

Gender pay-gap between salaries of men and women – the case of Lithuania

Political, economical and social changes in our country started after regaining the national independence. It had a lot of influence on all strata of the society in all spheres of our life.

Lithuania has developed a sufficiently good legal basis to guarantee equal opportunities for men's and women's salaries. Basic national laws are: the Constitution of the Lithuanian Republic, the Law on Equal Treatment and the Law on Equal Opportunities of Women and Men; the Provisions of the Equal Opportunities Ombudsman service and the Labour Code.

The responsibility for violations is regulated in the Criminal Code of Lithuania and the Administrative Code.

Lithuania has achieved significant legislative progress in enhancement of equal opportunities of women and men. According to the Labour law and Law on Equal Opportunities for Women and Men the employer must apply uniform selection criteria, provide equal working conditions and benefits, equal opportunities to improve qualification and also equal pay for the same work or for the work of equivalent value.

Similarly as on average in the EU (see the development in the comparative table in the appendix at the end of this article), there is in Lithuania a clear gap between women's and men's salaries. It has increased more significantly during the crisis as shows *Table 1* for the period of the last **eight** years.

Table 1: Gap between salaries of women and men in Lithuania 2003 – 2010 (%)

	2003	2004	2005	2006	2007	2008	2009	2010
Lithuania	17	16	15	16	16	18	19	21,6

Data: Department of Statistics Lithuania

This gender pay gap (representing the difference between average gross hourly earnings of male and of female paid employees) has always existed in Lithuania. However, over the last three years it has been increasing and the highest ratio was now recorded in 2010. Lower women salaries inevitably mean life with less income and lower retirement benefit. Differences between wages of men and women are particularly pronounced now, as during the financial and economic crisis wages decreased, especially in those sectors where collective agreements are not concluded.

The consequences of the crisis for the labour market are significantly demonstrated in *Table 2*.

*Table 2: Labour force activity rate, employment and unemployment rate
(Percent of population, aged 15–64)*

	2000		2008		2009	
	Women	Men	Women	Men	Women	Men
Labour force activity rate	67.1	74.2	65.5	71.4	67.8	72.0
Employment rate	57.5	60.1	61.8	67.1	60.7	59.5
Unemployment rate ¹	13.9	18.8	5.6	6.0	10.4	17.0

¹ calculated for population aged 15 years and older

Data: Statistics Lithuania

Growing proportions of inequality ...

It should be noted that employment of women is higher than for men in 2009 (60.7 and 59.5%), as well as now for the second quarter of 2010: 57.9% compared to 55.5%. However, according to various other sources the gender pay-gap has still remained significant and may speed up to some 25%.

According to the data represented in *Table 3*, more men than women work in the private sector (80.5% and 62.1%) whereas women more often than men work in the public sector (37.9% and 19.5%).

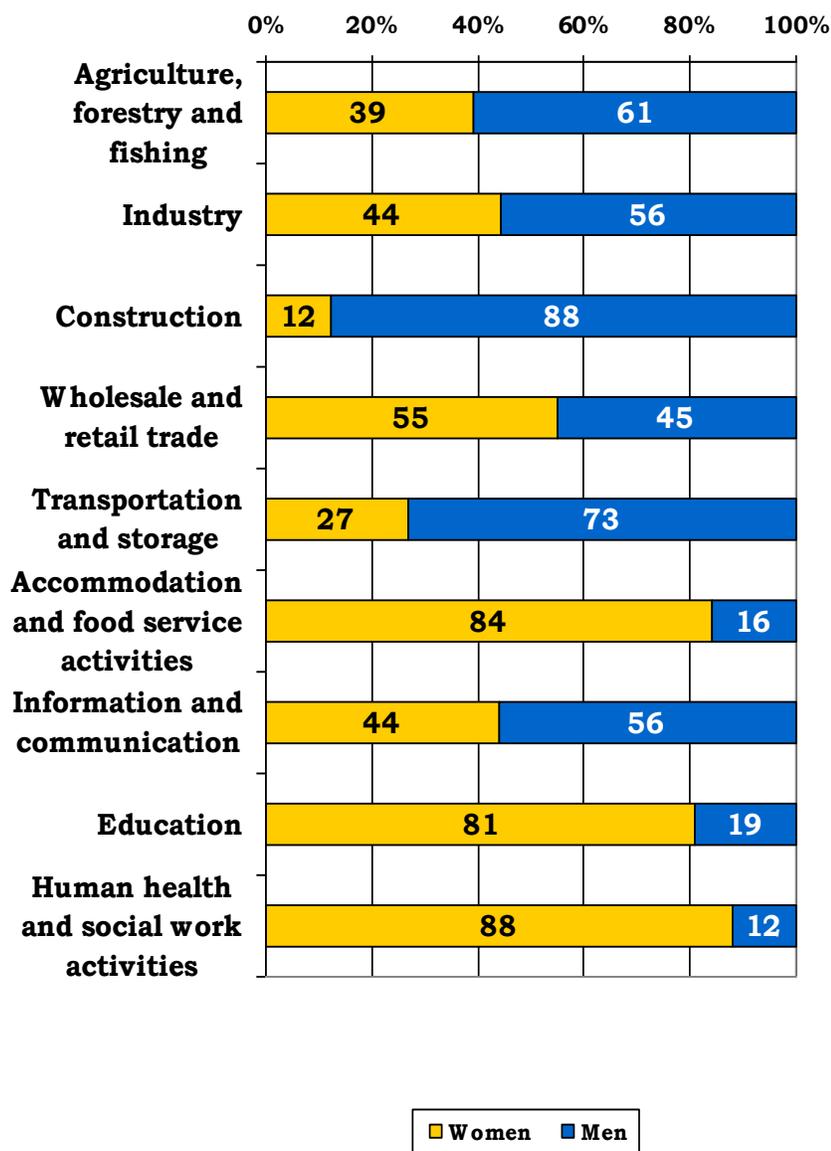
Table 3: Employed persons in Lithuania by sector, 2009

	Women		Men		Sex distribution, %	
	Thousand	%	Thousand	%	Women	Men
Public sector	278.6	37.9	132.9	19.5	67.7	32.3
Private sector	457.2	62.1	547.1	80.5	45.5	54.5

Data: Statistics Lithuania

On the basis of the data in the following diagram (*Table 4*) women predominate in certain sectors of the economy: particularly in human health and social work activities, accommodation and food services, and in education. Salaries there are lower as average incomes in economy. Men dominate in construction and financial sectors where salaries are higher.

Table 4: Employed persons by economic activity, 2009



Data: Statistics Lithuania

Despite women's better education, in 2009 the women's average monthly gross wages in the Lithuanian economy amounted to brut 1,910 Litass and thus only to 80.6% of men's salaries (2,369 Lt). These differences are a result of both – vertical and horizontal – segregation on the labour market (see Table 5).

... and greater differences in the private sector

Table 5: Average monthly gross earnings by economic sector¹
(currency: Litas)

	Whole economy		Public sector		Private sector	
	Women	Men	Women	Men	Women	Men
2000	956	1170	980	1272	918	1087
2005	1230	1493	1290	1654	1168	1421
2006	1432	1743	1510	1913	1356	1677
2007	1677	2115	1740	2193	1621	2087
2008	2020	2505	2139	2685	1916	2440
2009	1910	2369	2123	2556	1777	2279

¹ with the exception of individual enterprises

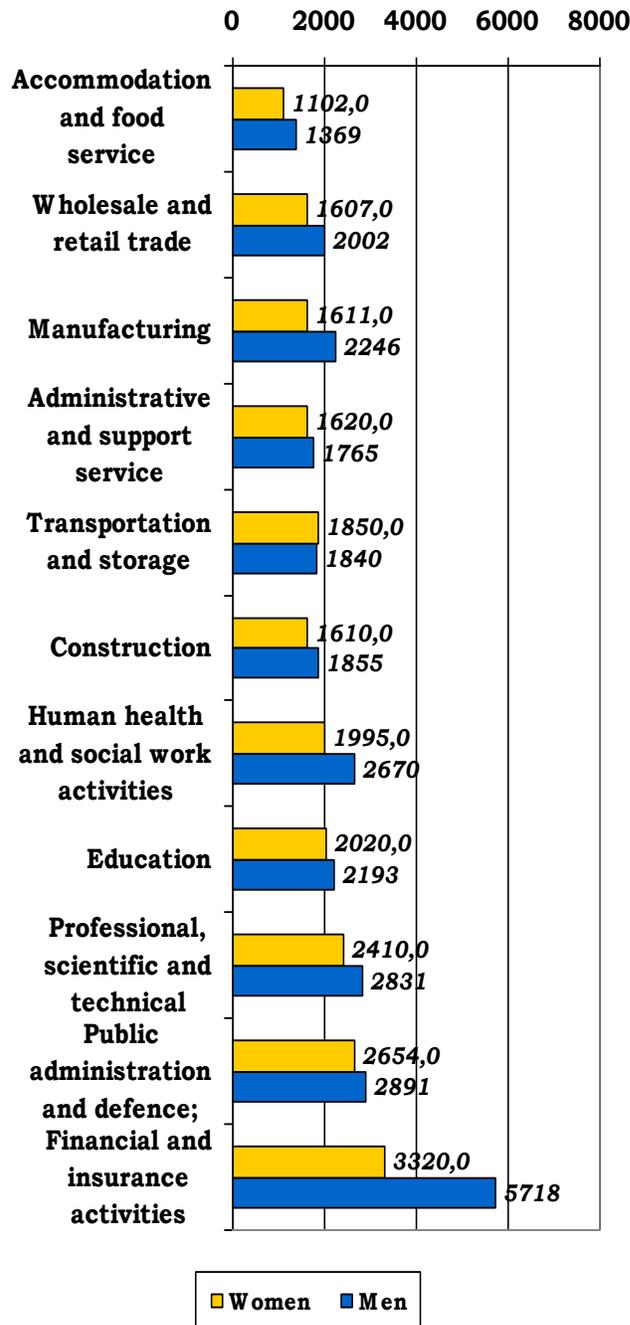
Data: Statistics Lithuania

In 2009 women's average gross hourly earnings in the country and in the public sector accounted for 83.1% of men's average hourly gross wages and salaries in the private sector – 77.9%. Women's average gross hourly earnings in the economy (with the exception of some individual enterprises) in 2009 were 19.4 % less than men.

The gender pay-gap is more pronounced in the private sector where women are paid less than men for the same responsibilities and the work performed. In civil service, both public administration and service sector, the salary is regulated by law. Therefore, there is no difference what sex and post one takes, and the salary is fixed taking into consideration the category and level of responsibilities.

Women earn less than men in almost all sectors of the economy. This wage difference is caused by the fact that the public sector (social welfare, education, hotel sector, catering and other fields) which is dominated by women has a lower level of wages than the private sector with more masculine activities (energy supply, construction sector, etc.). This is demonstrated by *Table 6*.

Table 6: Average gross monthly earnings by economic activity in 2009 (Litas)



Data: Statistics Department Lithuania

The biggest difference between the earnings is found in the field of financial and insurance activities: women in this sector earned in 2009 only 57.3% of the average gross hourly earnings of men. In other economic activities the gap of men's and women's pay is less exceptional:

- In accommodation and food industry women receive 80.2% of men's wage,
- in manufacturing 71,7% ,
- in human health and social work activities 74,7%,
- in professional, scientific and technical activities 85,1%
- in public administration 91,8%
- in higher university professions 73.9%.

A clear vertical (i.e. women occupy lower paid and less economic and social prestige posts) and horizontal (sectors with more employed women are the lowest paid) labour market segregation is based on sex. Though women have the same and often better education than men, women get rarely management positions.

Women work in full-time jobs less than men. In 2009 part-time contracts existed for 9.5% of women and 7% of men in Lithuania. Although the rate of output is often much the same as working full-time work, part-time job are paid much less.

Table 7: Employed persons by working hours in percent (2009)

	2001	2002	2003	2004	2005	2006	2007	2008	2009
Full-time									
Total	90,1	89,2	90,5	91,6	92,9	90,1	91,4	93,3	91,7
Women	88,5	87,7	88,3	89,5	90,9	88,0	89,8	91,4	90,5
Men	91,8	90,6	92,6	93,5	94,9	92,1	93,0	95,1	93,0
Part-time									
Total	9,9	10,8	9,5	8,4	7,1	9,9	8,6	6,7	8,3
Women	11,5	12,3	11,7	10,5	9,1	12,0	10,2	8,6	9,5
Men	8,2	9,4	7,4	6,5	5,1	7,9	7,0	4,9	7,0

Data: Statistics Lithuania

The average income of households the head of which is a woman is always lower in all categories of households (see *Table 8*).

One of 15 children in a family is brought up to 18 years by one parent. After a divorce children stay in 98 cases out of 100 with their mother. Thus, poverty affects most women who live in rural regions, or have more than two children.

Table 8: Average disposable income by type of household, 2008
 – per capita and per month, in Litas –

Household type	Household head	
	Women	Men
Single person	1084.3	1378.1
Single person with children under 18	634.0	836.8
Couple without children	1183.5	1229.8
Couple with children under 18	794.7	937.4
Other households with children	698.8	827.9
Other households without children	991.5	1216.0

Data: Statistics Lithuania

Main causes of the gender pay gap in Lithuania

There are a number of complex and often interrelated factors that explain the existence of the gender pay gap.

- (1) Direct discrimination: Some women are paid less than men for *doing the same job*. (This factor only explains a small part of the gender pay gap, due to the effectiveness of the EU and national legislation.).
- (2) Undervaluing of women's work:
 - More frequently women earn less than men for *doing jobs of equal value*. One of the main causes is *the way women's competences are valued* compared to men's.
 - Jobs requiring similar skills, qualifications or experience tend to be poorly paid and undervalued when they are dominated by women rather than by men. For example, the (mainly female) cashiers in a supermarket usually earn less than the (mainly male) employees involved in stacking shelves and other more physical tasks.
 - In addition the evaluation of performance, and hence pay level and career progression, may also be biased in favour of men. For example, where women and men are equally well qualified, more value can be attached to responsibility for capital than to responsibility for people.
 - The requirements for women are higher than for men if they seek managerial and senior positions. A woman must justify why she is qualified to be in senior positions.
- (3) Segregation in the labour market:

- The gender pay gap is also reinforced by the *segregation in the labour market*. Women and men still tend to work in different jobs. On the one hand, women and men often predominate in different sectors. On the other hand, within the same sector or company women predominate in lower valued and lower paid occupations.
- Women often work in sectors where their work is lower valued and lower paid than those dominated by men. More than 40% of women work in health, education and public administration. This is twice as much as the share of men in the same sectors. When we look at the health and social work sector alone, 80% of those working in this sector are women.
- Moreover, women are frequently employed as administrative assistants, shop assistants or low skilled or unskilled workers – these occupations accounting for almost half of the female workforce. Many women work in low-paying occupations, for example, cleaning and care work.
- Women are under-represented in managerial and senior positions. For example, women represent only 36% of managers in all companies, 10% of members of management boards of larger companies, and 22% of scientists and engineers in Lithuania.

(4) Traditions and stereotypes:

- Segregation is frequently linked to *traditions and stereotypes*. Whilst in some cases this may reflect personal choices, traditions and stereotypes may influence, for example, the choice of educational paths and, consequently, professional careers of girls and women.
- While 55% of university students are women, they are a minority in fields like mathematics, computing and engineering.
- Only 8.4 of 1.000 women aged 20-29 are graduates in mathematics, science and technology compared to a ratio of 17.6 of men.
- Consequently, there are fewer women working in scientific and technical jobs.
- Because of these traditions and stereotypes, women are expected to reduce their working hours or exit the labour market to carry out child or elder care.

(5) Balancing work and private life.

- Women experience greater difficulties than men when it comes to *balancing work and private life*.
- Family and care responsibilities are still not equally shared. The task of looking after dependent family members is largely borne by women. Far more women than men choose to take parental leave. This fact means, together with lack of facilities for child care and elder care, that women are often forced to exit the labour market: the employment rate for women with dependent children is only 62.4% compared with 91.4% for men with dependent children.
- Although part-time work may be a personal choice, women have greater recourse to part-time work in order to combine work and family responsibilities. There is evidence of pay gap when looking to the differences in hourly earnings of part-time and full-time workers. Across Europe over one-third of women work part-time, compared to only 8% of men. More than three-quarters of the total of part-time workers are women.

- Consequently, women have more career interruptions or work shorter hours than men. This has negative impacts on their career development and promotion prospects. It also means less financially rewarding careers.
 - Working conditions have not yet reached a level that is favourable for families with children. An additional barrier to women to fully participate in economic life is that many men do not take part in household work and raising children. In addition, household work and work within the family is not paid. This is also an important contribution to the economy which has not received due recognition and has not been considered in shaping social and economic policies.
- (6) Lack of female solidarity: Women do not support potential women candidates for senior positions.
- (7) Psychological problems: Men are more likely to negotiate higher salaries and career opportunities than women before signing a working contract. A significant number of women do not dare to do so.
- (8) Lack of support for women in small and medium businesses: Women's businesses are important in two key aspects: they create jobs for women (businesswomen usually employ women) who cannot find the proper occupation as the work force, and they create decent jobs for women who cannot adopt their working skills to the workforce as a result of discrimination in payment for work and limited career opportunities (called „glass ceiling“). Women in businesses make up a considerable part in the economy but they face numerous obstacles.

Reasons to tackle the gender pay gap

As well as helping to create a more equal society, closing the gender pay gap makes good economic sense.

From Closing the gender pay gap may benefits employers as well as workers:

Equality between women and men is vital for the creation of quality jobs. Introducing a gender perspective can help companies to recruit and retain the best employees; to create a positive work environment and gain the confidence of their employees; to make the best use of human resources and improve productivity and competitiveness; and to have a better public image and higher shareholder value and a wider and more satisfied customer base.

Closing the gender pay gap gives greater profitability to the economy as a whole:

Women have played a vital role in Europe's employment and economic growth and their skills and talent are necessary for the economic and social development of our societies. However, this is not reflected in their pay and position in the labour market. The undervaluing of women's work and the under-utilisation of women's skills is a lost resource for the economy and for society at large. A *better use of women's skills* allows them to better contribute to the economy as a whole.

Closing the gender pay gap promotes social justice and equal opportunities:

Closing the gender pay gap can help to create a *more equal and cohesive society*. Valuing women's work and skills will *motivate their performance and improve their economic*

independence. By increasing women's earnings throughout the lifecycle, the risk of falling into poverty will be reduced. The at-risk-of-poverty rate is 32% for single mothers and 21% for women over 65, compared to 16% of men over 65.

Role of trade unions in fighting the gender pay gap

Endeavour for equal pay for equal work is currently one of the priority trade union campaigns which must be addressed holistically to strengthen gender equality in all spheres of activity.

The ways to this aim are:

- (1) the submission of proposals to the Tripartite Council of the Republic of Lithuania and to the Government the Republic of Lithuania on improved provisions of laws which regulate work pay;
- (2) appliance of relevant provisions that may prevent any discrimination in work pay in collective agreements;
- (3) establishment and improvement of sufficient control mechanisms and measures; and
- (4) communication, cooperation and the sharing of best practices of equal pay for women and men between national and international non-governmental organisations.

Therefore, the Lisbon strategy and the long-term Lithuanian development goals aim to improve the quality of life, strengthening of social partnership, higher employment rates, improvement of the quality of jobs, to achieve cohesion – it is necessary to strengthen the men's and women's equal opportunities policy.

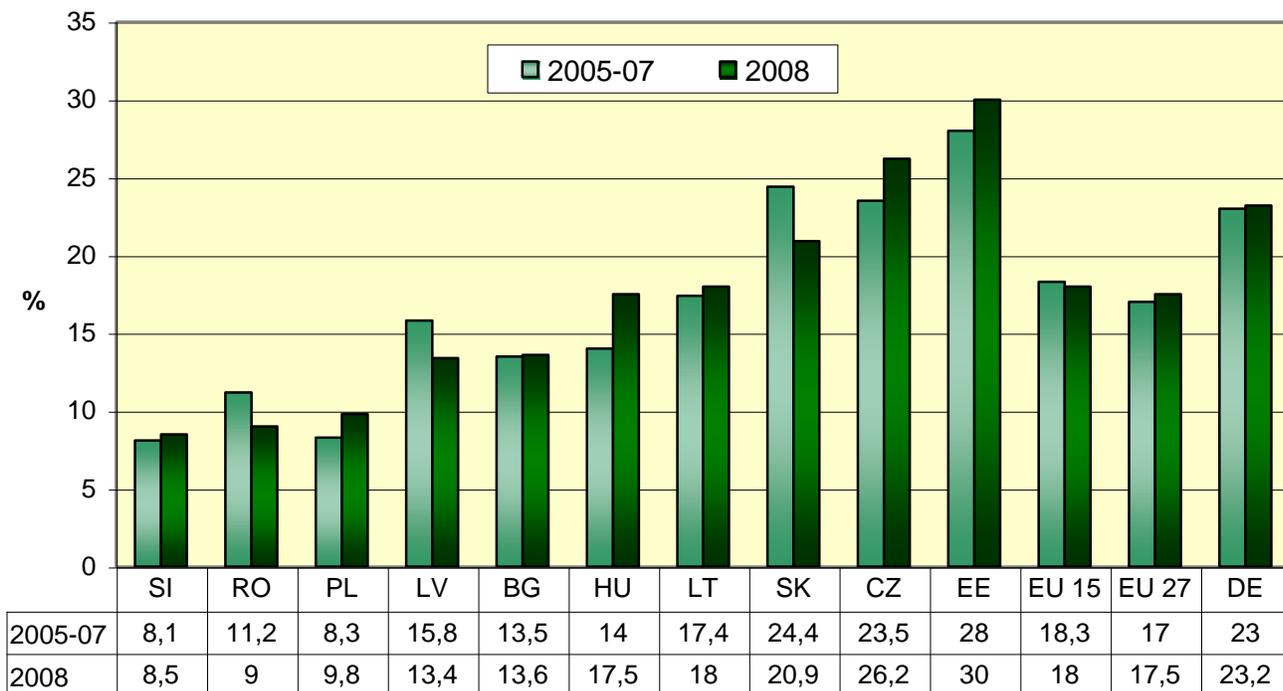
The Government of the Republic of Lithuania approved in 2009 the national anti-discrimination program 2009–2011, firstly aiming to a comprehensive study of discrimination displays and reasons in all spheres of public life. During the implementation of this program shall be analysed and – as far as necessary – be improved the legal framework of anti-discrimination and other measures at all levels of discrimination, in order to reduce and eliminate the gender pay gap. This must have a significant impact on the trade unions, too. All Lithuanian trade unions should have a significant engagement in this program's implementation.

A strong impetus is necessary for change. Experience shows that little change is achieved when there is no detailed analysis of the problem, without operational guidelines and the responsible persons. We as women centre of the national confederation LPSK will try to find possibilities to decrease these differences by analysing now gaps between men and women salaries in a food producing company, a municipal utility company, and in a higher education institution.

* *The author is a representative of the Women Centre of the Lithuanian confederation LPSK in Vilnius.*

Appendix:

*Development of the gender pay gap in Europe after the enlargement of EU**



Data source: Eurostat; Eurofound - BwP

* The unadjusted Gender Pay Gap of Eurostat 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.

Figures in the current crisis for 2009 show a further increasing tendency in many countries of EU 27 but are not yet fully available for an updated comparison (*Heribert Kohl*).