



European Commission
Justice

Exchange of good practices on gender equality

Reducing the gender pay gap

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Comments paper - Bulgaria

About gender pay gap in Bulgaria

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1. Introduction: some key information

As a post-socialist country, Bulgaria historically has a high female employment rate. At the end of June 2011 the employment rate for women aged 16 - 64 was 55,8% (for men was 60,7%). In the beginning of global transformation in the country (1989), the ratio of the employment rate was 84,6% for women and 74,7% for men.¹ In the 1990s, however, both female and male employment dropped significantly reflecting the dramatic socio-economic changes from a state run toward market-oriented economy and began going up again in 2003. The highest employment rate was register in 2008 and after that, due to the financial and economic Crisis, slowly began to decrease. Another reason was the deteriorating demographic situation in the country: Bulgarian population decreased by 564 331 persons for the last ten years (between 2001 and 2011 censuses).² According to the 2011 Population Census' final results the number of population of Bulgaria at 1 February 2011 is 7 364 570 persons (female - 51.3% and male - 48.7%).

Over the recent years of economic Crisis, the unemployment rate increased significantly. Mainly due to the Crisis, unemployment rate has began to increase since 2008 for both men and women: for female from 5.8% in 2008 to 10.0% in 2011; for male from 7.1% in 2008 to 12,2 in 2011. However, the unemployment rate among women is still lower than that of men and it could be explained with the syndrome of "wages and job dumping" of female against male. Compared to men, in the hardship situation women are more willing to accept lower payment and to have any job in order to support their families and grow children. Another explanation, given by the national statistics, is that the Crisis has stronger effect on male than on female: that however is more or less questionable and needs further analyses.

1.2. Brief assessment of the policy and legal context

Similar to many other countries, including Austria and Germany, the principle of equal rights and equal treatment for women and men, as well as equal pay for equal work, are components of many national and international agreements of Bulgaria.

However, in contrast to other countries in Bulgaria **Equal Treatment Law** does not exist in spite of hard efforts of civil society and gender movements. The issues of gender inequality are under the **Law on Protection against Discrimination**, amended 2004. According to this Law, (*Article 14*): (1) *The employer shall ensure equal remuneration for equal work and work of equal value;* (2) *Paragraph 1 shall apply for all remuneration, paid directly or indirectly, in cash or in kind.*

¹ National statistical institute.

² The same

In 2004 was established a **National Council for Gender Equality** at the Council of Ministries. Also, a **Commission for Defense of Discrimination** has been established which functioning very actively, but not only on gender issues.

Bulgaria has **National Strategy for Promotion of Gender Equality for the Period 2009-2015**. The National Strategy is adopted in compliance with the recommendations of the Council of Europe, the strategic documents of the European Union – Roadmap for Equality between women and men for the period 2006-2010, European Pact for Gender Equality, the good practices of EU Member States, and the principles underlying the UN conventions on human rights and the rights of women, among others. In the first implementation report on the achievement of the Millennium Development Goals (Goal 3 *Promote Gender Equality and Empower Women*) Bulgaria set out concrete targets and indicators which the country should achieve by 2015. Among them is the task to '*Eliminate the disproportion between the income of men and women - pay of women as a percentage of the pay of men should reach 80%*'.

In 2008 the National Statistical Institute implemented a gender segregated approach and began to supply the European Economic Commission with gender segregated data.

Since 2005 **National Action Plans for improvement gender equality** have been designed annually and passed by the Council of Ministries. In all of them there is a clause related to gender pay gap, however in the reports for achievements it is more or less ignored or missed. In spite of the fact that the issue of gender pay inequality formally exists in legal document, in reality it is mainly on paper and is not among the priorities in the political agenda.

Similar is the situation with the social partners in Bulgaria, i.e. trade unions and employers' organisations. Trade unions do not have purposeful strategy and programmes related the gender pay gap. Their main instrument is the **collective bargaining agreement** at national, branch or establishment levels. However, not all firms have such agreement, nor in all of them (where any) such clause is included. Usually there is something in general as '*equal pay for equal work*', but it looks like more as a wish than a task to be achieved.

The Bulgarian Industrial Capital Association (BICA) designed a **Manual for implementation of gender equality in work**. It focuses on '*equal pay for equal work in equal work conditions*', which is a step further. One of the tasks is regularly to monitor work force in the establishments in order to select all women who have abilities for vertical promotion. In the Manual special attention is given to female branches and establishments, where other discrimination practices could occur – by age or ethnicity, for example. Also, the Manual focuses on equality in access to working places and different positions. However, like the other good documents, this one is still just a good paper...

Several seminars, round tables and other forums have been organised in the country by Trade unions, by governmental and nongovernmental organisations, by employers' organisations focusing on gender pay inequality. Also, there are several research and scientific analyses on the topic as well as publications of key results and conclusions. (See the Sources at the end of this paper)

In sum, institutional and legal framework for combating gender pay gap is comparatively good in the country, there are different types of activities, organised by different bodies, but unfortunately a real improvement can't be felt. The issue is not among the political, trade unions or employers' top priorities.

1.3. Structure of the gender pay gap in the country

According to the nationally representative social data from the last round (R5) of the European Social Survey (ESS)³ the **gender pay gap in Bulgaria in 2011 is 25,1%**. On the basis of our analyses of those reliable information sources we discover the following gender differences in gender pay gap structure⁴:

- The gender effect is greatest in mid-career (gender pay gap here is 26,4%), and it remains slowly at lower levels over late career (25,3%), while the lowest gender pay gap is observed in early-career (24,1%). The most distinctive gender gap is discovered in mid-career, mainly because it is the life phase of family formation and raising small children. Socially prescribed roles for women to work and raise family simultaneously is a possible explanation of the females' preference to jobs which better fit this expectation, even if these jobs are less paid.
- The largest and the most significant wage differences could be found in **large enterprises** with 500 and more employees (35,4%), while in smaller (up to 24 employees) the gender pay gap is about 24,5%. A possible explanation is that female usually work for small and medium firms, in "female branches", while big ones are mostly "occupied" by men and women have "supportive" positions there;
- Gender pay gap decreases opposite to the **education level and human capital**. A very significant wage differential could be found among basic educated men and women (37,7%), while much less differences could be observed among employees with tertiary education (20,0%). Logically, higher educated women have better chances to get well paid jobs in all economic sectors including to be self-employers, but in general, even on the tertiary level gender pay gap is rather big;
- **Economic sector's effect** is also very strong for wage differences. Here could be found serious differences based on occupational segregation of men and women. Male are much better paid in governmental organisations (both at central and local levels) – gender pay gap is 36,1% here. Male usually occupied top managerial and high income positions, while in public sectors (like education and health services) gender differences are much smaller – 6,6%. Usually public sector is seen as giving

³ www.europensocialsurvey.org The ESS was conducted early 2011 in Bulgaria, N= 2 434 persons over 15 years of old from 400 units from all over the country. Here are presented data only for the working cluster.

⁴ The same construction discovered and to the same conclusion come also other researchers in the country on the basis of different data sources (See: Rumiana Stoilova, Ralitsa Simeonova-Ganeva, Tatyana Kotzeva, (2011) The impact of gender on labour income in life course perspective. The case of Bulgaria. Spcoal Science research Network Trans Europe. Working Paper No. 32).

more stable labour positions in comparison to private sector – unlimited contract, full social insurances, fixed working hours, etc. This ‘job security’ effect is rather strong for women and among reasonable explanations why women choose jobs in the public sector more often than men do. Quite expectably is that among self-employers the gender pay gap has opposite mark (- 28,5%) - wages here depend on self-employers themselves and many female deal with well paid activities – such as PR, fashion, etc.;

- **Duration of employment contract** significantly influences payment differences. Female employees with unlimited contract received with 24,4% less than men (usually it is in public and state sectors of economy), while those with limited contract get 33,7% less. Limited contracts usually are signed in “male” sectors like constructions where smaller number of female work and their labour activities are more or less ‘supportive’;
- Even in **supervising position** gender pay gap is not small – 17,2%, but it is bigger in not-supervising area – 24,2%. Male supervisors occupied higher managerial positions and it inevitably is related to their higher payment.
- **Place of living** is another important factor for the share of gender pay gap – it is highest in villages (28,4%), and lowest in small towns (18,1%). Here the gender pay gap is closely related to job opportunities in different administrative units and also to available economic establishments.

In general could be said that in Bulgaria, like in many other countries, men are better paid regarding to most labour income determinants. However, it should be kept in mind that the above structure and conclusions relate only to FORMAL/OFFICIAL/LEGAL ECONOMY! What is going on within informal/grey/shadow economy is difficult to say but the fact, that such economy is about one third of the entire Bulgarian economy must not be ignored.

1.4. Some gender role issues in Bulgarian socio-cultural environment

Bulgaria is among the countries with very high expectations that **women should contribute to the family budget** – ever 85 % of both men and women think so. A double income family is a social norm and female contribution is rather important for coping with hardships and combating poverty. That is why female workers are often willing to accept low payment and “any job”.

Limited opportunities for a good or “appropriate” job, i.e. a job that fits values and needs of job hunters, are an important bias for the “**any job syndrome**” in Bulgaria. For more than a half of women (57,5%) good opportunities for such job do not exist. Male with the same views are 49%.

The traditional gender role distribution “*a man – breadwinner, a woman – home carer*” is not rather popular in Bulgaria, especially among women. Only 36,6% of them think so, while men are 47,5%. A working woman historically has turned to a social norm. In spite of that, the **gender time gap** in household work is significantly high. For example, working women spend weekly 10 hours more doing household activities than

men. That leads to the ‘**exhausted female worker**’ syndrome, which is widespread in the country.

However!, despites gender pay gap and gender time gap, impressive number of women in the country would enjoy having paid job even if did not need money – 65,1%! Male counterparts are the same share – 65,2%. The top work value for both men and women in Bulgaria is a “**secure job**” and the share of male and women with such work value priorities is almost one and the same – female 98,2% and 97,9% male think in that way. A “**high paid job**” value occupies second top position in their value scale: - it is important for 95,6% of female and for 96,6% of male workers. Is the Crises rearranged the priorities? – further in-depth analyses would say.

2. Transferability issues

Both good practices of Germany and Austria are very attractive for Bulgaria mainly because they could feel the important gap of reliable information about gender pay gap at different economic levels and single units. Also, both “*income report*” and ‘*Logib-D*’ approaches are extremely valuable as instruments for obtaining reliable data and for multivariable analyses. Another very valuable side of both of them is that they focus on concrete units (establishments/firms) where concrete measure could be taken for decreasing the gender pay inequality.

However, the general constraint for transferability could be that they are suitable mainly (in spite of not only) for big enterprises, while in Bulgaria over 90 % of the firms are small or medium. How is mentioned by German analysts “ larger establishments have far greater potential for change and a different level of competence in the area of human resources than smaller ones (with fewer than 300 employees) or establishments with a higher proportion of blue-collar workers (metal workers).”

In addition, I am afraid that Austrian and German good practises do not keep in mind in a sufficient extent the branch specifications. For example, if among our target enterprises are firms from Metallurgy or Contraction, how we could ignore the male worker domination in the staff? Of course, I am not talking about “statistical discrimination”, but male/female balance in the number of employees is important for reliable analyses.

As an idea, however, both approaches could be transferable to Bulgarian socio-economic environment, but after serious adaptation for the Bulgarian situation and clusterisation of the firms where they could be implemented. Social partners and especially trade unions or works councils, and also employers’ organisations would be key actors both for the adaptation and for development the practices. The main benefits for Bulgarian enterprises would be: improved transparency culture and better awareness about gender pay gap both for employers and for employees.

The main questions raised here are: What is the real effect of both good practises’ implementation? Are there any analyses, or data, or concrete results related to reducing the gender pay gap in any observed establishments?

3. Policy debate

Similar to Austrian situation, due to political compromises the Bulgarian legislation related to gender issues is uncompleted. NGOs strongly insist for an Equal Treatment Law and for more transparency and better awareness about gender pay inequity.

Trade unions also mention the widespread practice of gender-specific evaluation of jobs and point out that professions in which women are typically employed are often valued less highly than male professions. That is why TU insists for development a set of documents and criteria for objective valuation of jobs and concrete work activities.

Government has designed an Anti-Crisis Action Plan; however measures for reducing the gender pay gap are not mentioned in it.

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