



# The EU Mutual Learning Programme in Gender Equality

## Tackling the gender pay gap

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Comments Paper - Romania



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# Gender pay gap in Romania: facts and challenges

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## 1. Country context

According to results based on data from Central and Eastern Europe, the gender wage gap generally decreased in the transition process, but research studies in Romania show that the gender wage differentials remained stable during the transition (Andrén et al., 2015, Brainerd, 2000, Skoufias, 2003). As a former communist country, Romania has benefited in that period from specific measures on equal gender access to education, training and labour market that positively influenced the participation of women in education, labour market and politics.

Currently, women are still behind men in terms of earnings, even if the value of gender pay gap is below the European average. Among the factors responsible for the persistence of gender pay gap can be mentioned: occupational segregation (vertical and horizontal), longer periods of absence from the labour market, and social exclusion of specific groups of women.

The traditional structure of gender roles (with women responsible for taking care of the household and children) is still a challenge for the Romanian family, which affects employment rates of women and their employment quality. According to the 2014 Gender Equality Eurobarometer “*the unequal sharing of household tasks between men and women*” receives the highest mentions in Romania (24 %), along with Bulgaria and Greece. Romanian respondents (30 %) are most likely to think *that making it easier for women to combine a job with household and care responsibilities* is one of the most effective methods of increasing the number of women in the labour market.

### 1.1. Gender pay gap: statistical evidence

In 2014, women's gross hourly earnings were on average 4.5 % below those of men in Romania, the smallest value of GPG registered between Member States. In the same year the EU-27<sup>1</sup> average of GPG in unadjusted form was 16.7 percentage points. However, in comparison to the year 2006 (7.8 %), the gender pay gap decreased by 3.3 percentage points. This trend is similar to the EU-wide tendencies of reducing the gender pay gap.

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<sup>1</sup> Note: Data was used for EU-27 in order to highlight the changes during the period 2006-2014.

**Table 1. Gender pay gap<sup>2</sup> in unadjusted form, Romania**

	2006	2010	2014
Romania	7.8	8.8	4.5
EU (27 countries)	17.7	16.5	16.7

Source: Eurostat, 2016, Structure of Earnings Survey, [earn\_gr\_gpgr2]

The gender pay gap is generally much lower for young people and tends to widen with age. For older women unable to benefit from specific equality measures which did not yet exist when they started to work, high value of the gender pay gap is a consequence of career interruptions during their working life.

**Table 2. Gender pay gap in unadjusted form by age, Romania**

	2006	2010	2014
<25 years	1.9 <sup>(d)</sup>	1.7	-1.1
25-34	5.4 <sup>(d)</sup>	2.6	1.1
35-44	12.3 <sup>(d)</sup>	10.5	6.7
45-54	6.4 <sup>(d)</sup>	11.1	4.8
55-64	-4.8 <sup>(d)</sup>	8.5	2.8
65 years+	5.3 <sup>(d)</sup>	28.1	18

Source: Eurostat, 2016, Structure of Earnings Survey, [earn\_gr\_gpgr2ag], d=definition differs

As in other EU Member States, the gender pay gap in the *financial and insurance activities* (NACE Rev. 2 section K) was higher than in the business economy as a whole (except public administration and defence and compulsory social security): 20.9 %.

For the same year, Romania, just like other Member States recorded negative gender gaps in the *administrative and support service activities (N)*, *water supply, sewerage, waste management and remediation activities* (NACE Rev. 2 section E), and in the *construction industry* (NACE Rev. 2 section F).

In 2014, Romania recorded a higher gender pay gap in the public sector (12.3 %) than in the private sector (4.6%).

Gender wage differences related to different economic activities are the result of many influencing factors such as skill level of employees, the hierarchical position at work or occupation exercised.

<sup>2</sup> The unadjusted Gender Pay Gap (GPG) represents the difference between average gross hourly earnings of male paid employees and of female paid employees as a percentage of average gross hourly earnings of male paid employees. The population consists of all paid employees in enterprises with 10 employees or more in NACE Rev. 2 aggregate B to S (excluding O) - before reference year 2008: NACE Rev. 1.1 aggregate C to O (excluding L).

**Table 3. Gender pay gap in unadjusted form by NACE Rev. 2 activity, Romania**

	2006	2010	2014
Business economy (B to N)	13.3 <sup>(d)</sup>	6.9	5.4
Manufacturing (C)	24.8 <sup>(d)</sup>	22.6	19.6
Electricity, gas, steam and air conditioning supply (D)	4.1 <sup>(d)</sup>	1.3	0.8
Water supply; sewerage, waste management and remediation activities (E)	14.4 <sup>(d)</sup>	-5.3	-5.0
Construction (F)	-9 <sup>(d)</sup>	-20.1	-26.1
Information and communication (J)	5.3 <sup>(d)</sup>	9.8	16.6
Financial and insurance activities (K)	15.5 <sup>(d)</sup>	17.8	20.9
Real estate activities (L)	-16.8 <sup>(d)</sup>	11.3	0.6
Professional, scientific and technical activities (M)	-17 <sup>(d)</sup>	-0.2	1.1
Administrative and support service activities (N)	-14.6 <sup>(d)</sup>	-21.3	-30.3
Education (P)	19.6 <sup>(d)</sup>	11.5	3.3
Human health and social work activities (Q)	19.7 <sup>(d)</sup>	8.6	8.9

Source: Eurostat, 2016, Structure of Earnings Survey, [earn\_gr\_gpgr2], d=definition differs

## 1.2. Romanian initiatives to address the gender pay gap

The principle of equal pay for equal work or equal value was legislated in 2002 as part of the equal opportunities policy. Similarly, the Labour Code stipulates in art.6. that employees have the right to equal pay for equal work and it proscribes any discrimination based on gender, which affects the conditions and elements of the remuneration system (Codul Muncii, 2011: 24). Reduction of the wage differences between women and men constitutes one of the specific objectives of The National Strategy for the Equal Opportunities between Women and Men and its action plan in Romania. Until now this strategy has had three issues: 2006-2009, 2010-2012, and 2014-2017. There was no strategy for 2013.

The 2010-2012 Strategy identified as priorities for action policies directed at reducing the gender pay gap and a better balance between work and family. At the national level conferences were organised with the participation of trade unions and employers' associations discussing the policies aiming to reduce the gender pay gap. The 2014-2017 Strategy also focusses on gender pay gap issue, but adds the imperative of integrating vulnerable groups (women are overrepresented in this category). Awareness meetings are foreseen with the employers from the private sector regarding the importance of reducing wage disparities between men and women.

Among other actions aimed to transpose the strategies into practice, the following could be mentioned: information campaigns for sustaining the integration into the labour market of women facing marginalisation, campaigns to promote policies that reconcile family life and work, awareness-raising campaigns regarding equal opportunities at work, interventions on parental leave and childcare services.

Gender pay gap issues are also on the agenda of Romanian trade unions. National trade unions confederations are in partnership with CONES (National Commission for Equal Opportunities between Women and Men), COJES (County Commission for Equal Opportunities between Women and Men) and ANES (National Agency for Equal Opportunities between Women and Men) to promote awareness campaigns

on equal opportunities and treatment between men and women at national and local levels. Trade unions have their own Women's Committees, which watch the developments on the labour market from the gender viewpoint.

As part of the strategy for equal opportunities, the women's committees of the BNS (National Trade Union Block) and CNSLR Frăția (Confederation of Free Trade Unions- Frăția) have assumed the role to ensure that the concept of equal treatment is reflected in all collective agreements at national, sectoral, and company levels.

## 2. Policy debate

Romania has made significant progress in improving the equal opportunities for men and women over the last fifty years, but the Gender Equality Index (produced by the European Institute for Gender Equality) shows that the country has the lowest level of gender equality in the European Union. There are still a number of areas where the situation of women needs to be substantially improved: decision making in economic, social, and political areas, educational attainment and segregation, lifelong learning, care and social activities, financial resources, and economic situation.

Gender differences exist in employment, wages, entrepreneurship, and pensions. The gender pay gap, 10.1 % in 2014, reflect occupational segregation and discrimination. Serious challenges still remain in addressing the vulnerabilities of women as a group. If Romania is going to achieve its goal of a 70 % employment rate, it must increase employment for women and reduce the gender gap.

According to the recent *Women, Business and the Law 2014: Removing Restrictions to Enhance Gender Equality report*, many laws still make it difficult for women to fully participate in economic life in Romania – including increased difficulty in getting a job or starting a business.

Statistical data show that women tend to spend periods off the labour market more often than men. These career interruptions not only influence hourly pay, but also impact future earnings and pensions.

According to the 2014-2017 National Strategy for the Equal Opportunities between Women and Men, Romanian authorities intend to encourage private companies to develop and implement day-care services for their employees, as well as flexible working hours for parents. The Romanian Government also intends to access EU funds for programmes against domestic violence and in favour of female entrepreneurship.

## 3. Transferability aspects

The transferability of good practices in tackling the gender pay gap, as it has been presented by Belgium, depends on at least two key elements:

- At the sectoral level: making sure that job classifications are gender-neutral. It requires a review of occupations (COR - Classification of Occupations in Romania) for achieving this objective. In this case, all existing classifications had

to be reviewed by the employment administration, but it is possible for the process to be hampered due to the scarcity of human resources.

- At company level: report on the pay structure and gender breakdown of the social balance sheet. Many Romanian companies may refuse this task in the absence of a specific legislative framework.

## 4. Recommendations and conclusions

Gender equality is central in order to close the gender pay gap and to achieve the objectives of the Europe 2020 Strategy. According to the strategy, Romania aims to achieve a higher employment rate for women as part of the overall employment target of 70 % for all 20-64 year-olds. Despite factors that influence the gender pay gap, some measures must be taken for the effective application of the equal pay principle.

The Commission Recommendation from March 2014 on strengthening the principle of equal pay between men and women through focus on transparency of wage categories, which is essential for the effective application of the equal pay principle. Building on experience from a number of Member States, the recommendation suggests a tool box of measures designed to assist Member States in taking a tailor-made approach to improving wage transparency. Member States are encouraged to implement the most appropriate measures for their specific circumstances and to implement at least one of the core measures enhancing transparency set out in this Recommendation (entitlement to request pay information, company reporting, pay audits, equal pay collective bargaining)<sup>3</sup>. At this time, Romanian Labour Code stipulates the right of the employee to equal pay for equal work and it proscribes any discrimination based on gender. With regard to other measures, Romania still has to make important steps in their implementation.

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<sup>3</sup> For more information, see: European Commission. 2014. The Commission Recommendation of 7.3.2014 on strengthening the principle of equal pay between men and women, Available at: [\[http://ec.europa.eu/justice/gender-equality/files/gender\\_pay\\_gap/c\\_2014\\_1405\\_en.pdf\]](http://ec.europa.eu/justice/gender-equality/files/gender_pay_gap/c_2014_1405_en.pdf)

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