

Exchange of goodpractices on gender equality

Equal Pay Days

Estonia, 18-19 June 2013

Comments Paper - Croatia

This publication is supported by the European Union Programme for Employment and Social Solidarity - PROGRESS (2007-2013).

This programme is implemented by the European Commission. It was established to financially support the implementation of the objectives of the European Union in the employment, social affairs and equal opportunities area, and thereby contribute to the achievement of the Europe 2020 Strategy goals in these fields.

The seven-year Programme targets all stakeholders who can help shape the development of appropriate and effective employment and social legislation and policies, across the EU-27, EFTA-EEA and EU candidate and pre-candidate countries.

For more information see: <http://ec.europa.eu/progress>

Equal pay day in Croatia: We do not need that, right?

Siniša Zrinščak
University of Zagreb

Introduction: Gender pay gap and equal pay day

Although Croatia will soon (as of July 1, 2013) become the 28th EU Member State, there are no data on the gender pay gap in Croatia on the Eurostat web page. According to the Croatian Bureau of Statistics (CBS, 2012) the share of women's salaries in men's salaries was 89.8% in 2010, as calculated on the basis of average monthly gross earnings of persons in legal entities. That means that the gender pay gap was 10.2% in 2010, the value which has not changed much in the last 8 years, i.e. since the CBS started to produce such data. Assuming that there are no differences in methodology, the pay gap in Croatia is below the EU average, while only five EU countries had a lower gender pay gap in 2010 (Eurostat, 2013a).

However, a closer look at the data reveals a less positive picture. The gender pay gap is the lowest, or even negative (meaning that women's salaries are higher in comparison to men's) in the sectors in which the share of female employment is the lowest: mining and quarrying, water supply and construction. In these three sectors women had higher salaries than men, but their share in employment was 16.4%, 19.4%, and 12.2% in 2010 respectively. On the contrary, though not exclusively, a higher gender pay gap was recorded in the sectors with a much larger share of female employment, such as financial and insurance activities, education or human health and social work activities. The need for the closer look was also reflected in the research and subsequent 2010 Report developed by the Croatian Gender Equality Ombudsman (*Republika Hrvatska – Pravobraniteljica za ravnopravnost spolova, 2011*)¹. She conducted the research in three enterprises in Croatia operating in different sectors which, interestingly, had even lower gender pay gap compared to the average gap in Croatia. However, when looking at different units or a group of different working places, then greater differences in salaries were identified, which were not reflected in the data for the whole company. Still, the research has found that these differences are not a result of any intentional discrimination against women and that the lower pay women get in particular units is mainly connected with horizontal segregation on the labour market.

A somewhat different view on the gender pay gap can be found in one of the very few scientific analyses (Nestić, 2010). Although the unadjusted gender pay gap is low, when taking into account higher-quality labour market characteristics of women, in particular their better education, then the gap increases to 20% on average in the

¹ The research is also posted as a separated document on the Croatian Gender Equality Ombudsman webpage: <http://www.prs.hr/index.php/analize-i-istrazivanja/obrazovanje-3/179-uzroci-jaza-u-placama-muskaraca-i-zena-na-hrvatskom-trzistu-rada-istrazivanje-u-2010>

reporting period (the years 1998 and 2005). The gap is the largest in the middle of the wage distribution which, according to the analysis, indicates that both a glass ceiling and sticky floor effects are not relevant for Croatia, although there is some evidence in favour of the sticky floor effect in the public sector (Dobrotić, Matković, Zrinščak, 2013).

The gender pay gap has been recognised by the Croatian authorities and has been addressed in relevant documents and acts. The Act on Gender Equality from 2008 (Article 13, Paragraph 1, Subparagraph 4) stipulates that there shall be no discrimination in the field of employment and occupation in the public and private sector, including public bodies, in relation to (4) employment and working conditions, all occupational benefits and benefits resulting from occupation, including equal pay for equal work of equal value (Gender Equality Act, 2008). The same provision is included in other relevant acts, such as the Labour Act. In addition, a document entitled National Policy for Gender Equality for the Period 2011-2015 (Government of the Republic of Croatia – Office for Gender Equality, 2011) recognises equal opportunities at the labour market as one of key strategic areas of action. The gender pay gap was among the issues addressed in this document. Specifically, it envisages that (a) Croatia will celebrate the European Equal Pay Day each year; (b) that activities will be conducted to raise the awareness of all stakeholders involved in collective bargaining of the importance of the principle of equal pay for work of equal value, and the implementation of the Labour Act; and (c) that the collection, processing, analysis and dissemination of statistical indicators of the pay gap between women and men will be improved.

Notwithstanding the provision of the National Policy for Gender Equality, Equal Pay Days went almost unnoticed in the last two years. From the official side, the Government Office for Gender Equality issued a press release about the importance of closing the pay gap with some basic data about the gender pay gap in the EU and Croatia, which attracted some media attention. Women's sections of three trade unions together with Women's Network Croatia (an alliance of female nongovernmental organisations) had a public performance in 2011 and 2012 which included an official request to the Parliament and the Government addressing gender equality issues, including the gender pay gap. There were no other activities that could be recorded in this respect. Of course, it can be argued that the gender pay gap was tackled by other activities (indeed, very modest themselves) aimed at improving gender equality in general. A few other activities are worth mentioning as well, such as the introduction of the award called “**keydifference**” (*ključnarazlika*) for those employers who protect human and workers' rights. The questionnaire on the basis of which the employers are evaluated includes questions on gender equality and specifically on equal pay between women and men. The project is supported by the Government Office for Human Rights and National Minority Rights, Institute for Labour Market Development and an NGO Mobbing. Still, the fact remains that Equal Pay Days went almost unnoticed. In general, and for the reasons partly explained below, gender equality in its main aspect (except, probably, the issue of domestic or gender-based violence) has received much less attention in recent years, as has correspondingly the issue of the gender pay gap.²

² This comment paper very much resembles my paper entitled “Gender pay gap: a non-existent topic in Croatia?” (Zrinščak, 2011) that I drafted for a similar exchange seminar held in Berlin in December 2011. However, if there was any optimistic note in that report, it proved to be unjustified.

Policy context and policy debates

Very low public visibility of the issues of the gender pay gap and equal pay days has to be put in a wider policy context. Two processes are of high importance here: economic recession and labour market characteristics.

The Croatian economy faced recession in 2009 when the economy contracted by 5.8%, but the GDP has remained negative since, with no clear sign of recovery even in 2013. Such a deep crisis triggered a range of measures by which the Government wanted to stabilise public finances, including the rise of taxes and freezing of wages and/or introducing further cuts in collective agreements or in general in the public sector. As measures undertaken have not brought results so far, social tensions have been on the rise, while the social dialogue between the Government, employers and trade unions has entered a critical stage, featured by conflicts and misunderstandings rather than by a dialogue.

The crisis has been particularly reflected in the employment statistics, while it has to be noted that even before the recession Croatia had low employment rate in comparison to the European average. The latest Eurostat figures show that the employment rate was 55.3% in Croatia in comparison to 68.5% for EU27 in 2012 (Eurostat, 2013b). The employment rate for women was only 50.2% in Croatia (62.4% in EU27) and employment rate for men 60.6% (74.6% in EU27). Thus, the gender employment gap was 10.4 percentage points in Croatia, which was actually lower than was the respective figure in the EU (12.2 percentage points). However, as already mentioned, the female employment rate is particularly low in Croatia, i.e. 12 percentage points lower than the EU27 female employment rate. The unemployment rate was 15.9% in Croatia in 2012 (10.5% in EU27) while the rates were 16.2% for men (10.4% in EU27) and 15.6% for women (10.5% in EU27). Although the unemployment rate for women was slightly lower than that for men - even though the gender gap in employment has been shrinking during the economic crisis as the unemployment rate for men has grown faster than the female unemployment rate - this should be also viewed in the context of a very low female employment rate, which all together points to a huge number of inactive and discouraged female workers.

The economic crisis and employment and unemployment levels frame the policy context which is particularly focused on probable further cuts in available jobs, lowering wages, rising poverty and inequality and in particular over-indebtednesses of families and individuals. Of course, that has a huge impact on gender equality, but the gender aspects of the crisis have not been publicly discussed. It could be said that the gender pay gap and equal pay days appear to be no particular problem in light of the crisis which has devastating effects on the whole population, men and women in the same way. This has to be connected with the fact that Croatia has a low gender pay gap, lower than the majority of the EU countries. In addition, there are some claims heard in the public discourse that the gap is shrinking. A relatively influential web portal "My job" (Moj posao, 2013) issued a press release in April 2013 with a statement that according to net wages in the thirist quarter of 2013 the gender pay gap shrank to only 6%, which is less than in the previous three months, when it was 9%. As no other information could be found on the web page about any methodological issues connected with the data, there is no possibility to check the data, but the message was clear and it was communicated in the media.³ Therefore,

³ The difference that is possible to be detected is that this is calculated according to net wages, not gross wages as is calculated by the Eurostat and the Croatian Bureau of Statistics.

faced with the severe economic crisis and its overall impact on the entire population, why bother with a minor problem of the gender pay gap and why invest the scarce resources in gender pay days?

Transferability: options and constraints

The experiences of all three countries (Belgium, Estonia, Spain) are valuable. From those experiences / papers there is something that can be used in a specific national context, such as the Croatian one. I will underline some examples that I found particularly relevant for the Croatian context. The Belgian case shows the importance of strong trade unions involvement, as in Croatia some trade unions had in the past aimed to raise awareness about the gender pay gap.⁴ The Spanish use of lottery is also very interesting having in mind the popularity of lottery in Croatia. The Estonian case with the restaurants and a very innovative logo is also worth exploring in the Croatian context together with the involvement of business and professional women organisations (not only in Estonia). The Estonian experience also shows that something valuable can be done with just a small amount of money. All discussion papers have identified two facts that I find highly important: (1) the need to have more specific national research about the aspects of the gender pay gap, which would be the necessary precondition for framing it as a serious social issue and for initiating relevant public actions; (2) the need to engage various institutions and public bodies, a wide range of different social actors, i.e. to create a synergy which has more chances to bring results than isolated actions of one or two institutions.

However, when connecting the transferability options with what has been said about the gender pay gap in Croatia and about the policy context, then the transferability faces many constraints. As shown in all papers, but mainly underlined in the Belgian one, the national campaign has to be very specific, in line with the national situation and specificities. It has also been underlined that there is a risk that equal pay days become a goal themselves if campaigns are not followed by budgets to close the gap (Belgium discussion paper, p.14). Thus, the following questions that are preconditions of any action, such as Equal Pay Day, remain unanswered:

- (1) Is the gender pay gap a social problem in Croatia or not?
- (2) If it is, what are the reasons and basic mechanisms behind it?
- (3) What is the target we want to achieve?

We simply don't know the answers for now and I believe these are the reasons behind the low visibility of Equal Pay Day in Croatia. However, I do not put them as an excuse of doing nothing. Quite on the contrary, Equal Pay Day should have been used in order to put these questions on the public agenda and to frame policy options.

In relation to that, two other issues should be taken into account and discussed. Firstly, there is much evidence that the general public in Croatia does not recognise

⁴ E.g., the Union Autonomous Trade Unions of Croatia has been recently included in the project on the gender pay gap coordinated by the Association of Free Trade Unions of Slovenia, and which include officers from trade unions and employers' organisations from Slovenia, Austria, Germany, Belgium, Sweden, and Croatia.

the problem of the gender pay gap, as the general opinion is that there is no doubt that women are paid equally for equal jobs. This can be understood as a kind of legacy from the Communist times when equality of women and men at work was promoted and the equal pay for the equal job introduced. Of course, that was an ideological aim, which was not reflected in reality, particularly in relation to asymmetrical gender distribution of work in domestic and professional life, but the fact was that for the equal job women received the equal salary. Therefore, if the gender pay gap concept reflects mainly the asymmetrical gender distribution, then it should be framed as such. Otherwise, it remains incomprehensible for a wider audience, while the necessity for introducing a gender pay day remains unrecognised. Secondly, it seems that we miss targets. It is very obvious that it is not possible to achieve perfect equality for many reasons, but some countries have significantly low difference.⁵ This is still more of a goal than a reality for a majority of countries, but the goal appears to be achievable. So, what is the target? Is a difference of a few percentages still a problem or is it an acceptable difference? Although targets have to be set at the national level, this is an issue at the wider EU level.

References

CBS - Croatian Bureau of Statistics (2012) *Women and Men in Croatia 2012*. Zagreb: CBS.

Dobrotić, I., Matković, T., Zrinščak, S. (2013) Gender Equality Policies and Practices in Croatia – The Interplay of Transition and Late Europeanization, *Social Policy & Administration*, 47(2):218-240.

Eurostat (2013a) Gender pay gap in an unadjusted form: <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&language=en&pcode=tsdsc340&plugin=1>

Eurostat (2013b) Employment and unemployment (Labour Force Survey) http://epp.eurostat.ec.europa.eu/portal/page/portal/employment_unemployment_lfs/data/main_tables

Gender Equality Act (2008): <http://www.ured-ravnopravnost.hr/site/hr/the-act-on-gender-equality-nn-8208.html>

Government of the Republic of Croatia – Office for Gender Equality (2011) *National Policy for Gender Equality for the Period 2011-2005*: <http://www.ured-ravnopravnost.hr/site/images/pdf/kb%20strategija%20za%20ravnopravnost%20spolova%20knjizica%20eng.pdf>

MojPosao (My Job) (2013) Razlika u plaćama muškaraca i žena manja nego ikad (Gap in wages of men and women lower than ever) <http://www.moj-posao.net/Vijest/72687/Razlika-u-placama-izmedju-muskaraca-i-zena-manja-nego-ikad/26/>

⁵ In Slovenia, the gender pay gap was -0.9% in 2009, 0.9% in 2010 and 2.3% in 2011 (Eurostat, 2013a).

Nestić, D. (2010) The Gender Wage Gap in Croatia – Estimating the Impact of Differing Rewards by Means of Counterfactual Distributions. *Croatian Economic Survey*, 12(1): 83-119.

Republika Hrvatska – Pravobraniteljica za ravnopravnost spolova (Republic of Croatia – Gender Equality Ombudsman) (2011) Izvješće o radu za 2010. godinu (Work Report for 2010), http://www.prs.hr/docs/rh_prs_izvjesce_2010.pdf

Vlada Republike Hrvatske – Ured za ravnopravnost spolova (Government of the Republic of Croatia – Office for Gender Equality): <http://www.ured-ravnopravnost.hr/>

Zrinščak, S. (2011) *Reducing the Gender Pay Gap. Comments Paper – Croatia*. Prepared for the Exchange of good practices in gender equality, Germany, 5-6 December 2011, http://ec.europa.eu/justice/gender-equality/files/exchange_of_good_practice_de/hr_comments_paper_de_2011_en.pdf