2 Women and the Labour Market

If the purpose of the transition is to raise the living standards of people and to promote their rights, then examining the economic status and prospects of women in the transition region is essential. The participation of women in the labour market is important for many reasons. It is the source of women's economic autonomy, a passport to social security, pension and health benefits, and an opportunity for social and personal development. In a household context, women's paid employment influences the relative role and power of women within the family and provides not only income, but a role model for family members, especially children.

The process of economic transition is reshaping the working lives of women. Since 1989, as Chapter 1 outlines, there has been a very serious fall in GDP, employment and real wages – and considerable institutional change – in many of the 27 countries of the region. These circumstances affect the immediate economic status of women and their households, but they also affect decisions related to fertility, family and higher education. In turn, these conditions and decisions influence the structure of the transitional labour markets.

Under communism, constitutions guaranteed the right to employment for the entire working-age population and the right to equal pay for equal work among men and women. There was no formal unemployment, and women generally worked full time throughout their adult lives. The public sector, which dominated the economy through state-owned enterprises, supplied jobs seemingly without limit.

Did these circumstances remove the gender gap on the job? Statistics show that women's participation in the workforce was, in fact, outstanding by international standards. Still, as in most countries, women were clustered in lower paying, lower status occupations and were not equally represented in senior and decision-making positions. However, they did enjoy generous formal and informal benefits related to family and childcare responsibilities. In Central and Southeastern Europe, for instance, women could count on both maternity leaves and parental leaves, including the option of caring for children at home for several years with employment guarantees on their return to the labour force. In the Soviet Union, nurseries, kindergartens and health care facilities were common in larger state-run enterprises. Informally, women were often allowed time off work to manage household shopping because goods were scarce and queues long.

The transition to a market economy presents women with a changing work environment, one with obstacles and opportunities. Women must now compete for jobs at a time when secure state jobs are being eliminated. It is also expected that alternative forms of employment, such as part-time work and fixed-term contracts, will increasingly appear, as they have in Western economies. "Non-standard" employment may not always improve women's economic autonomy, but it does offer flexibility.

The shift to less secure employment for both women and men reduces the likelihood of a family model based on a dominant male breadwinner. It is probable that women and men will share more versatile roles, taking on responsibility for income-earning and childcare as changing circumstances dictate. The transition to a market economy also offers both women and men the opportunity to take up self-employment and entrepreneurship.

Women in the transition region do have a positive legacy of high levels of education, a capital of great importance in the transforming economies. There is an expectation, embedded in social norms and life strategies, that women will perform work for pay for much of their lives. However, women's burden of family responsibilities will make it harder for them to pursue careers, especially with weakened state support for families. The prevailing attitude in society is that the tension between work and family must be borne by women and eased by the state. The challenge now for local and central governments, businesses, communities, families, and men is to cultivate an adaptable and supportive public environment that enables women to contribute to and benefit from the marketplace in a way that suits their circumstances and permits them to realize their potential.

Economic power is the foundation of women's equality and the muscle that helps women to exercise their human rights. UN conventions and other international commitments are clear about the imperative of advancing economic equality between women and men. They acknowledge women's right to the same working conditions as men, including equal pay for equal work or work of equal value, the right to maternity leave with pay and sufficient social security benefits and without loss of employment, seniority, or social allowances, the right to an adequate standard of living for oneself and one's family, the right to social services, including access to childcare for the children of working parents, and the right to

recognition of the value of unpaid work.

This chapter focuses on paid employment, a major axis of change in the institutional transformation of the region and the main channel through which macro-economic stabilization and structural adjustment affect household welfare. The discussion and analysis presented are constrained by the data limitations, including a lack of gender-disaggregated statistics, and by the use of conventional economic terms which presume a male model of work. For example, most unpaid work in the household economy is technically considered "inactivity" though it is crucial for the economic survival of many families, especially in current circumstances. Still, it is clear that participation in and earnings from the emerging labour markets in the transition region are keys to the future.

Section 2.1 explores trends in women's employment and unemployment in the transition economies. Section 2.2 reviews and analyses evidence on the gender pay gap, the structure of employment and the occupational segregation of women. Section 2.3 looks at the contribution and importance of female employment and earnings in terms of household income. The Conclusions offer a summary of the main findings and outline some policy implications. ■

2.1 Women's Employment is under Pressure

Employment for women is important not only because of the direct contribution it makes to household welfare, but because of the personal power it provides for women in shaping and making family decisions and in establishing social ties and networks beyond the family. It is therefore essential to monitor how women are participating in the emerging labour markets of the transition region and call attention to any sign that they are being "squeezed out" of the new employment picture.

Changing participation in the labour force

Historically, the participation of women in the labour force in the region has been outstanding by international standards. However, it is worth asking whether high female participation rates characterized all parts of Central and Eastern Europe and the former Soviet Union. Figure 2.1 presents the share of economically active women and men in the working-age populations of the region. For international comparison, the figure includes data for six market economies – Turkey, Greece, Brazil, France, the US, and Sweden.

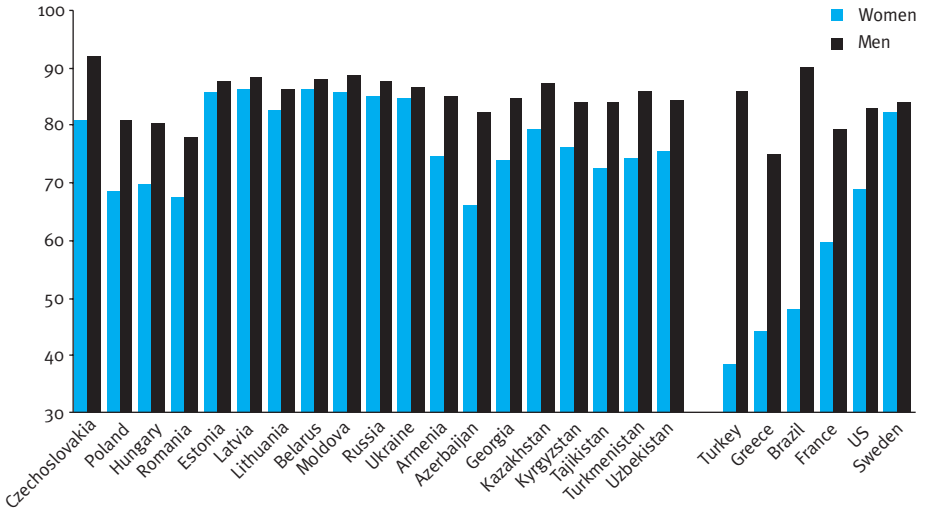
The graph reveals a somewhat surprising pattern across the region at the beginning of the transition. The highest activity rates were found in the Baltic States and in the countries which now form the western part of the Commonwealth of Independent States – Belarus, Moldova, Russia, and Ukraine. In these countries, the gender gap in labour force participation was very small – less than 2 percentage points in Belarus and Ukraine. This compares to Sweden, which leads the Western nations in this regard. Even taking into consideration that Soviet methodology counted women on maternity leave as active in the labour force and used a lower retirement age, female activity rates in these countries were impressive.

Not surprisingly, female participation rates were appreciably lower in the less industrialized, less urbanized countries of the Caucasus and Central Asia. In Uzbekistan, the gender gap in labour force participation was 9 percentage points. However, even these participation rates were high by international standards. Thus, female activity rates in the Asian countries of the former Soviet Union were higher than those in the more urbanized countries of Central and Eastern Europe with relatively fewer children, such as Poland, Hungary and Romania (though not Czechoslovakia). In Hungary, the gender gap was 11 percentage points, and in Poland, 13 percentage points. Figure 2.1 shows that these rates were comparable to or even better than those in the US or France at the end of the 1980s. However, there was one notable difference in that, unlike women in France or the US, women in Poland, Hungary and Romania, for example, were almost all employed full time.

The glorification of and

Figure 2.1

Share of working-age population participating in the labour force, around 1989
(percent)



Sources: ILO (1992); MONEE project database.

Note: Data refer to 1990 for Czechoslovakia. Estimates use ages 16-54 for women and 16-59 for men for countries of the former Soviet Union, ages 15-54 for women and 15-59 for men for Central and Eastern Europe, and ages 15-59 for both genders for the other countries. (See the Glossary for the definition of working-age population.)

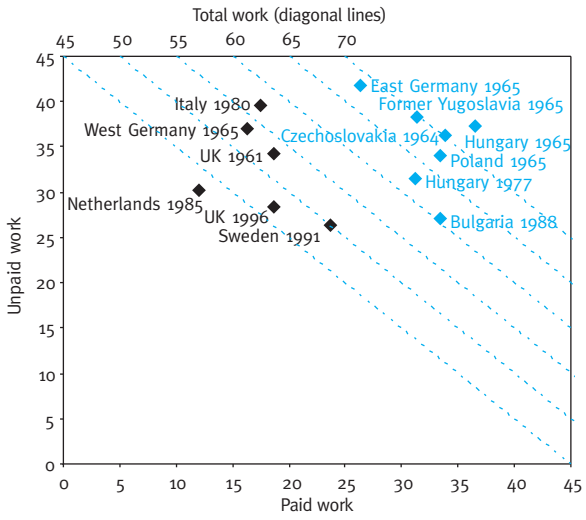
Box 2.1

Women's paid and unpaid work: an East-West comparison

Under communism, women in Central and Eastern Europe showed high rates of employment, but they continued to fulfil substantial duties in the home, including cooking, cleaning, shopping, and childcare. Figure 2.2 shows the average hours of paid and unpaid work performed by women in selected European countries. The data refer to a wide range of years, but illustrate well the "double burden" that women in Central and Eastern Europe have carried compared to women in Western countries.

The horizontal axis indicates the average weekly hours women spend in paid employment. Countries in Central and Eastern Europe are clustered at the right-hand side of the graph, showing almost twice the weekly paid workload among women as countries in Western Europe. The vertical axis shows hours of unpaid work at home, where women in Central and Eastern Europe had a workload comparable to that of their Western counterparts. The total workload is represented by the diagonal lines, with women in Central and Eastern Europe averaging close to 70 hours per week, about 15 hours more than women in Western Europe.

Figure 2.2



Paid and unpaid work among women aged 20-59
(average hours per week)
Source: Bittman and Goodin (1998).

entitlement to work have ideological roots in communism, but it is often argued that the high rate of female participation in the labour force was more about economic expediency and necessity than about genuine economic autonomy for women. The centrally planned economies required a large work force, and the fixed wages and prices obliged households to earn two incomes. So, women went to work en masse and were supported in this by family benefits and services such as paid leave and state-run nurseries and kindergartens. However, time-use surveys have revealed that the greater amounts of paid work did not mean fewer hours of unpaid work in the home relative to Western countries. Rather the outcome was that, because of this daily "double burden", the aggregate workload of women in the region was about two hours longer than that of women in Western countries (Box 2.1).

It is difficult to assess the effect of the transition on women's labour force activity rates across Central and Eastern Europe and the former Soviet Union. The earlier collection of labour statistics is often no longer valid, and new concepts and surveys have been slow to appear in many countries. In most cases, changes in statistical methods and surveys blur the picture. Thus, under the full-employment policies of former governments, labour force participation was equated with employment. On the other hand, in market economies the concept of participation includes both employment and unemployment. International standards for measuring unemployment require that the unemployed be ready to take up employment and be actively seeking work, for example by registering at labour offices, looking at job advertisements, or making job inquiries.

Using crude activity rates, Table 2.1 investigates changes in labour force participation in the region since 1989. These crude rates compare the total size of the

Table 2.1

Crude activity rates and the gender gap, 1989-97

	Crude female activity rate, % (a)		Rise or fall in crude female activity rate, % points	Gender gap in crude activity rates (male minus female rates), % points		Change in the gender gap, % points
	1989	1997	1989-97	1989	1997	1989-97
Slovakia (b)	40.4	40.5	0.1	11.8	11.1	-0.7
Poland (c)	43.2	39.4	-3.8	11.3	10.0	-1.3
Hungary (b)	37.4	33.2	-4.2	13.0	10.3	-2.7
Slovenia	–	44.0	–	–	9.5	–
FYR Macedonia	–	31.3	–	–	17.3	–
Bulgaria (b)	42.4	39.3	-3.1	1.9	7.3	5.4
Romania (b)	42.6	46.9	4.3	8.4	10.9	2.5
Estonia	51.3	43.4	-7.9	7.2	10.7	3.5
Latvia	51.5	42.9	-8.6	7.8	10.7	2.9
Lithuania	48.6	44.0	-4.6	8.0	10.8	2.8
Belarus	48.3	46.0	-2.3	8.9	-0.2	-9.1
Russia	47.9	40.6	-7.3	10.0	12.0	2.0
Ukraine (d)	46.4	46.8	0.4	9.6	6.9	-2.7
Azerbaijan	33.3	35.1	1.8	15.3	6.8	-8.5
Uzbekistan	36.9	–	–	6.9	–	–
Turkmenistan (e)	34.7	29.0	-5.7	14.2	15.2	1.0
Tajikistan (e)	34.8	28.2	-6.6	7.4	4.3	-3.1

Sources: ILO (1992), (1998); MONEE project database.

Note: a. Active population as a percent of total population (all ages). Data are estimates based on available and published official statistics. Persons with unpaid wage or maternity or other leave tend to be included among those who are active. b. 1990. c. 1988. d. 1995. e. 1996.

workforce (employed and unemployed) to the full population. Accordingly, they exhibit lower average values than the working-age rates used in Figure 2.1 and are more sensitive to differences in population structure such as the high ratios of older people in Central Europe or of young populations in Central Asia. Nevertheless, these crude rates capture well the gender differences in activity over the full life cycle. The gender gap, in fact, appears relatively bigger according to this measure than the working-age rates suggest because in all countries the working-age span for women was five years shorter than it was for men. In Russia, for example, 48 percent of the total female population participated in the labour force in 1989, compared to 58 percent for men. The difference in relative terms was actually about one-fifth, considerably larger than the small gap indicated by the working-age participation rates presented in Figure 2.1.

The first two columns of Table 2.1 present the crude female activity rates in 1989 and 1997 (or the nearest available year); the third column shows the rise or the fall in the rate over the period. The other three columns show the gender gap (that is, the difference between the crude activity rates of men and women) in both years, as well as the change since 1989.

In 10 of the 14 countries for which pre- and mid-transition data are available, female crude activity rates show a decline. The drop in activity rates has been greatest in the three Baltic States, Russia, Turkmenistan, and Tajikistan, where one of every five or six economically active women has been replaced by an inactive woman. The participation of men in the labour force has also decreased, but proportionally less; hence the small gender gap in labour force participation is a thing of the past in the Baltics and Russia. The same has happened in Bulgaria, where – despite the shorter work life of women – the activity rates by gender were almost equal before transition. (Data from 1997 imply that some states of the former Yugoslavia, like FYR Macedonia, may have also witnessed a big fall in female labour force participation over the 1990s.)

Declines in female activity rates have also been considerable in Hungary and Poland, but in these countries the gender gap has narrowed. Moreover, available data suggest that in some countries, for example Romania and Azerbaijan, the numbers of economically active women have actually risen. In the 14 countries for which data are available, men's participation in the labour force has climbed only in Romania and Bulgaria. In Poland, Hungary and Tajikistan, the registered economic activity of men has fallen more than that of women. Such trends, accompanied by higher middle-age mortality rates among men, have led Belarus into a unique situation in which women outnumber men in economic activity.

The gender gap in labour force participation, therefore, does not appear to show a tectonic shift with the emergence of the labour market across the region. This is not really surprising considering the fall in average real wages that has generated greater efforts to maintain two-earner households despite the shrinking number of jobs.

There have been more characteristic changes among young and older age groups. Indeed, a large part of the fall in female participation is concentrated among young and late middle-age women. There is some evidence that women over age 50, many of whom would have retired at age 55 under the former employment system, are taking on an increased role in childcare. In countries where overall female activity has fallen sharply, losses among young women have been big. In Russia, for example, labour force participation by women aged 20-24 declined by 12 percentage points from 1989 to 1996, double the decline among young men. About one-quarter of the decrease among young women has been due to higher enrolments in tertiary education, leaving three-quarters explained by other factors such as the reduced availability of childcare and jobs. The enrolment of young women in tertiary education has risen in about half of the countries in the region and may indicate poor job prospects and the understanding that future labour demand will favour the educated.

In countries where tertiary enrolment rates have increased the most – such as Hungary or Poland – the growth in economic inactivity among young women can be almost entirely attributed to higher numbers of post-secondary enrolments. In Poland, for example, household surveys found an 8 percentage point decline in labour market participation among women aged 15-24 between 1992 and 1995. During the same period, the share of young women enrolled in post-secondary education increased by 7 percentage points. Chapter 3 discusses the associated substantial changes in fertility and childcare in the region.

Falling female employment

The decline in labour force participation reviewed above does not adequately reflect the bleak economic reality faced by many women during the transition. The 1990s have witnessed a phenomenon unique in the history of the region: millions of people who have never had to deal with job loss and marketplace competition have been laid off work either in big waves, as in Central or Southeastern Europe, or gradually, as in most parts of the CIS. About half the people affected have joined the economically inactive population, but the other half have remained active by looking for work, often swelling the newly established unemployment registers. Many young people – the transition generation – who have never had an opportunity to be employed have joined these sad ranks.

Figure 2.3 shows, for a selection of countries, that female employment has decreased more markedly than female labour force participation. This is because rising unemployment has tempered the growth in economic inactivity.

It has been estimated that there were 26 million fewer jobs in the 27 countries of the region in 1997 relative to 1989. The spotty information available on gender distribution suggests that almost 14 million jobs – slightly more than every second one – were lost regionwide by women. Because of the shorter work life and the lower labour force activity rates of women before the transition, this means that since 1989 women have lost considerably more work than men. In several countries, women have also lost more in absolute terms. In Russia between 1990 and 1995, for example, women lost seven million jobs, while men lost one to two million.

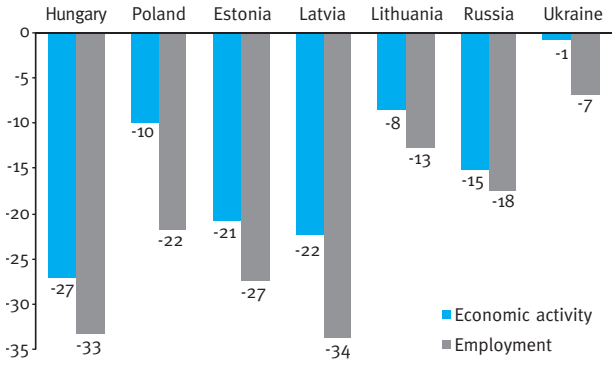
The 14 million "female" jobs which have disappeared in the 1990s have involved big regional differences in other ways, too. The size of employment loss has been especially striking in countries which are more advanced in economic reform. In Hungary, a country of 10 million people, women have lost about 900,000 jobs since 1989, meaning that every third job for women is gone. Poland, home of 39 million people, has lost 1.6 million jobs for women. Cautious reform seems to have offered some protection against the erosion of jobs for women in Azerbaijan and Uzbekistan, but not in Ukraine, a country of 50 million people where almost one million jobs for women have been lost and several million more are on the verge of disappearing.

The gender disparity in the falls in employment is illustrated by the case of Lithuania. Figure 2.4 shows not only that women there have endured a disproportionate share of employment loss, but that they have continued to lose jobs since economic recovery started, while men have seized the new opportunities. However, due to high initial female employment rates, women still hold almost half the total jobs in the country, as is the case in the other Baltic States.

Figure 2.5 confirms that, despite the drops in employment, the share of women among the employed still remains in the range of 40-50 percent across the region. This is due partly to high initial female employment rates and partly to the employment losses experienced by men in many countries.

Using data from the Hungarian Labour Force Survey, Figure 2.6 sheds light on how the incidence of employment among young and middle-aged women varies according to the number of children in the family. The diagram confirms that the presence of children considerably reduces the probability of employment among women. For young women, even one child in the household entails a big drop in the employment ratio. What is striking is how much the presence of three or more children substantially reduces the incidence of employment – to a level just over 10 percent among young women and around 40 percent among middle-aged women. Although

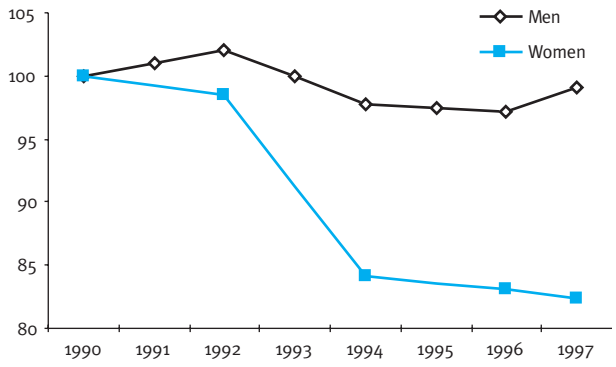
Figure 2.3



Change in female employment and economic activity, 1989-97
(percent)
Sources: OECD-CCET Labour Market Database; ILO (1992), (1998).

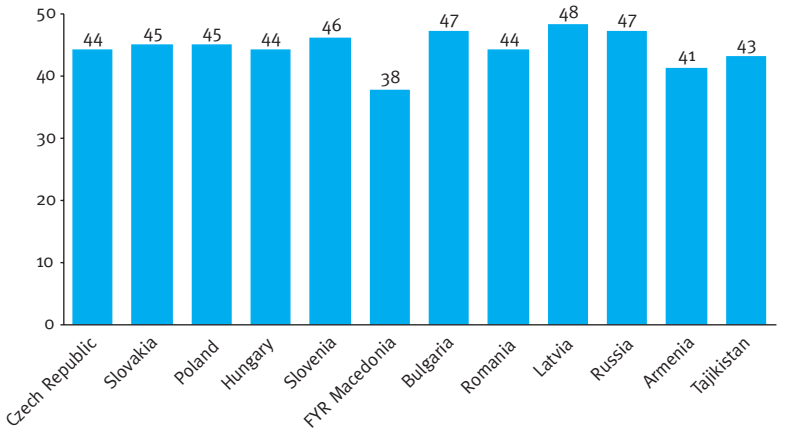
Note: Data refer to 1988-97 for Poland, 1990-96 for Hungary and Estonia, 1989-96 for Russia, and 1989-95 for Ukraine.

Figure 2.4



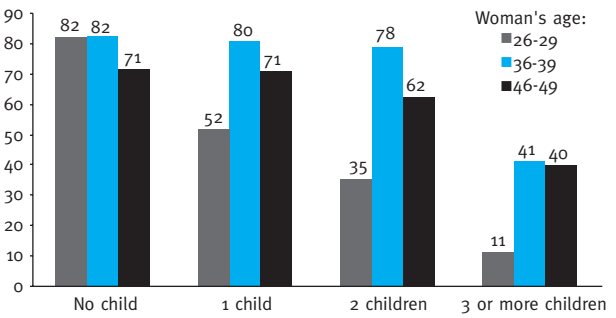
Change in employment of women and men, Lithuania, 1990-97
(1990=100)
Source: LDS (1998).

Figure 2.5



Women's share in total employment, around 1996-97
(percent)
Sources: OECD-CCET Labour Market Database; Magloutchiants (1998); ABW Khujand (1998).

Figure 2.6



Female employment, by age and number of children, Hungary, 1996
(percent)
Source: Lakatos (1998).

Note: Percent of women employed within each category (age and number of children).

no comparable pre-transition data are available, this pattern suggests that women raising children have been among the main losers in the shift to more competitive labour markets.

Other factors may also be involved. Since larger families are more common among ethnic minorities in Hungary, women in these families may face additional discrimination in the labour market. Family policy may also play a role. In a 1995 survey in Hungary, 70 percent of women with three or more children said they planned to stay on childcare leave rather than return to work.

As Chapter 3 details, generously long parental leaves have helped offset the effect of the closing of employment-related nursery networks in many countries during the transition. However, unless these leaves take place in a gender-sensitive social climate, there is a risk that extended childcare leaves will become associated with female non-employment.

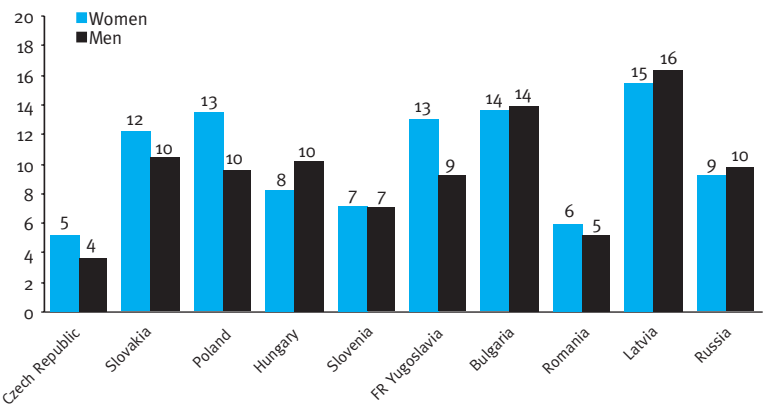
Growth in unemployment

Chapter 1 notes that the aggregate numbers of persons registered as unemployed at labour offices across the region include more women than men. It also warns that, for various reasons, registered unemployment is often a poor indicator of the actual level of unemployment. Data from administrative registers are known to be influenced by factors such as the size and entitlement conditions of unemployment compensation, the anticipated effectiveness of the employment services and the amount of coverage provided by the network of labour offices. In Central Asia, for example, it has been reported that the cost for a rural unemployed individual to travel to a labour office is often higher than the monthly benefit. On the other hand, some registered unemployed may actually be economically active. This practice may be illegal in many countries, but it is permitted in others.

Figure 2.7 presents unemployment rates for women and men from labour force surveys or similar surveys using international measurement criteria. Since unemployment is a new phenomenon in the region, the current levels tend directly to reflect the full amount of the change that has taken place since the beginning of the transition. Except for a few countries, the graph shows high female unemployment. However, since unemployment was close to zero before transition, the growth has obviously been considerable in all countries.

The data also show that, in several countries, the female unemployment rate is higher than the male unemployment rate. Still, the data from the new surveys reveal less gender disadvantage than do the data from the unemployment registers cited in Chapter 1. In many countries where unemployment registers are poorly developed, such as Russia, estimates using international concepts tend to present a more balanced gender picture or even higher male unemployment. Given relatively bigger losses in female employment, this points to a widening of the gender gap in labour market activity rates. Indeed, the countries that exhibit higher male unemployment ratios (Figure 2.7) also tend to exhibit an increase in the gender gap in labour force participation (Table 2.1) because of women's relatively more widespread withdrawal from the job market.

Figure 2.7

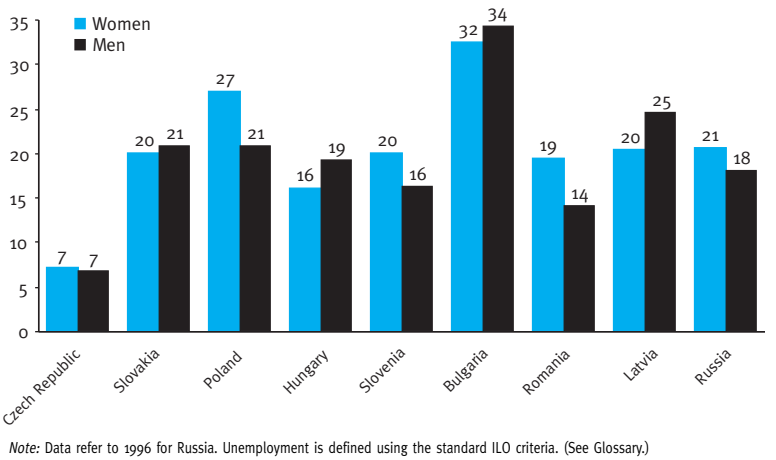


Unemployment rates by gender from labour force surveys, 1997 (percent)

Sources: OECD-CCET Labour Market Database; Posarac (1998).

Note: Data refer to 1994 for FR Yugoslavia and 1996 for Russia. Unemployment is defined using the standard ILO criteria. (See Glossary.)

Figure 2.8



Unemployment rates for women and men aged 15-24, 1997 (percent)

Source: OECD-CCET Labour Market Database.

Note: Data refer to 1996 for Russia. Unemployment is defined using the standard ILO criteria. (See Glossary.)

Labour force surveys usually do not count as unemployed those persons who do not search for work because they believe no jobs are available. Taking account of these "passive" unemployed would push female unemployment rates up by 1 or 2 percentage points in Central Europe. The inclusion of women who are inactive because they have become discouraged from job-seeking would push up the unemployment rates shown in Figure 2.7 for Latvia or Bulgaria by as many as 4 to 6 percentage points.

Much of the reduction in women's economic activity has occurred among younger and older age groups. Figure 2.8 reveals that

Box 2.2

Gender differences in finding work in Poland

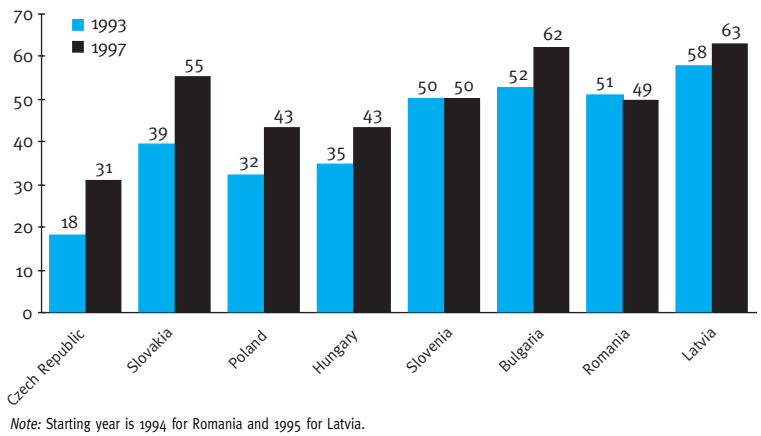
Labour force surveys performed in Poland over the 1990s make it possible to draw a portrait of gender differences in length of unemployment and success in finding work. The analysis presented here is based on a sub-sample of 2,076 people who were looking for work in November 1995 and who were re-interviewed one year later. Of the respondents, 51 percent were women.

At the time of the first interview, the women had been searching for work for just over 16 months on average. The men had been looking for work a significantly shorter time, just under 14 months. One year later, 40 percent of the men, but only 25 percent of the women had found work.

These data show that Poland's unemployed women have a relatively hard time finding work. A more detailed investigation carried out for this Report has found that, when all variables are taken into account, the main explanation for the gender difference in job-hunting success is marital status. Married men are twice as likely to find work as married women. Part of this difference may reflect women's greater responsibility for childcare, which could hamper job-hunting, limit employment options, or generate discrimination by employers.

However, the investigation has found that the same conclusion is not true for survey respondents who are employed. Holding other variables constant, the research uncovered little gender difference in terms of job security in Poland in the mid-1990s. This suggests that many women are able to balance family and job commitments and to work around, or in spite of, negative attitudes towards women who have dependent children and who are employed.

a large proportion of the young women characterized as economically active are actually unemployed. It presents the unemployment rates for women under age 25 in the same countries presented in Figure 2.7 (except for FR Yugoslavia, where data on youth unemployment are not available). These rates are much higher, showing that finding a job is particularly hard for young people. Youth unemployment rates are also often higher than the average in well-established market economies. For the transition countries, offering better prospects for well-educated young people is crucial to the effort to relieve the high current rates of poverty and social distress.



Note: Starting year is 1994 for Romania and 1995 for Latvia.

Figure 2.9

Share of long-term unemployment in female unemployment, 1993 and 1997 (percent)

Source: OECD-CCET Labour Market Database.

The share of the long-term unemployed – those out of work longer than one year – has become a serious problem with pressing economic and social implications for women and men across the region. Figure 2.9 shows that as many as one- to two-thirds of all unemployed women are long-term unemployed in many countries and that the rising trend continued at least from 1993 to 1997. Long-term unemployment wastes human resources and is best addressed through active measures such as retraining.

While persistent unemployment is a problem for women and men, there is evidence in the region that women are experiencing more difficulty in finding work and that the main determinant in this is women's greater responsibility for childcare. A study carried out for this Report found that in Poland marriage status – a reliable proxy for the presence of children – was not a factor for unemployed men in finding work, but was a serious handicap for unemployed women (Box 2.2).

If the finding in Poland that women with children, independent of any other factors, face a harder time getting a job can be generalized for the whole region, this may explain why young women have been delaying or refusing to make a commitment to the establishment of a family. This dimension of women's life is further investigated in Chapter 3.

■

2.2 The Gender Pay Gap and the Structure of Female Employment

Wages are important indicators of economic well-being and of personal success. The relative level of women's and men's pay is revealing about women's progress in the labour market. Women's earnings can influence their status and decision-making power within the family, as well as their choices about labour market participation and fertility. Women's wages are especially important for children. Research shows that women are more likely than men to

spend their earnings directly on the needs of children.

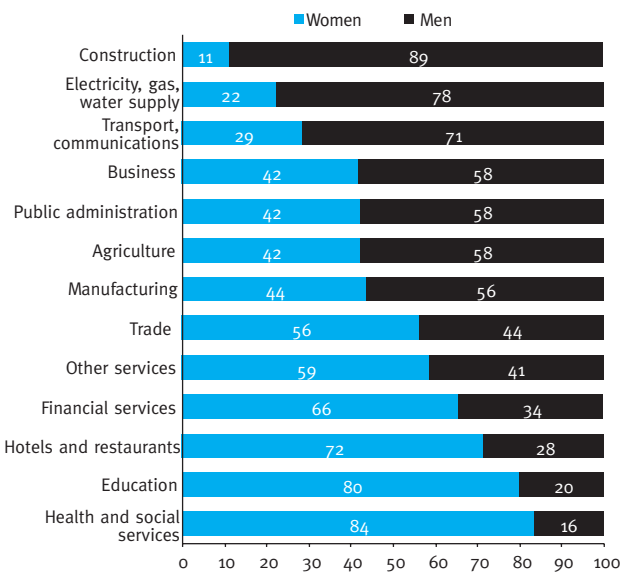
The gender pay gap – women's disadvantage in earned income relative to men – is linked to hidden and overt discrimination in employment and wages. Wage-based discrimination occurs when workers with identical productivity characteristics receive unequal treatment in remuneration. In all countries of the transition region, laws forbid such discrimination. Although in several Baltic and CIS countries women are specifically prohibited from performing certain jobs that are considered dangerous or unhealthy or that require work at night, laws in transition countries also proscribe discrimination in employment. Nevertheless, tradition, social pressure and the commitment to the family are discouraging women from taking the more well paid jobs, and thus employment effects are very important factors in the gender pay gap.

Occupational segregation, whereby women dominate in certain occupations and men in others, is common everywhere. Occupations and skills, which are normally seen as the major determinants of the amount of earned income, are often suited to particular industries, corporate structures or types of employment.

Prior to transition, the region was no different from other parts of the world in terms of gender segregation by occupation and industry. However, at the big state enterprises which were prevalent in the economy, full-time employment was the norm for women and men, and job benefits and job security were rigidly regulated.

Since 1989, the role of the state in the economy has declined considerably in most transition countries. With economic restructuring, the private sector has grown substantially, and employment has become more diversified so that now self-employment and small-scale enterprises, often in the informal economy, are available as alternatives. These trends are expected to have major implications for female employment, the workplace environment and the gender wage gap.

Figure 2.10



Share of women and men employed in selected economic sectors, Latvia, 1997 (percent)

Source: CSBL (1998).

Changes in the structure of employment

The emergence of private ownership has progressed considerably in the region. The private sector now accounts for 50-70 percent of measured economic activity in the majority of countries. It includes wholly new businesses, but also former state enterprises which have been transformed through privatization, a major component of institutional and economic restructuring.

Information on the participation of women in the process of private-sector growth is scarce and fragmented. However, the share of the private sector in employment clearly varies across economic branches; for example, it is often very low in health care, social services, education, and public administration. It is therefore useful to examine the share of women in different economic branches as a first step in the analysis. Figure 2.10 illustrates the overall position of women in selected branches of the economy in Latvia, a highly industrialized Baltic country where women still account for half of total employment.

The graph shows that woman held 80 percent or more of the jobs in education and health and social services, about three-quarters of the jobs in the hotel and restaurant industries and more than half the positions in wholesale and retail trade, financial services and "other" services. Women held one-third or fewer of the jobs in the construction, utilities and transport and communications sectors. Men held more than half the places in manufacturing, agriculture (with the exception of the employment on family farms), public administration, and business.

Similar patterns are observed in other parts of the region. For instance, in Hungary and Poland almost three-quarters of public employees are women. In countries where women's share of total employment is lower, their share also tends to be lower in the industries dominated by women as shown in Figure 2.10. In FYR Macedonia, for example, women make up only 38 percent of all employees and only slightly more than half those in education. They are predominant – 70 percent – only in health care and social services.

Despite restructuring, these broad profiles of gender employment have been quite stable during the transition. In Romania between 1990 and 1996, for example, women's employment dipped from 43 to 41 percent in industry (broadly defined), rose from 73 to 76 percent in health care and social services and stayed flat at 67 percent in education.

Looking at the issue from another perspective, a significant share of women's total employment is accounted for by those same sectors where women are over-represented among employees. In FYR Macedonia, about two-fifths of all female employment is in health care, education and public administration. In Latvia, one-third of total female employment is in health care, education and public administration, and a further 30 percent in hotels and restaurants, wholesale and retail trade, and financial and "other" services.

It is apparent that a substantial portion of the jobs for women is concentrated in areas that have remained and are likely to remain in the public or state sector. However, it is also clear that certain areas of the service sector where female employment is significant have been at the forefront of privatization and new business creation.

More detailed studies suggest that the rate of the movement of women from public-sector to private-sector jobs has been slower than that of men, and the high concentration of female employment in teaching and caring professions ensures women's continued attachment to the public sector at least in the medium term.

Using data drawn from the November 1992 Polish Labour Force Survey, a study has revealed that about 18 percent of employees were working in the private sector in the country, slightly more than one-third of them women. This was disproportionately lower than the 45 percent share of women in total employment. Comparable data from November 1996 showed that private-sector employees accounted for 34 percent of all workers, but that only 37 percent of the private-sector employees were women. These findings are in accord with studies in Russia which have found that men made up 55-60 percent of private-sector employees in 1996. These studies concluded that, with other variables constant, males had an appreciably greater probability of private-sector employment.

The data available on private-sector wages for women are limited to a few transition countries. Estimates for Hungary suggest that the earnings of women are 10 percent higher on average in the private sector relative to the public sector, while the Polish survey referred to above found the relative private-sector earnings of women 6 percent lower. It should be noted that private-sector workers in Poland are generally younger, with women in the private sector some six years younger on average than their counterparts in the rest of the economy. This issue needs further research, but the available evidence points to few wage incentives for women to join the private sector. However, it may be that private-sector wages are systematically under-reported (for example to avoid taxes), so caution is warranted in interpreting the numbers.

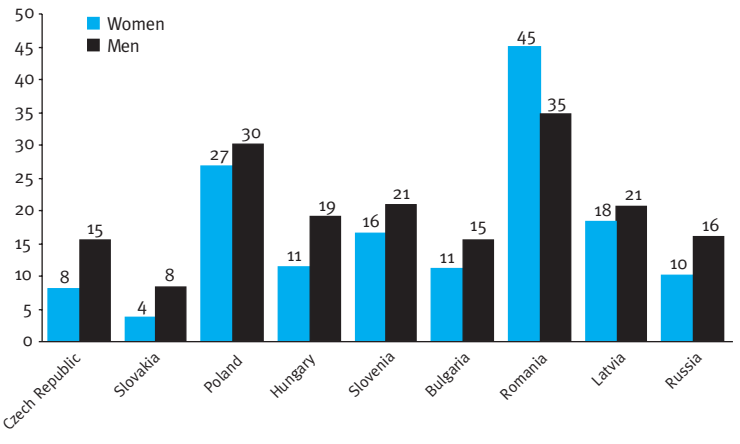
The emergence of the private sector may have accentuated gender discrimination in the workplace, and this may partly explain why relatively fewer women are switching to private-sector jobs. Evidence of gender bias has been reported in the recruitment practices of some employers in Hungary, Poland, the Czech Republic, and Slovakia, despite employment laws guaranteeing women equal treatment. Private-sector employers who face a newly competitive business environment may, for example, associate higher non-wage costs with women because of their family responsibilities.

A further factor may be "vertical job segregation". As Chapter 6 discusses, women have been under-represented at the level of management. This circumstance may have implications for the development of self-employment and small-scale entrepreneurship that has been strategic during the transition. The extent of women's participation in these areas is a largely under-researched aspect of the role of women in the economic and social changes accompanying transition.

Figure 2.11 reports the share of self-employment in total female and male employment for a selection of transition economies. (The data are not readily comparable among the countries; they tend to include employers, the self-employed, and unpaid family workers, but self-employment in certain types of ventures may be excluded.) On average, men appear to have a higher share in self-employment. The graph shows that the ratio of self-employment is high among women in countries where family farms are important, a sector that is strong in Poland and has re-emerged in Romania (where 90 percent of self-employment is in agriculture). The case of Romania suggests that in the countries – mostly in the southern part of the region, as Chapter 1 indicates – where private, often small family plots have been crucial in private-sector development, women's labour may have played a major part.

A prominent feature of employment for women in market economies is part-time work. Women account for 80 percent of all part-time employment in the European Union, where 32 percent of all female employees are in part-time jobs. Part-time work is a significant avenue for women seeking to earn income and manage family responsibilities. However, in the region, part-time work was uncommon before transition and has shown relatively few signs of growth since. In Hungary, for example, the share of women working part-time had climbed from 1-2 percent before the transition to 9 percent by 1997. The available data presented in Figure 2.12 confirm that part-time work is still uncommon in many transition economies, despite the demand among women for part-time employment, as Chapter 3 notes.

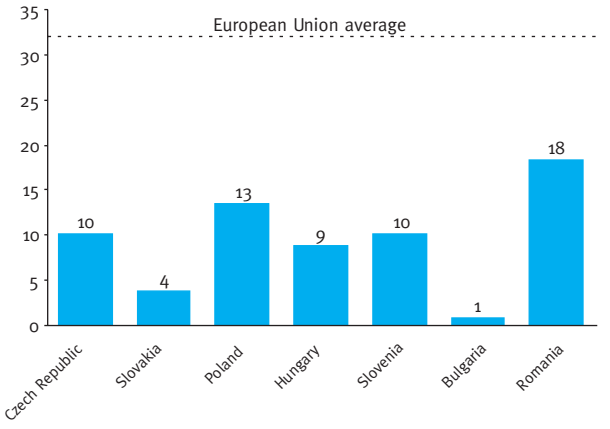
Figure 2.11



Note: Data refer to 1996 for Russia.

Share of self-employment in total male and female employment, 1997
(percent)
Source: OECD-CCET Labour Market Database.

Figure 2.12



Share of part-time employment in total female employment, 1997
(percent)
Sources: OECD-CCET Labour Market Database; MONEE project database.

The small number of part-time jobs appears to be the result of supply factors. Managers trained within the state-enterprise system may not see part-time employees as cost-effective, or the tax system may not provide adequate incentives for the recruitment of such employees. However, it has also been argued that women and men simply cannot afford to work part time when two full-time incomes are required in most households to reach an acceptable standard of living.

The informal sector and its associated labour markets are growing in many transition economies. The flexible nature of the informal sector and the absence of entry barriers may promote the participation of women in this sector. Evidence on the hidden labour market is difficult to obtain. According to an estimate for Poland in 1994, women made up 36 percent of all informal workers who, in turn, represented 10 percent of all labour market participants. Most informal workers had lower levels of education. A survey undertaken at the beginning of 1998 by the Institute for Economics in Belgrade showed that 30 percent of employees were engaged in unregistered labour market activities in the form of second jobs. Most of these employees said they were motivated by economic necessity. About 40 percent of the employees working a second job were women, with the highest participation among women aged 30-40. Women were working slightly more than 50 hours extra per month, compared to 63 hours for men. Some 37 percent of women engaged in the extra work while on the job at their main place of employment, compared to 29 percent of men. A more detailed analysis found that, when variables such as age, education and earnings on the main job are taken into account, women are less likely than men, by an estimated 17 percentage points, to engage in unregistered labour activity. On the other hand, reports from Central Asia suggest that women dominate in the booming and highly visible "shuttle tours" and informal "suitcase" trade in consumer goods brought in from neighbouring countries.

There are clear data collection problems, and survey respondents may be less than truthful about their participation in the informal sector. Informal sector activity often involves second jobs to earn crucial extra income. Informal activities may also take the form of unpaid work in the household economy, including the production of goods and services for sale or barter in the community – a coping strategy to deal with the rising risk of poverty. In any case, the growth of the informal labour market means that greater numbers of women and men are relatively unprotected and vulnerable to exploitation in their jobs. As Box 2.3 highlights, the booming sex industry, in particular, puts women at a very high risk of violence and exploitation.

The gender pay gap: is it shrinking?

The first step in exploring the gender gap in earnings is simply to compare the average monthly pay for women relative to men. Figure 2.13 provides recent data for 15 countries across the region. It shows that women earn less

Box 2.3

The growing sex industry

It is difficult to measure the scale of the sex industry, given its unregulated and often criminal nature, but it is widely observed that the upheaval of transition has led to a rapid rise in the number of women from the region who are working as prostitutes. Several cities in Central Europe and the Baltics have become destinations for sex tourism.

Evidence from Latvia shows that more than 3,000 sex workers, mainly women, have been employed in sex clubs in Riga, the capital, during the 1990s. Police there estimate that, during the decade, 10,000-15,000 prostitutes have been active in the city. According to a survey carried out in Riga in 1995 by the Centre for Criminological Research, more than 60 percent of the prostitutes said unemployment caused them to enter the sex trade. Police estimates, combined with data from the Latvian Labour Force Survey, suggest that almost 2 percent of the employed women in Latvia were working in the sex industry in the mid-1990s.

Women from Eastern and Central Europe now dominate street prostitution in a number of major cities in Western Europe. As Chapter 5 presents, many have been deceived or forced into migrating. There is cause for alarm at the impact of this growing, illicit business on women and society. The serious implications for personal and public health and for the status and rights of women need to be examined and addressed.

than men in every country, with women's wages averaging between 70 and 90 percent of men's wages. Most of the ratios reveal a gender pay gap comparable to or smaller than those prevailing in Western countries. For example, in Great Britain, the wages among women averaged about 70 percent of the wages among men in 1990.

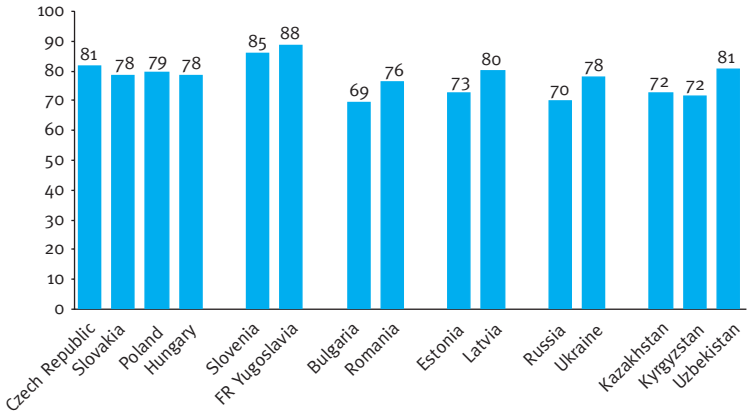
By including available pre- and mid-transition data, Table 2.2 provides insight on how female-male wage ratios have changed over the last decade. Only Bulgaria reports a big rise – 5 percentage points – in the gender pay gap between 1990 and 1997. The data suggest that there has been a considerable narrowing in the gender pay gap since the introduction of reforms in the Czech Republic, Slovakia, Poland, and Hungary. The ratios for Slovenia, FR Yugoslavia, Romania, Russia, and Kyrgyzstan appear relatively stable. This stability is a striking outcome in the context of changing labour markets and the significant growth in wage inequality, as Chapter 1 indicates.

In the investigation of the structural factors in the gender pay gap, the methodologies developed for established market economies assign great importance to what is referred to as the "selectivity bias problem". Whenever a considerable portion of the female working-age population does not participate in the labour market, it is reasonable to assume that the skills, talents and employment capacities of the women who do participate (the "select pool") are different from those of women who do not participate. In this respect, the productivity characteristics and wages of women may not be readily comparable to those of men, who tend to exhibit full participation rates.

In the transition region, this "selectivity bias" is generally a new issue. Under communism, the labour force participation of women was high and close to that of men, thereby dampening the potential of positive or negative selection bias. It seems logical to assume that the observed stability or improvement in the gender gap during transition may reflect structural impacts. Studies in the new Federal Länder in Germany, for example, have found that the average wages of women rose by 10 percentage points relative to men's wages during the first four years after German unification. About 8 percentage points represented simply a reaction to the withdrawal of many poorly qualified – and, therefore, less competitive – women from the labour market. Certainly, other post-communist states face economic conditions which are starkly different from those in the former German Democratic Republic. In many parts of the region, the selectivity bias may be limited, since rising poverty has pressured women, no matter their abilities, to continue to work.

The gender pay ratios in Table 2.2 do not take into

Figure 2.13



Average monthly earnings for women as a share of male earnings, around 1997
(percent)
Source: Table 2.2.

Table 2.2

Gender pay ratios, selected countries and years

(female monthly wages as a percent of male monthly wages)

	Ratio	Year	Note
Czech Republic	66.1	1987	a
	73.0	1992	b
	81.3	1996	b
Slovakia	66.1	1987	a
	73.3	1992	b
	78.2	1996	b
Poland	73.7	1985	a
	79.0	1992	c
	79.0	1996	c
Hungary	74.3	1986	a
	80.8	1992	d
	78.1	1997	d
Slovenia	87.0	1987	e
	88.6	1991	f
	85.4	1996	f
FR Yugoslavia	89.9	1995	g
	88.8	1996	g
	88.4	1997	g
Bulgaria	74.0	1990	h
	69.1	1997	h
Romania	78.6	1994	i
	76.2	1997	i
Estonia	79.8	1992	j
	72.6	1996	j
Latvia	79.9	1998	k
Lithuania	65.0	1997	l, m
	71.0	1997	l, n
Russia	70.9	1989	a, o
	68.5	1992	p
	69.5	1996	p
Ukraine	77.7	1996	q
Azerbaijan	52.6	1995	r
Kazakhstan	72.3	1996	s
Kyrgyzstan	73.3	1995	t
	71.5	1997	t
Uzbekistan	80.5	1995	u

Note: a. Atkinson and Micklewright (1992), Table 4.2. b. Social Stratification Surveys. c. Polish Labour Force Surveys. d. Lakatos (1998). e. Orazem and Vodopivec (1995). f. Shircel (1998). g. FR Yugoslavia Labour Force Survey. h. Tzvetkova-Anguelova (1998); refers to the public sector. i. NCS (1998). j. Papp (1998); refers to hourly wages. k. CSBL (1998). l. LDS (1998). m. Refers to manual workers. n. Refers to non-manual workers. o. Data for 1989 refer to the former Soviet Union. p. Russia Longitudinal Monitoring Survey. q. Ukraine Household Income and Expenditures Study. r. Azerbaijan Survey of Living Conditions; dataset may not be nationally representative, and results should be interpreted with care. s. Kazakhstan Living Standards Survey. t. NSCKR (1998). u. EUI/Essex Survey in Uzbekistan.

account the number of working hours, which, even among full-time employees, may differ considerably. (Thus, for example, teachers typically have shorter working days.) Moreover, the ratios measure earnings from a main formal-sector job and so do not reflect the marked increase in work in second jobs and in unreported labour in the region. It is also difficult to assess the gender implications of wage arrears, notably in Russia, Ukraine and the Central Asian countries. An analysis carried out in Ukraine (Box 2.4) showed that women are heavily represented in enterprises and sectors affected by wage arrears.

Gender differences in average earnings reflect a range of structural effects. Representative household surveys, which were introduced in most countries in the region only after several years of transition, include information on a spectrum of job and personal factors relevant to employment. A regression analysis carried out for this Report has attempted to distinguish the effects of individual differences in human capital from the effects of the occupational and industrial branch on wages. Although data problems limit the accuracy of the results, the analysis closely quantifies the part of the gender gap attributable primarily to gender discrimination.

Table 2.3

Three measures of the gender pay gap, selected countries and years

(difference between male and female monthly wages expressed as percent of male wages)

	Note	Year	1. Crude ratio, without controls	2. Controlling for human capital*	3. Controlling for human capital and job factors*
Czech Republic	a	1984	27.5	27.0	24.8
	a	1992	24.2	23.7	20.0
Slovakia	a	1984	24.8	24.8	24.2
	a	1992	23.7	24.2	22.5
Poland	b	1996	11.5	16.7	16.0
Hungary	a	1992	18.7	20.0	15.3
FR Yugoslavia	c	1996	10.7	12.3	11.5
Latvia	d	1996	17.4	21.3	20.0
Russia	e	1992	27.5	29.6	23.1
		1996	26.5	29.1	24.2
Ukraine	f	1996	20.0	16.0	18.7
Azerbaijan	g	1995	39.0	40.1	35.9
Kazakhstan	h	1996	24.2	28.1	29.6
Uzbekistan	i	1995	18.0	11.5	20.6

Note: Estimates computed from the following. a. Social Stratification Surveys. b. Polish Labour Force Survey (hourly wages). c. FR Yugoslavia Labour Force Survey. d. Latvian Household Budget Survey. e. Russia Longitudinal Monitoring Survey. f. Ukraine Household Income and Expenditures Study. g. Azerbaijan Survey of Living Conditions. h. Kazakhstan Living Standards Survey. i. EUI/Essex Survey in Uzbekistan. *The last two columns are based on the ordinary least square (OLS) estimation of a pooled sample (that is, male and female observations), with the estimated coefficient of the gender dummy capturing the gender pay gap.

For 11 transition countries, Table 2.3 reports three measures of the gender pay gap – one unadjusted and two adjusted – that resulted from the analysis. Here is how to read the table.

- *Column 1* reports the unadjusted gender pay gap – the percentage difference between the monthly earnings of female and male employees. The percentages mirror the ratios revealed in the exploration in this chapter. (Since data sources, definitions and calculations are not always identical, the pay gaps in Table 2.3 are not the precise complements of the wage ratios in Table 2.2.)
- *Column 2* reports the gender pay gap "net" of the effect of human capital factors, such as education and experience. (Age was used as a proxy for experience, an admittedly weaker proxy in terms of women.) In most cases, after removing the effect of these factors, the gender gap stays flat or widens. This indicates that women's education levels were as high or even higher than men's, a feature

Box 2.4

Wage arrears and women workers in Ukraine

Wage arrears are a serious problem in the Baltic States, Russia and other countries of the former Soviet Union, including Ukraine. Most affected tend to be the industries with the lowest relative wages, and these are often dominated by female workers.

The Ukraine-96 Project, a 1996 initiative of the World Bank and the Kiev International Institute of Sociology, collected information on wage arrears from 850 Ukrainian workers, about half of them women. Over 45 percent were owed pay, with 43 percent of women and 47 percent of men reporting wage arrears from their main jobs. Analysis confirmed that the women were negatively affected by wage arrears especially because of their higher relative participation in industries where arrears are more common, such as industry, health care, education, and finance, with one-third of women in the sample employed in the latter three.

Other important determinants of arrears were an individual's ethnicity and years on the job. Ethnic Ukrainians were 11 percent less likely than other ethnic groups, including Russians, to be owed back pay. The longer an individual had been employed on the same job, the greater the risk of arrears. This may be explained by the fact that older workers are less employable in the changing market economy and so are less likely to leave their jobs over wage arrears. Education and occupation (except military service) had little influence, as did ownership structure (public, private, collective). Finally, gender did not appear to be a factor at the individual level, indicating that the decisions of employers and managers related to arrears were not determined by gender bias.

which gave women a comparative advantage in wages.

- *Column 3* is "net" of the effect of further factors, such as occupation, branch of employment and several other wage-determining variables. If the effect of these factors is removed, the gender gap shrinks in most cases. This confirms that part of the gap is due to the fact that women tend to be concentrated in those occupations and economic branches which pay less.

Box 2.5

The gender pay gap in Russia

Data available through the Russia Longitudinal Monitoring Survey permit a more refined calculation of the gender pay gap in Russia that illustrates the influence of various factors and highlights changes between 1992 and 1996.

Figure 2.14 reproposes the calculation method presented in Table 2.3, but this time using both monthly wages (on the left side of the graph) and hourly wages (on the right side). The size difference between the black and light blue columns shows graphically that, if women had the same educational level as men, the gender gap would have been even wider, that is, the better education of women serves to close the pay gap in Russia. The difference between the light blue and the dark blue columns indicates that, if women also had the same type of jobs as men, then the gender gap would, in contrast, have been smaller, that is, occupational factors are responsible for part of the gap.

In comparing the gaps based on monthly wages and those based on hourly wages, the diagram confirms that the number of hours worked is an important determinant of the pay gap. For hourly wages, the "crude pay gap" is smaller, with men having a pay advantage which is about 7 percentage points narrower than the gap relative to monthly earnings. Similarly, the "net pay gap" calculated for hourly wages is 21 percent, about 3 percentage points narrower than the gap relative to monthly wages. This shows that part of the "unexplained" gender gap in monthly wages is due to the fact that women tend to work fewer hours than men.

Data from the same survey also allow an investigation of how greater wage inequality and structural changes in employment have affected the earnings position of women relative to that of men between 1992 and 1996. Based on a methodology that deconstructs the observed change – minus 0.7 percent – into four components, Table 2.4 examines factors that influence the gender pay gap over time. (A negative entry indicates an effect that reduces the gender pay gap over time.)

The first component in Table 2.4 captures the effect of changes in the gender differences in the observed job and human capital characteristics of employees. This component may provide an insight into observable "selection" effects. For example, a selective withdrawal from the labour market of less qualified women would result in a reduction in the pay gap. In fact, the value is negative, though the effect seems small. The second element of the decomposition captures the general effect of changes in the returns on characteristics like occupation, education and experience (for example pay raises in certain professions). The third component measures the impact of changes in the "net" gap, and the fourth reflects the net effect of changes in wage inequality.

The first and third terms measure gender-inequality effects, while the second and fourth terms capture the effects of changes in wage inequality (bigger pay differentials relative to measured job or skill characteristics and bigger wage dispersion that is unrelated to these).

The data confirm that, on balance, the small amount of movement in the observed gender pay gap in Russia results from contrasting effects. Indeed, greater wage dispersion had a widening effect on the gender pay gap. This effect, however, was offset by movements in the other three components: "selective" withdrawals, smaller "unexplained" gender pay differences and, particularly, shifts in labour market returns on education that were favourable for women.

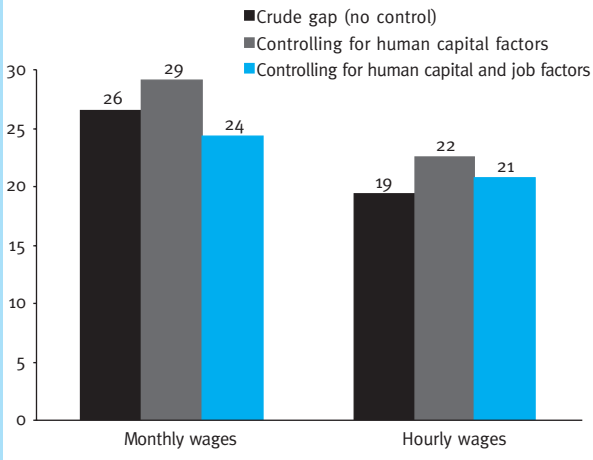


Figure 2.14

Three measures of the gender pay gap in monthly and hourly wages, Russia, 1996 (difference between male and female wages, as percent of male wages)

Source: Calculated based on the 1996 Russia Longitudinal Monitoring Survey.

Table 2.4

Gender-specific and structural effects of change in the hourly pay gap, Russia, 1992-96

(percent)

Observed change	-0.7
a. observed job and employee characteristics	-0.7
b. returns to observed characteristics	-4.3
c. "gap effect"	-1.1
d. wage dispersion	5.4
of which:	
gender-specific effects (a+c)	-1.8
wage-specific effects (b+d)	1.1

Source: Computed based on the Russia Longitudinal Monitoring Survey.

The main finding of this analysis, however, is not that women's education level and occupation have a positive or negative effect on the gender pay gap. The main finding is that, when conventional determinants are considered, the biggest part of the gender pay gap remains, and it therefore remains technically unexplained. In the Czech Republic, for example, after all measurable structural effects have been removed, women's wages are still 20 percent lower than men's, as opposed to 24 percent with the crude measure in 1992.

These findings go against the widespread assumption that most of the gender gap is due to occupational or educational differences. Certainly, the gaps reported in Column 3 may still reflect some qualitative job differences not captured by the data, since the calculations are based on monthly wages, aggregated information on occupations and proxies for work experience. Nonetheless, these results – at the very least – do not exclude the existence of substantial hidden discrimination against women.

It is obvious that more accurate statistics and further analytical work are needed to clarify this issue further. Box 2.5 presents a more refined calculation of the "net gap effect" using hourly wages in Russia. The results show that the "unexplained" pay gap is somewhat smaller when reckoned according to hourly rather than monthly wages, though most of the gender difference is still there. However, a more positive finding is that the "unexplained" wage gap shrank somewhat between 1992 and 1996, possibly a weak but promising outcome of market reforms in this large and important country.

Measuring occupational segregation

It has already been shown that the concentration of women in lower paying economic sectors and occupations is a factor in the gender pay gap. The measurement of occupational segregation, however, is an issue in its own right.

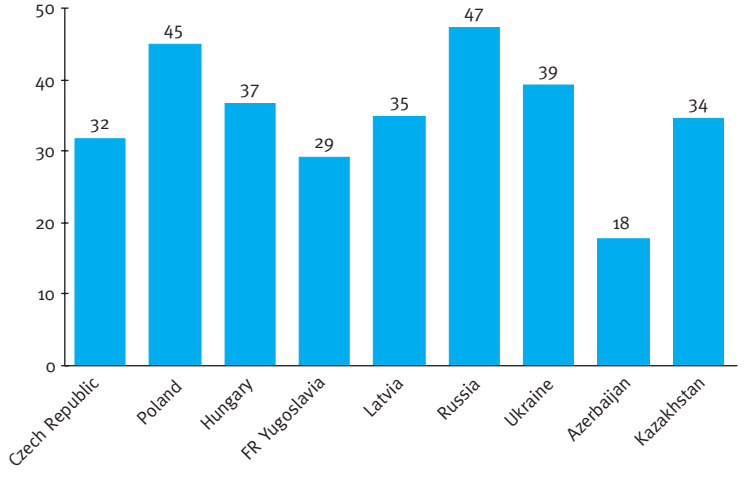
First, the segregation of women and men into different occupations reflects prevailing gender stereotypes in society. These stereotypes define both women and men according to a limited set of expectations which are particularly confining for women in terms of economic and public achievement. As Chapter 6 discusses, gender stereotypes on the job are one of the invisible barriers that keep women from certain occupations and, in particular, senior positions. Research in Western countries suggests that women are less likely than men to be promoted and that they experience smaller pay increases when they are promoted. An ILO survey of enterprise managers in three Central European countries confirms the existence of gender bias in the workplace. Most of the managers surveyed in the Czech Republic and Slovakia believed that men have supervisory skills which are superior to those of women, and in Hungary almost 60 percent of managers preferred to recruit male supervisors.

Second, there is growing awareness, which is supported by empirical evidence in many countries throughout the world, that the pay in occupations dominated by women is lower even when the effect of variables such as the different levels of education required are taken into account. Calculations carried out for this Report have found an inverse relationship between women's presence in certain professions and the occupational wage advantage. Identifying cause and effect in this case is very difficult because numerous factors are at work. Do jobs pay less simply because they are predominantly occupied by women? Do women gravitate to lower paying and lower status jobs because they are making choices about their own career commitments, including their careers as mothers? How much does the male breadwinner model influence wage-setting in occupations? Whatever the answers, it is clear that the degree of occupational segregation tends to be a strong indicator of the disadvantage experienced by women in the workplace.

The measurement of occupational segregation is often complicated by problems in the availability, comparability and disaggregation of statistics on occupations. Moreover, results may differ depending on the segregation index used. Figure 2.15 shows the results of calculations based on the Duncan and Duncan dissimilarity index, which measures the proportions of women and men who would have to shift occupations in order to create equalized gender distribution. While its meaning is easy to understand, the index has the shortcoming of assigning equal weight to each occupation regardless of the share of the occupation in total employment.

Figure 2.15 shows the levels of occupational segregation in nine of the transition economies also featured in Table 2.3. The segregation values range mainly from 30 to 40 percent. (For Azerbaijan, which is below this range, the quality of the data is suspicious.) Segregation appears highest in Russia and Poland, where, on average, 45-47 percent of women or men would have to change jobs to

Figure 2.15



Degree of occupational segregation by gender in the 1990s
(percent)

Source: See Table 2.3.

Note: Calculations based on the Major Groups of the International Standard Classification of Occupations (ISCO-88).

equalize gender representation in each occupation. By comparison, a 1996 study assigned to the United Kingdom a value of 44 percent, the highest in the study, while the lowest, 32 percent, was assigned to Switzerland.

There was a high degree of occupational segregation under communist rule, a legacy reflected in Figure 2.15. It is harder to tell whether and how occupational segregation has been affected by the transition. Data constraints and changing occupational definitions prevent a detailed comparison. Given the specific nature of occupational skills, the training required to change occupational groups, and ingrained attitudes and systemic barriers, it is certain that positive changes in occupational segregation will take time. This presents opportunities for policy and programme initiatives.

Table 2.5 uses data from the Russia Longitudinal Monitoring Survey to explore how occupational segregation changed between 1992 and 1996. In addition to the Duncan and Duncan dissimilarity index, it also shows the Gini concentration index to check for structural shifts in 29 "sub-major" (two-digit) occupational groupings. Both indexes reveal a high degree of occupational segregation in Russia. (By comparison, the Duncan and Duncan value for the United States was 36, which is two-thirds of the Russian value, while the Gini index for the US was even lower, about half the Russian value.) Nevertheless, the calculations show some evidence that segregation in Russia has lessened slightly during the transition.

Table 2.5

Occupational segregation, Russia, 1992-96

(percent)

	1992	1996	1996/1992
Duncan and Duncan dissimilarity index	53.8	51.3	95.4
Gini concentration index	71.3	67.6	94.8

Source: Computed based on the Russia Longitudinal Monitoring Survey.

This positive outcome fits with earlier results showing that the impact of job-related characteristics on the gender pay gap was weaker in 1996 than it had been four years earlier. Certainly, all these findings for Russia are partial and do not appear to be very robust. They do, however, offer hope that the emerging labour market will reward the high human capital profile of women in the region and that women's rights to equal pay and participation are not necessarily in conflict with the new market orientation. On the other hand, the available data clearly signal that there is a long way to go to achieve more balanced attitudes towards issues revolving around women and work.

■

2.3 Women's Employment and Income in the Household Context

The preceding sections discuss the position of women in the labour market largely independent of the household environment. However, women's decisions related to paid work are usually significantly shaped by this environment. The amount and type of paid work women seek are influenced by the nature of women's household responsibilities and circumstances. Conversely, the employment status and earnings level of women affect the relative status and power of women within the household and the welfare of other household members, especially children, and have implications for family policies.

Before examining the changes in the demographic behaviours and family circumstances of women during the transition (see Chapter 3), one should look at women's employment and income in a household context, as well as related issues such as women's influence on the use of incomes within the household and the impact of unemployment among men and women on households and children.

The losses in wages and in employment among women and men during the transition mean that the share of household incomes earned on primary jobs has declined in many countries. In Russia, for example, the proportion of household cash income earned from employment fell from more than 75 percent in 1989 to just under 40 percent in 1995. In many countries, households are desperate to find additional ways to earn money.

Female earnings are not only an important input in household income, but their relative contribution can influence and enhance women's status within the household. The 1996 Latvian Household Budget Survey showed that employment income comprised about 68 percent of all household income. A study carried out for this Report found that Latvian women in households with children contributed, on average, 45 percent of household income. This strikingly high average, however, can still obscure big differences across households. For example, an estimated 44 percent of Latvian children live in households where women are the main earners. One-quarter of these children live with a single female parent. The Latvian example is a useful reminder that the economic welfare of a large number of children depends directly on the employment prospects of their mothers.

While household incomes are important for the living standards of women and children, the members of a household do not automatically share the same living standard. Social and cultural factors can influence the allocation of resources within households. These factors include social norms related to gender and kinship relationships, the way in which income enters the household (for instance, as cash wages, bank deposits, or in-kind payments) and the relative economic power of individual household members.

A growing body of research in countries at all stages of development finds that the receipt of income by women boosts their economic power within the household. This has significant effects on household consumption patterns, including the relative amount of money spent to meet the needs of children. Greater economic autonomy may increase not only women's influence in household decision making, but their independence and ability to quit unsuccessful relationships.

However, the household resources received by women and children involve more than household income. Established gender roles and other social norms play an important part in the allocation of these resources, irrespective of who brings the money into the household. In fact, one way social norms are expressed is through different household income management strategies, as outlined in Table 2.6.

Table 2.6

Five main patterns in household financial management

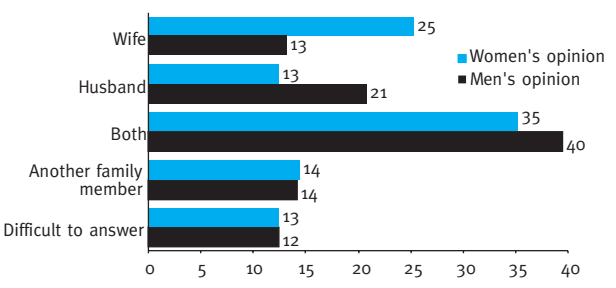
Wife management	The husband has the higher income and hands the bulk of his pay to the wife, who manages most household expenditures.
Husband management	The husband has the higher income and gives the wife an allowance for parts of the family budget, for example for food.
Pooling system	All income is pooled, and both partners withdraw income from a cash "kitty" or joint bank account as necessary.
Independent management	Both partners have income, and neither has automatic access to all household funds. Each may be responsible for different areas of expenditure.
Extended family management	Members of the broader kinship system (for example the eldest in the extended family) participate in decision making.

Source: Adapted from Pahl (1989).

In Western countries, pooling and independent management are more common when both wife and husband have paying jobs. The high rates of female labour force participation suggest that these patterns may be prevalent in the transition countries, too, although cultural patterns may play a role in promoting the more traditional patterns of wife, husband and extended family management. Reliable and comparable data on these arrangements within households, over time and across countries would provide a telling perspective on changes in women's status within households. Unfortunately, such data are largely unavailable. Figures 2.16 and 2.17, however, offer interesting insights into women's position in household economic decision making in the region, revealing patterns that are far from predominantly patriarchal.

Figure 2.16 presents the answers of Russian women and men when they were asked who makes the decisions regarding household finances. The most common response (35-40 percent) is that wife and husband share control. However, in a sizeable proportion of households a single partner – wife or husband – makes the decisions on household budgets. Generally speaking, this sort of control is exercised by an equal share of wives and husbands, though, interestingly, both women and men attribute more control to their own gender. This implies that the actual proportion of households where both spouses make decisions on finances may be higher than indicated and that there may be conflicts over this issue.

Figure 2.16



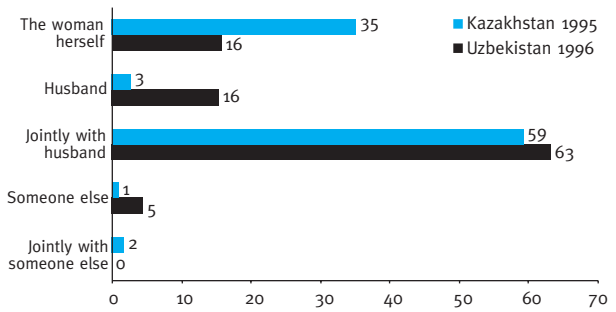
Opinions on who decides on family finances, Russia, 1994

Source: Bodrova (1995).

The high female labour force participation in many other CIS countries suggests that the surprisingly balanced gender pattern shown for Russia may have been widespread elsewhere as well.

The labour force participation of women has, however, been lower in the southern part of the region. Figure 2.17 reports on surveys carried out in Kazakhstan in 1995 and Uzbekistan in 1996. In the surveys, married women with earnings were asked who decided how their earnings were used.

Figure 2.17



Married women with earnings: who decides how their earnings are used?

Sources: NINK and Macro International (1996); IOGU and Macro International (1997).

Note: Women's answers.

Interestingly, in both countries most women – around 60 percent – reported that decisions were made jointly with their husbands. In Uzbekistan, however, one in five women said decisions about how to use their earnings were made by someone other than themselves. In 16 percent of cases this was the husband, and in 5 percent of the cases this was someone else (for example older rela-

Box 2.6

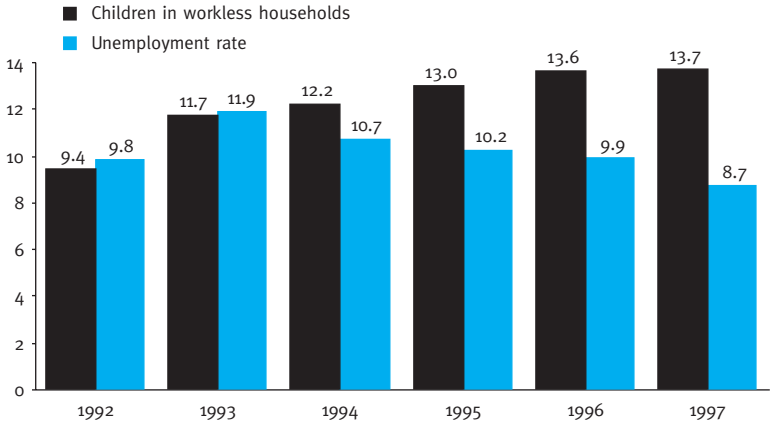
Children and parental employment in Hungary

Statistics on the labour market too rarely show the importance of adult employment from the perspective of children. What proportion of children live in households where no adult works and where no income from employment is being brought into the household? How many children live in a household in which only one parent works? An examination of labour force survey data for Hungary in 1992-97 provides some striking answers.

Female unemployment and inactivity (in the sense of non-participation in the labour market) are two important reasons why a considerable number of children live in households where no working-age adult has a job or runs a business. In 1992, almost one child in 10 in Hungary was living in a "workless household". Moreover, as Figure 2.18 shows, the number continued to rise after 1993, when overall unemployment peaked in Hungary. By 1997, almost one child in seven was living in a workless household. If the analysis is restricted to parents (as opposed to any adult in the household), the number is higher still by a small margin: 15 percent of children had no employed parent living with them in 1997, up from 10 percent in 1992.

Table 2.7 shows the changes in the employment status of both mothers and fathers over the period, distinguishing between single- and two-parent families. (As with Figure 2.18, the perspective taken is that of the child, so that a parent with two children is reported twice in Table 2.7.) There was a large fall in the proportion of children living in two-parent families in which both mother and father were working, down from 48 percent to 38 percent over 1992-97. Not only were there more children in workless households as a result, but there was a marked rise in the proportion of children in households with only the father working – up by 6 percentage points.

Figure 2.18



Note: The graph shows the share of children living in households where no adult of working age is employed (including self-employment and casual work). Children are defined as all persons aged 0-14 and those aged 15-18 if enrolled in full-time education. The unemployment rate is the standard ILO definition. (See Glossary.)

Children in workless households and the unemployment rate, Hungary, 1992-97
(percent)
Source: Labour Force Survey microdata.

Table 2.7

Employment status of children's parents, Hungary, 1992 and 1997

(percent)

	1992	1997
One-parent families		
mother works	7.7	7.3
mother does not work	2.9	4.3
father works	0.8	1.1
father does not work	0.3	0.5
Two-parent families		
both parents work	48.0	38.2
only mother works	6.6	5.6
only father works	26.4	32.4
neither parent works	7.3	10.6
Total	100.0	100.0
mother works	62.3	51.1
father works	75.2	71.7

Source: Labour Force Survey microdata.

Note: The data show the employment status of children's parents if these are living with the family and take the child as the unit of analysis. Also see the note to Figure 2.18.

tives). These patterns differed across ethnic groups, with "someone else" being less likely to decide how to spend the earnings of Slav women. The data confirm that cultural and ethnic factors may have an effect on gender roles, but generally they support the view that women's relatively high labour force participation in all these countries results in a relatively balanced gender pattern in household economic decisions.

In light of the losses in women's employment during the transition across the region, the gender balance of income power in the home may have shifted towards men in many cases. However, since the employment loss has also been great among men, there may have been a shift towards women in a significant number of cases, too. Using Hungary as an example, Box 2.6 looks at how this polarization in the employment and non-employment status of wives and husbands – and cases in which all adults in the household are without work – affects children.

■

2.4 Conclusions

Paid work is a key determinant of women's economic autonomy and an important foundation for women's exercise of authority in the home and participation in wider society. The former communist countries were remarkable for the high labour force participation rates among women, who, unlike in Western economies, worked overwhelmingly at full-time jobs. Before the transition, the gender gap in labour force participation in the region was very small by international standards – less than 2 percent in countries like Estonia or Belarus and in the 10 percent range in many other countries. Despite long hours on the job, women in the region continued to pull down a "second shift" of unpaid work at home. Data show that the total workload of women in Central and Eastern Europe averaged close to 70 hours per week, about 15 hours more than the workload of women in Western Europe.

The transition has generated an unprecedented phenomenon in the region: the loss of millions of jobs by people who have almost no personal experience of job loss or of a competitive labour market. Nonetheless, the gender gap in labour force participation does not appear to have widened considerably. Although female participation in the labour force has decreased in many countries, male participation has fallen as well. Yet, the financial pressure to maintain two incomes in households remains tremendous, constraining women and men to continue to work or to search for work.

The decline in labour force participation appears to have affected younger and older women of working age the most. There is evidence that, in response, more young women are now pursuing post-secondary education in many countries. Older women are taking on childcare responsibilities – presumably often for other family members.

Female employment has dropped even more markedly than female labour force participation. An estimated 14 million jobs held by women disappeared across the region between 1989 and 1997. This was well over half the total number of jobs lost. Still, due to high pre-transition employment rates, the share of women employed remains in the 40-50 percent range. Overall, there is little evidence that women are being "squeezed out" of the employment picture. However, it appears that the tensions created because of the need to care for children and the need to work for pay have grown, and flexible options for reconciling these commitments – such as part-time work arrangements – are still mostly unavailable.

Unemployment is a new phenomenon in the region, and the data show that there is substantial female unemployment in most countries. In several countries, the female unemployment rate is higher than the male unemployment rate. There is also evidence that it is harder for women to find jobs because of their greater responsibility for childcare. A study in Poland revealed that marriage status is a major factor in determining whether unemployed women find work, though this is not the case for unemployed men.

Women around the world face a gender gap in pay, and the communist countries were no different, despite their egalitarian rhetoric and the levelling hand of central planning. The available data show that in 1996-97 women earned less than men on average, with the gender gap ranging from 10 to 30 percent, amounts comparable to, or smaller than, those in Western countries. Further analysis shows that the gender gap in the region is aggravated by occupational factors and mitigated by human capital factors. This suggests that women's high levels of education often work to their advantage in closing the pay gap, while the fact that women tend to cluster in lower paying occupations acts against them. However, even when these observable determinants are taken into consideration, there remains a substantial gender gap in pay – one that remains unexplained and that demands further research and discussion.

The available data suggest that during transition the gender gap in wages has remained relatively stable or even decreased in some countries, a striking outcome considering that there has been a large rise in overall wage disparity in the same period. Analysis confirms that the economic welfare of a large number of children depends directly on the employment and wage prospects of mothers.

It is clear that there has been and continues to be significant occupational segregation by gender in the region. It appears that gender segregation is also becoming based on the ownership structure of enterprises, with women continuing to cluster in public-sector jobs, and men making far greater inroads in private-sector employment. In many countries, women make up about three-quarters of the employees in education, health care and social services, while they are under-represented in industry, agriculture (with the exception of family farms) and business. On the other hand, women are very active in the hotel and restaurant industry, in wholesale and retail trade and in financial services – growth areas which offer good prospects in the emerging private sector.

Although women appear to be less inclined or able than men to move into self-employment and entrepreneurship – a vital part of the new private sector, in many cases women already have a strong position in the private sector. Further research into women's role in entrepreneurship is needed, and support programmes and policies should be developed to boost women's participation in this area.

■