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Reducing the gender pay gap

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Gender pay gap in Serbia

How to make a way out

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The paper is short representation on the issue of pay gap between women and men in Serbia, in light of after war situation and crises in Serbia. It takes the strand of social position of women in the process of re-traditionalization of the society, restructuring the companies' ownership from public to private, with disappearing of the middle class and increasing of grey economy.

Introduction

In an economy such as Serbian, where a considerable number of people still working in the informal sector (33%) one cannot expect to get completely accurate personal statements on earnings, so these amounts will often be underestimated. Among self-employed and their employees, there is a greater chance for discrimination against women, in comparison to the clear rules and legacy of the socialist regime, still retained in the public sector, as well as the socially and publicly owned companies. Gray economy is the area where data are difficult to obtain and thus not commented further. Although there are several institutions in Serbia which collect various types of data covering the area of labour and employment (Statistical Office of the Republic of Serbia (SORS) with Labour Force Survey (LFS) and RAD Survey), a mixing of certain types of data occurs at times, so there is often vagueness when it comes to understanding what which data refer to.

Gender pay gap statistics indicates pay gap through sectors/education by Statistical Office of Republic of Serbia (SORS), with Labour Force Survey (LFS), differences in wages through RAD survey. According to LFS, the female employment rate in Serbia in 2010 was 30% comparing with 45% for men. Inactivity rate was 60% for women and 40% for men. The reason for that we can find in lack of child care institutions, or abilities to pay for child care. Registered unemployment rate was 13,1% (in EU27 9,7%), mostly in generation of less than 30 years and more than 45 years old. The difference in employment rate is 7% advantage more for men. Women are mainly employed in social and health care, education, while much less in the field of civil engineering, information technologies and management. Women are rarely on the position of decision maker, on management position or deputy manager, but very often they are experts. Employment in private sector: 39% women and 61% men.

Among employed, those women with university level of education, there are 40% more women than men, who receives 17% salaries less than men. With higher education, 50% more women are working, but 15% less salaries receiving.

RAD survey is the best showing the pay gap due to different salaries covering formal employment: in organisations, institutions (without police and army) and private companies witch work legally. Not covering gender statistics in the area of informal

employment and agriculture. The data are done according to educational level but also profession¹.

The large difference between the public and private sector was observed, as the gap was 15,2.9% in the private sector with majority of domestic investment, 18,85% in private companies with predominant foreign investment, and only 6.11% in the public sector.

The unemployment rate is very high, more than 17 % in 2010.

Gender pay gap data has been recently approved and wages are cross-tabulated with individuals' educational attainment:

The Central Registry, if collecting gender sensitive data of taxpayers will certainly improve and merge a plentiful of administrative data concerning earnings.

Time Use Survey (SOROS) finalized in July 2011 in Serbia, clearly shows the difference in **paid and unpaid work** during the day. Women are spending two hours of unpaid work per day more than men.

The reasons for pay gap is many folded and could be investigated.

Legal and institutional framework

Gender equality is in general rather a new subject in Serbia, which has been started to be addressed seriously from 2007, when Gender Equality Directorate has been established in 2007, as the only executive governmental body for gender equality.

Although the Serbian legislative framework is almost entirely harmonized with the *acquis communautaire* of the EU, through the process of European integration, including gender equality and equal opportunities.

Constitution of Republic of Serbia (Art.60) guarantees set of economic rights of women and men concerning labour, employment and working employment conditions.

It declares equal rights on employment, work and professional choice for women and men. But, there is no article that guarantee (as per CEDAW article 11) "right to equal payment, including benefits, and equal treatment on work or measuring equally quality of work for women and men.

Constitution court is in charge for all acts against Constitution.

Complete strategic framework for socio-economic development of Serbia has recognized women as discriminated against in multiple categories since 2002, but the National Strategy for Improving the Position of Women and Promoting Gender Equality from 2009 – 2015 (hereinafter referred to as Strategy), adopted by the Government of the Republic of Serbia in February 2009, represents the first all-encompassing strategic document which specifically deals with those questions directly relevant to the improvement of position of women. National Plan of Action, adopted in September 2010, brought full plan of measures for implementation of the Strategy. One of six objectives of the Strategy is improving the position of women aiming all sort of discrimination of women and improving her socio-economic position in Serbia.

¹ "Women and Men in Serbia 2010" with contribution of Gender Equality Directorate.

Labour Law² from 2005, which was harmonized with EU and ILO standards, forbids any type of sex discrimination of those persons searching work as well as those already employed. It doesn't include flexible mode of work.

The Anti-Discrimination Law was adopted in March 2009³, whose Article 16 regulates discrimination in the labour market.

The Law on Employment and Unemployment Insurance⁴ (hereinafter referred to as the Law on Employment), adopted in May 2009, is also based on gender equality principles, and clearly states that affirmative action directed at those population categories more difficult to employ, including women, are not considered as discriminatory.

The Law on Gender Equality, adopted in December 2009, is based on the principle of equal opportunities in the labour market and it represents a significant step towards greater harmonisation of the Serbian legislation with the *acquis communautaire*. It emphasizes (article 17) "right to equal pay for equal work or work of equal value by the employee". In case of violation of this right, there is a penalty clause (article 54).

It regulates record-keeping documentation on gender composition of staff. Employers with more than 50 employees for indefinite period are obliged to adopt a plan of action for elimination or alleviation of unbalanced gender representation for every calendar year; Annual progress report on the implementation of the plan is obligatory, by 31st of January, the latest (art. 13).

Minimum 30% of less represented gender is obligatory in collective bargaining team, as members of trade unions and employers' associations.

According to the Gender equality law, private companies with more than 50 employees are obliged to make a plan for improvement of the position of less represented sex, to take report on how they fulfil their activity obligation in their annual reports. In Serbia, the Gender Equality Directorate follows up the annual reports, and the first reporting has to be closed on 31st of January 2011. There is also penalty for the companies in case they neglect this obligation.

In the meanwhile, 190 companies already sent their reports, among them are very successful and big companies in Serbia.

The Law on Central Registry (with labour records on the number of employers which pay social contributions as well as the number of workers from whose wages these contributions are being paid) is not gender sensitive.

Serbia is also a signatory of a number of conventions and international documents preventing discrimination against women, of which the most relevant one is the all-encompassing Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), adopted in 1979 by the UN General Assembly⁵. Within CEDAW, a particularly relevant recommendation for this comments is the general recommendation no. 9, adopted in 1989, advising member states to invest all necessary efforts to

² „Official Gazette RS“, no. 24/05 and 61/05.

³ „Official Gazette RS“, no. 22/09.

⁴ „Official Gazette RS“ no. 36-09.

⁵ SFRY ratified the convention via the Law on the Ratification of the Convention on the Elimination of All Forms of Discrimination against Women - Official Gazette SFRY – International Agreements, no.11/1981.

ensure that their national statistical services can report on the position of women⁶. Within the sphere of labour, Serbia ratified a number of conventions and recommendations of the International Labour Organisation (ILO)⁷, which refer to the enhancement and protection of female workers' rights. Besides that, Serbia is a signatory of the Council of Europe binding conventions⁸, of which the most important one is the European Social Charter, ratified back in 1961.

Transferability issues

In Serbia, there is a huge need for change in regard equal payment between women and men. It is not the case that the changes will be very quick, it is rather a process requiring good planning of the measures and involvement of wide range of stakeholders.

Although the confidentiality of salary is not in Serbian companies a tradition, there are certain companies where the information about income is treating highly confidential. That makes obstacle in obtaining real data on salaries.

Austrian model is simpler to implement and more correspond to the situation in Serbia, but analyse should be done with inclusion of wide range of stakeholders, to investigate the reasons for the inequality in payment.

German model is very interesting, but not so easy acceptable in Serbia. In the situation when there is a cut of stuff in all public companies and administration, due to economic situation, it is difficult to have additional employee to perform Logib- D, but first of all, understanding the reason of doing that by employers.

One of the reasons for the pay gap is awareness of the situation, following traditional stereotypes.

Thus, there is a strong need to bring this issue into public eyes; there is more need for awareness campaign, but also discussions, round tables, discussions among stakeholders, especially employers about the meaning of the issue for the development of the society, but also their own. The measures the company will take then will be more meaningful, not only formal.

Also, main lines in reducing GPG would be:

Promotion of employment and labour policies which contribute to the harmonization of „working conditions and family life” (the European model of work-and-life balance). Within these items, it is clear that the Strategy recognizes the need “to provide affordable daily care services for children is needed”.

Developing monitoring system in the area of economy and payment would be a long term measure.

Improvement of comprehensive gender statistics (income statistics, similar to Austrian model) in Serbia (recognized through Strategy) – developing a modul in official statistics (SORS) for gender statistics– according to Eurostat policy.

⁶ „Konvencija o eliminisanju svih oblika diskriminacije žena”, Gender Equality Directorate, Ministry of Labour and Social Policy, Republic of Serbia, p. 36.

⁷ Documents and activities of the International Labour Organisation (ILO) have a very important role in reaching the goals of equality between women and men in professional life. Since its foundation, the ILO has devoted a lot of attention to the fairer treatment of women, and the question of equality of women was set out as one of the „millenium goals”.

⁸ Serbia was accepted into the Council of Europe on April 3rd, 2003, as the legal succesory of Serbia and Montenegro.

Companies' application of the gender equality law, with reportings on the measures taken to improve the position of less represented sex, on different job positions in the company is of great importance..

Policy debate

Serbia is in deep economic crises, but political as well. Next year, in May 2012, there will be elections, and possible change in political structures. Corruption is high, and the whole society passed the process of re- traditionalization, the restructuring the companies' ownership from public to private, with disappearing of the middle class and increasing of grey economy. The economic situation is similar to the countries in the region, with high unemployed rate, with companies where employees are not receiving their salaries.

But as the legislative and institutional framework and some steps towards recognition of gender pay gap were already done, and because of the importance of the issue, future steps for diminishing pay gap are possible, but only widely including employers and employees, trade unions, and other stakeholders into dialogue and improvement of comprehensive gender statistics in Serbia.

The gender equality law doesn't oblige the public companies, which often employ great number of employees, to prepare measures for improving the balance between number of women and men in their companies and positions.

In Serbia, as confidentiality on income (Austrian model) is not wide spread, the transparent statistics should be possible.

Gender sensitive Law on Central register will bring more comprehensive overview on the gender pay gap.

National Action Plan for the Implementation of the Strategy provide some measures to decrease the inequality in payments. One of the measures is development of social care institutions (for child care, elderly and sick care) enabling women to work full time. There are some companies which organise child care in their premises (good practice from the time of socialism).

The Law on gender equality allows men to get parental leave, not only women. The Law is obliging companies over 50 employees to improve the balance among women and men, in number in general, on positions of decision makers, meaning that the person of less represented sex will be employed when needed. The best company will be chosen as an example of good practice awarded by the prize.

Sources:

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Web sites:

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www.stat.gov.rs

Gender Equality Directorate website:
<http://www.gendernet.rs>
<http://minrzs.gov.rs>

<http://infostud.com>