



The EU Mutual Learning Programme in Gender Equality

Tackling the gender pay gap

Belgium, 20-21 October 2016

Comments Paper - Lithuania



The information contained in this publication does not necessarily reflect the position or opinion of the European Commission.

This publication is supported by the European Union Rights, Equality and Citizenship Programme (2014-2020).

This programme is implemented by the European Commission and shall contribute to the further development of an area where equality and the rights of persons, as enshrined in the Treaty, the Charter and international human rights conventions, are promoted and protected.

For more information see: http://ec.europa.eu/justice/grants1/programmes-2014-2020/rec/index_en.htm

Tackling the gender pay gap in Lithuania

Ruta Braziene

Vytautas Magnus University, Kaunas

1. Country context

1.1. The gender pay gap in Lithuania

As the data from Eurostat shows, the pay gap between men and women in Lithuania in 2014 was 14.8 % (lower than EU-28 average 16.1 %). According to the gender pay gap in 2014, Lithuania was in the 15th position in the EU. However, gender pay gap (GPG) between 2010 and 2015 increased by 1.8 percentage points. The lowest GPG was in 2012 and stood at 12.6 %. The GPG started to increase from 2013.

There are differences between public and private sectors. The GPG is larger in private than in public sector (see table 1). During 2010-2014, the GPG decreased in the private sector and increased in the public sector. In 2010, the GPG was 14.2 % in public and 18.8 % in private sector and in 2014, 15.6 % in public and 16.4 % in private accordingly. This might be due to the fact that the vast majority of public sector is protected by collective agreements. In civil service, both public administration and service sector, the salary is regulated by law. Therefore, there is no difference related to gender and job type, and the salary is fixed taking into consideration the category and the level of responsibilities. The GPG is more pronounced in the private sector where women are paid less than men for the same responsibilities and the work performed. More women than men are employed in the public sector than in the private sector (80.5 % and 62.1 %), whereas there are more women than men in the public sector (37.9 % and 19.5 % respectively)¹.

According to age, the gender pay gap is larger for persons aged 35-44. The gender pay gap is lower for the labour market entrants and tends to increase with age. The smallest gender pay gap can be observed for persons 65 years and older.

Table 1. Gender pay gap by sector and age group of the employee in Lithuania, 2010-2014

	Whole economy							Public sector	Private sector
	Total	<25	25-34	34-44	45-54	55-64	>65		
2010	14.6	8.8	12.5	19.2	15.9	11.8	7.2	14.2	18.8
2011	11.9	5.8	9.7	16.6	13.1	8.9	4.2	12.1	16.0
2012	12.6	6.6	10.5	17.3	13.9	9.7	5.0	13.3	16.1
2013	13.3	7.3	11.2	17.9	14.6	10.4	5.7	13.3	15.8
2014	14.8	9.0	12.7	19.4	16.1	12.0	7.4	15.6	16.4

Sources: Lithuanian Department of Statistics, 2015

One of the explanations of the gender pay gap in Lithuania is high (vertical and horizontal) labour market segregation, educational segregation, gender stereotypes and etc. Women are overrepresented in some sectors of economy and are mainly concentrated in the educational, health care and service sectors. On the other hand, men are concentrated in construction, transportation and etc. The GPG is the

¹ Lithuanian Department of Statistics: <http://www.stat.gov.lt>

largest in those sectors traditionally dominated by men. For example in 2014, the gender pay gap in manufacturing was 25.2 %, information and communication 28.8 %, financial and insurance activities 39.9 %. During the last decade, one of the smallest gaps was in the educational sector. During the last years it started to increase and in 2014 already was (2.5 %). It's important to note that since 2011, the gender pay gap in educational sector increased from (-1.8%). Gender pay gap is quite large in health and social work sectors (23.6 %).

Generally, low representation of women in economic decision-making is one of the most visible gaps. The proportion of women in decision-making positions in the Central Bank was 20 %, in the Supreme Courts was 32 % in 2015. This is lower than the EU-28.

There is also low women's representation in political decision-making positions. The higher the position, the lower turns to be the relative number of women. The share of women in national parliament was 24 % and in national government was 20 % in 2015.

Based on Eurostat data, the overall employment rates of women and men (20-64) in 2015 were 72.2 % for women and 74.6 % for men, both on an increasing trend from 2010. The employment rate for men is lower than the EU-28 average (75.9 %) and considerably higher for women (64.3 %) in 2015. Lithuania ranked 5th for women and 16th for men EU-wide in 2015 according to women and men employment rates.

Women in Lithuania work in full-time jobs less than men, but generally their FTE rates are high. Based on Eurostat data, the FTE employment rates of women and men (20-64) in 2015 was 70.5 % for women and 74.0 % for men, both on an increasing trend from 2010. The FTE employment is higher for both men (73.4 %) and for women (55.3 %) than the EU-28 average in 2015.

Unadjusted GPG is influenced by the number of hours worked by women and men. For example, the GPG for FTE in Lithuania was 15.2 % and 4.5 % for part-time.

Despite higher education level of women than men and high level of involvement in the labour market, in 2014 the women's average monthly gross wages in the Lithuanian economy amounted to 587.70 EUR gross and thus only to 85.8 % of men's salaries (707.40 EUR). These differences are a result of both vertical and horizontal labour market segregation. Compared to 2010, women's average gross hourly earnings in the country and the public sector accounted for 87.1 % of men's average hourly gross wages/salaries in the private sector – 73.9 % (See table 2).

Table 2. Average monthly earnings, by gender and sector 2010-2014, in EUR

	Year	Gross Earnings		Net Earnings	
		Women	Men	Women	Men
Whole economy	2010	534.0	623.00	419.10	484.10
	2013	597.7	697.60	465.60	538.50
	2014	623.7	733.60	488.50	567.70
Public sector	2010	590.2	712.60	460.20	549.60
	2013	647.9	778.30	502.30	597.40
	2014	670.8	815.60	522.40	626.80
Private sector	2010	483.0	587.70	382.00	458.40
	2013	557.8	670.70	436.40	518.90
	2014	587.7	707.40	462.50	548.80

Sources: Lithuanian Department of Statistics, 2015

A relevant dimension is the at-risk-of-poverty rate, which was higher among women (28.8 %) than men (25.5 %) in 2014. However, the overall at-risk-of-poverty rate was considerably higher than the EU-28 average for women (25.2 %) and for men (23.6 %) in 2014.

According to the data presented by EIGE (European Institute for Gender Equality), in 2012, the Lithuanian **Gender Equality Index**² was 40.2 (22nd position in the EU), whereas the EU average was 52.4. The best results Lithuania achieved in the domain of “health”, average results in the domain “work and income”, and the lowest results in the domains “decision-making” and “time”. This is influenced by the limited accessibility to childcare and out-of-school facilities, lack of more flexible forms of employment, difficulties in returning to the labour market after childcare (especially for women) etc. Women in Lithuania are mainly responsible for household work, caring for children, elderly or relatives. On average, women spend 26 hours per week on unpaid care and household activities, while men only 9 hours per week.

As the Lithuanian Department of Statistics reported, the GPG in Lithuania is influenced by social and economic rather than by legal factors, e.g. women and men educational attainment, the number of women and men in economic activity etc.

2. Policy debate

2.1. Legal and institutional frameworks

Gender equality is enshrined in the Lithuanian Constitution³. Article 29 states that women and men have equal rights in social, political and economic life. Since 1999, the Equal Opportunities Ombudsperson⁴ is responsible for the supervision and implementation of the Law on Equal Opportunities for Women and Men⁵ (1998) and the Law for Equal Treatment⁶ (2005). The Ministry of Social Security and Labour⁷ is responsible for the implementation, monitoring and follow-up of the main strategies and measures. In the 2004, Jobs and duties evaluation methodology was prepared. This methodology examines the reasons of gender pay gap. In 2015, the methodology was reviewed but not officially published.

During 2010-2014, the gender equality policies were set out in the **National Programme on Equal Opportunities for Women and Men for 2010-2014**. A considerable number of measures were targeted towards improving the situation for women and men in the labour market. One of the priorities was reducing the gender pay gap, which included actions to increase salaries in female-dominated sectors such as education, arts, culture and social work. The programme approved for 2010-2014 was also focusing on the promotion of all opportunities for women and men in employment and work, seeking for a balanced number of women and men in decision-making and highest positions, development of mechanisms and methods

² For more information on the index, see <http://eige.europa.eu/lt/gender-statistics>

³ Lithuanian Constitution, 1992: <http://www3.lrs.lt/home/Konstitucija/Konstitucija.htm>

⁴ <http://www.lygybe.lt/>

⁵ The Law on Equal Opportunities for Women and Men:
http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=276095

⁶ The Law on Equal Treatment:
http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=222522&p_query=&p_tr2=

⁶ The Ministry of Social Security and Labour: <http://www.socmin.lt/>

⁷ The Ministry of Social Security and Labour: <http://www.socmin.lt/>

for the implementation of equality between women and men. However, the GPG issues have gained only a little public attention during this period. The initiatives of state and social partners launched to reduce the gender pay gap have been rather rare and mostly ineffective in Lithuania. As stated in the **Social Report 2012-2016**⁸ prepared by the Ministry of Social Security and Labour, while implementing measure 25.3 “Decreasing women and men pay differences” of the Programme of Equal Opportunities for Women and Men 2010-2014, “*Women’s participation in the labour market and promotion of entrepreneurship were evaluated favourably, yet the reduction of the gender pay gap and efficiency of institutional mechanisms did not receive a very favourable evaluation*”.

In 2015, seeking Lithuanian membership in the OECD, the Ministry of Social Security and Labour drew up a report regarding the OECD recommendation on gender equality in education, employment and entrepreneurship. Among other recommendations for Lithuania (ensure gender equality in education, increase women’s representation in decision-making etc.) it is also meant to reduce the GPG.

The **National Programme on Equal Opportunities for Women and Men for 2015–2021** was approved in 2015. It pursues four main priorities: equal opportunities for women and men in the labour market, gender balance in decision-making, gender mainstreaming (especially in culture, education and science, national defence, and international obligations), and increasing management effectiveness. In April 2015, the related **National Programme on Equal Opportunities for Women and Men implementation Plan 2015-2017** was approved, detailing measures for the implementation of the National Programme on Equal Opportunities for Women and Men for 2015-2021. This set the number of measures for tackling the GPG in Lithuania: to prepare Labour Code amendments, which would reinforce the equal value and equal pay definitions in line with the European Parliament and Council Directive 2006/54/EC on equal opportunities and equal treatment of women and men in employment and occupation, to embed provisions in legal documents that require employers to allow employees access to the company's pay systems, to embed provisions for employers to make information public about the employee's average salary by gender at least once a year; to organise awareness-raising campaigns and Equal Pay days in Lithuania etc.

The new **Lithuanian social model** (Labour Relations and State Social Insurance Legal Administrative Model) is currently under discussion⁹. Reforms are aimed at four main goals: introducing more flexible labour relations, supporting higher levels of employment, more sustainable social insurance, and decreasing poverty. Several draft laws were presented for public discussion: the new Labour Code, the Law on Support for Employment, the Law on Leave Policies, the Law on Social Insurance of Pensions, the Law on Unemployment Social Insurance etc. The new Labour Code was approved in 2016, it will come into force in January 2017. Article 26 titled “Gender equality and non-discrimination of employees” of the New Labour Code states that employers are obliged to pay equal wages despite the person’s gender, age, nationality, social origin, social status, sexual orientation, disability, religion etc.

⁸ Social Report 2012-2016. <http://www.socmin.lt/lt/socialinis-pranesimas.html>

⁹ The New Lithuanian Social model: <http://www.socmodelis.lt>

3. Transferability issues

The discussion paper on Belgian experience (Gender Pay Gap Law) identified some practices that are also relevant for Lithuania, although the context significantly differs from Belgium in terms of gender equality achievements and social, political and economic development as well. Another important aspect is the different role of trade unions and employers' organisations in determination and establishment of labour relations.

The Gender Pay Gap Law presents very advanced and systemic solutions. It consists out of five practices connected to negotiations between social partners at three different levels.

Firstly, a discussion on the gender pay gap at the national or inter-professional level could be considered as a relevant practice. This practice can be at least partly transferred. Promoting the gender issues during wage negotiations between social partners and writing down particular measures that will help to narrow gender disparities are especially important.

Concerning the evaluation of the nature of gender neutrality of job classification and evaluation methods, transferability of this measure can be started as a pilot project in one or several sectors and gradually be introduced into the further sectors.

The measures at the company level (social balance sheet, reports on the pay structure, gender mediator within the company) can be transferred most successfully. This practice can be fully transferable, especially taking into account that these measures correspond with the newest developments and the measures foreseen by the National Programme on Equal Opportunities for Women and Men implementation plan 2015-2017, New Lithuanian Social Model, the New Labour Code, which partly foresees the measures similar to the Belgian case.

4. Recommendations

- to develop sustained and effective public awareness-raising campaigns about the gender pay gap;
- to increase the public understanding of the causes of the gender wage gap;
- to develop an action plan to support education, skills training and employment in order to increase women's participation in male dominated skilled sectors and men's participation in female dominated areas;
- to ensure women's participation in public companies' boards to a minimum of 25 %;
- to apply gender based analysis to the development, implementation and evaluation of all governmental policies and programmes;
- to develop further family-work reconciliation system; to encourage the use of shared parental leave for both parents;

- to encourage employers to identify and to take corrective actions to close the gender wage gaps in their organisations;
- to develop the gender workplace analysis tool;
- to develop a monitoring system on the gender pay gap;
- to coordinate pay equality achievements between women and men.

References

Lithuanian Constitution, 1992: Available at:

<http://www3.lrs.lt/home/Konstitucija/Konstitucija.htm>

<http://eige.europa.eu/lt/gender-statistics>

Social Report 2012-2016: Available at: <http://www.socmin.lt/lt/socialinis-pranesimas.html>

<http://www.lygybe.lt/>

The Law on Equal Opportunities for Women and Men Available at:

http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=276095

The Law on Equal Treatment Available at:

http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=222522&p_query=&p_tr2=

The Ministry of Social Security and Labour: <http://www.socmin.lt/>

The New Lithuanian Social model: <http://www.socmodelis.lt>