998 and further rose to 22% in 2008. These data suggest that women have higher-quality labour market characteristics, particularly because they are better educated, but are much less compensated for their characteristics.

¹ The difference in the pay gap between these two studies arises from the fact that in Franičević-Matković study the gap was calculated on the bases of the wages of the employees who work full-time, while in Nestić it was calculated on the bases of hourly wages.

The gender pay gap is connected with some features of the Croatian labour market which is in general characterised by low activity and low employment level. According to the Eurostat data the total employment rate (15-64) was 54.0% in Croatia in comparison to 64.1% in the EU27 in 2010. The female employment rate was 48.8% in Croatia and 58.2% in the EU27 in the same year. The total unemployment rate was 11.8% in Croatia and 9.7% in the EU27 in 2010, while figures for women were 12.3% and 9.6% respectively. Thus, the sex distribution among inactive population in 2010 was 59.4% women and 40.6% men. As expected, women are predominantly employed in health and social work (79.2% of the employed), education (76.3%), and financial and insurance activities (69.9%), while they are rather poorly represented (less than 20% of the workforce) in mining and quarrying, water supply, and construction.

The labour market data are further conditioned by a very deep economic crisis that is continuing to be profoundly present in Croatia. Although the GDP growth was positive in 2008 (2.4%), it turned to be negative in 2009 (-5.8%) and 2010 (-1.2%). The signs of recovery are still very fragile as the projected growth is only at the level of some 0.6-0.8% in 2011, while forecasts speak about high possibility of a negative GDP growth in 2012.

Policy context

Gender equality is overall a rather new subject in Croatia which has been addressed seriously only in the last ten years. The first National Strategy for Equality between Women and Men was adopted in 1997, the first Law on Gender Equality in 2003, while the first Anti-Discrimination Law was adopted in 2008. Today, the Law on Gender Equality, adopted in 2008, is in force as well as The National Policy for Gender Equality for the Period 2011-2015, adopted by the Croatian Parliament in July 2011. The Law on Gender Equality explicitly forbids discrimination in the areas of employment and work, and Article 13, Paragraph 4 stipulates that discrimination is forbidden in relation to the employment and work conditions, in relation to all rights derived from work and on the basis of work, including equal pay for equal work and the work of equal value. The new National Policy for Gender Equality analyzes in brief the gender situation at the labour market, drawing on the CBS data about the gender pay gap (10.6% in 2009), and points to the fact that women are predominantly employed and are at the same time poorly paid in certain sectors (textile industry, education, public administration...). The document lists many possible measures, but mainly those concerning general improvement of women's position at the labour market. Still, two measures touch specifically on the gender pay gap: activities that will raise awareness of all stakeholders involved in collective bargaining about the need for equal pay for the work of equal value, and improvement of collection, analyses and distribution of the data about the gender pay gap. However, it has to be seen which activities will actually be undertaken in the future. The National Policy for Gender Equality also envisages that Croatia would celebrate the European Equal Pay Day each year. There are also other relevant documents in that respect, such as the Labour Law, the Joint Inclusion Memorandum and the Joint Assessment Plan of Employment Policy Priorities, etc.

Although the policy context has been more or less set out, there are not many activities in that respect and it is particularly not possible to trace any concrete measures aimed at reducing the gender pay gap so far. Activities that exist (in the form of producing first data, first analyses and some awareness campaigns) are mainly connected with the generally unfavourable position of women at the labour market, eliminating discrimination based on sex and the position of women in establishments or in politics (such as the ratio of women in management and at top political positions). There are

just a few exceptions which should be mentioned here but which do not change the image of the issue of the gender pay gap as a non-existent topic in Croatia. Some trade unions and some NGOs have organised a few activities in the last few years (in the form of seminars, round tables or awareness campaigns) inside which the issue of the gender pay gap has been mentioned. In 2011 six Croatian companies signed the UN's Women Empowerment Principles, the basic aim of which is to empower women in business. That might bring some changes in the future as these companies are obliged to produce the communication on progress (COP) about empowerment of women. Up to now, companies which publish their reports on corporate social responsibilities (CSR) have not touched on the issue of the gender pay gap, although some of them present the data on employee breakdown by gender and on the position of women in different units inside the company. The gender pay gap has not been discussed so far in any way by the Croatian Employers Union or through the process of social partnerships (such as at official meetings of the Economic-Social Council of the Republic of Croatia). The only exception in that respect is the last Annual Report of Gender Equality Ombudsman who in the Report for 2010 presented some results from the research undertaken about the gender pay gap in three companies in Croatia (full research is not yet available). The report has shown that there is a need to investigate the gender pay gap not only at the level of the company as a whole, but at the level of different units (where the gender pay gap can vary significantly from the gap found at the level of the company) as well as in relation to specific occupational structure. The general conclusion of the Report is that the gap is not a result of intentional discrimination against women, but that it is mainly a result of horizontal segregation at the labour market. It, however, fully justifies the need for analyzing the pay gap in Croatian companies.

Transferability issues

The situation associated with the gender pay gap in Croatia described above fully implies that there is a huge need for change. However, it is unrealistic to expect quick change in that respect so a kind of carefully planned timetable is needed. Changes could follow two main directions. Firstly, there is a need to initiate more awareness-raising campaigns, as the issue of the gender pay gap is not only absent from the public agenda, but it is an issue which is not understood by vast majority. There is a perception that this issue is not a relevant one (particularly in such harsh times of a profound economic and political crisis), not something we should be preoccupied with (at least not at the moment). Therefore, campaigns should not be reduced only to the level of a simple public performance in connection with certain occasions (such as the celebration of the Equal Pay Day or the Women's Day), but should be much more content-based. That includes the dissemination of existing research and any data that already exist, a careful analysis on where and how the gap is visible, an extensive discussion about its meaning. Secondly, this issue has to be present among a wide-range of key stakeholders and not only among certain NGOs or trade unions. There is a need to "force" employers and government organisations to deal with the issue of the gender pay gap. How to do that is a major question and I do believe it could be done in connection with the topic of transferability.

On the basis of the presented Austrian and German examples it can be concluded that the Austrian model is simpler, more understandable and relatively easy to implement, while the German one is rather complicated, particularly for a wider audience. As Croatia has not had any experience in dealing with the issue of the gender pay gap so far, the Austrian model is not only more easily transferable, but it could also be useful in revealing the differences in gender wages that are not visible if analyzed only at the

level of society or at the level of companies, but rather at the level of occupation groups and / or different units inside companies. This I find highly important as the partial analysis done by the Croatian Gender Equality Ombudsman has shown that the differences in gender wages become visible only when digging inside a company.

The second question is how to make the transfer. The “pressure” from abroad is crucial and the transfer of good practice can be done only by involving different stakeholders. In that respect, contacts among social partners are essential, i.e. the contacts between European employers and Croatian employers, between European trade unions and Croatian trade unions (or in a wider sense, the civil dialogue), contacts between European NGOs and Croatian NGOs. Of course, the willingness of the Government to initiate debates and activities is also important. Still, I find it is highly important to involve Croatian employers in particular, to introduce the topic to them and to present it not simply as an obligation (legal obligation), but as a necessary part of economic and overall social development.

Policy debate

Croatia is in a deep economic crisis, but it is also in a deep political crisis. As said, the economic recovery is still very fragile and there are no clear prospects in that sense. There is even a high possibility that the recession will continue. However, overall social and political climate is more important, which has been conditioned by big corruption scandals in which even the former Prime Minister was deeply implicated (now in custody) as well as large sections of the ruling party. General elections were held on December 4, 2011 and there are some expectations that the change of the Government will result in creating conditions for economic and social development. The full membership of Croatia in the EU by July 2013 might act in the same direction. However, the economy is not doing well at all, companies struggle to survive, many workers do not receive salaries for their work, the grey economy is flourishing and due to the political scandals, an anomic feeling is widespread – these are the social circumstances which are unlikely to create preconditions for dealing with the issue of the gender pay gap, at least in the near future. Still, step by step, by presenting and describing concrete examples about what the gender pay gap means, how it conditions economic and social prospects for women and society in general and if political changes open the public floor for new discussions (including the one on the gender pay gap), at least a limited prospect could be foreseen.

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NHS – Nezavisni hrvatski sindikati (Independent Croatian Trade-Unions): <http://www.nhs.hr/>

HZZ – Hrvatski zavod za zapošljavanje (Croatian Employment Service): <http://www.hzz.hr/>

Republika Hrvatska- Pravobraniteljica za ravnopravnost spolova (Republic of Croatia – Gender Equality Ombudsman): <http://www.prs.hr/>

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