

GENDER PAY GAP – ALBANIAN CASE

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Abstract

Gender pay gap means the difference between male and female earnings expressed as a percentage of male earnings on the labor market and it is a very important element of gender equality in labor market as a whole. Gender equality on the labor market it is also quite important because it is closely linked to women's fundamental rights such as the right to work, career, income, etc. This equality does not mean just equal pay, but also equal participation by women and men in the labor market. This paper analyzes only the level of gender pay gap on the labor market and not the level of participation between men and women. The analyze includes Europe but has a special focus in Albania, aiming to answer the question “In which level stand the gender pay gap in Albania, regarding the same indicator in European level?”. The methodology used to conclude it is the comparative one, based on secondary data from various national and international reports and studies of the field. Data analyzed belong to the public labor market, as well as to the private one. Comparing the data analyzed, this paper concluded that gender pay gap still remain a very challenge issue not only for post communist countries but for the European Union countries as well. In Albania gender pay gap depends on the type of enterprise ownership. The gross average monthly wage per employee in foreigner enterprises is more than two times higher for men compared to women. This gap is much smaller in the Albanian private enterprises, while almost nonexistent in the public sector. Referring to the declared average wage, gender pay gap in Albania seems out to be lower than the same figure in the European Union, but this figure can not be taken as accurate for comparison effect due to the high level of informality regarding the declared salary, especially in the private sector.

Key Words: gender equality, gender pay gap, Albania, European Union, labor market.

Gender Pay Gap in Europe

Despite the perennial efforts to narrow the gender pay gap in Europe, the situation continues to be significantly detrimental to women. Women in the year 2015 earns on average 16% less than men. (EU. Tackling the gender pay gap in the European Union, 2014; 2). This figure presents a small improving situation compare with the year of 2012. EU -27 average of gender pay gap it

was 16.4% in 2012, while in some countries arrived above 20%, as it is shown from the table below.

Table Nr 1. Gender Pay Gap in Europe 2012.

Country	Gender Pay Gap 2012
EU27	16.4
Belgium	10
Bulgaria	14.7
Czech Republic	22
Denmark	14.9
Germany	22.4
Estonia	30
Ireland	14.4
Greece	15
Spain	17.8
France	14.8
Croatia	18
Italy	6.7
Cyprus	16.2
Latvia	13.8
Lithuania	12.6
Luxembourg	8.6
Hungary	20.1
Malta	6.1
Netherlands	16.9
Austria	23.4
Poland	6.4
Portugal	15.7
Romania	9.7
Slovenia	2.5
Slovakia	21.5
Finland	19.4

Sweden	15.9
United Kingdom	19.1

Source: Eurostat 2012 except for EL (2010)

The reasons for the existence and persistence of the gender pay gap are therefore multiple, complex and inter-twined and are not object of this paper.

As it is pointed out in the “Forum on the future of gender equality in the European Union-Report - 2015”, many authors concludes that family composition and marital status generally have opposing effects on the earnings of women and those of men. In most countries, marital status and the presence of a child works against women and in favor of men, which means that the two factors exacerbate the gender pay gap. A large proportion of the pay gap is attributable to the fact that more women than men works part time. Part-time jobs are often clustered in certain sectors and occupations where salaries are lower and opportunities for training and career progression more limited. Since it is mainly women who occupy this type of job, it inevitably widens the pay gap between women and men. In terms of pay women are therefore penalized in the labor market on two fronts compared with men: first of all because they have lower average hourly earnings than men and secondly because they more frequently work part time. Differences in the sectors of activity and occupations also explain the pay discrepancies between women and men. Generally speaking, the sectors accounting for the largest share of women's employment are education, health and social work, the retail trade, the catering industry, etc., while the sectors accounting for the largest share of men's employment are construction, transport and communication, education, etc. This horizontal segregation gives rise to stark differences in the average earnings of women and men. Two other factors that heavily influence wage formation, and therefore the pay gap, are the individual's age and level of training. Also the double burden of paid work and non-paid work in the family, combined with a possible dearth of childcare facilities, it is one of the main obstacles to the full participation of women in the labor market and the continuing gender pay gap.

Albanian Case

The lack of available data on wages and incomes in Albania, especially outside the public sector make the wage-gap estimation difficult. However, the data collected shows a gender pay gap lower than the European average. The factors caused it are different. Occupational segregation creates wage differentials by putting downward pressure on wages for occupations that are overcrowded by a particular gender and where labor supply is readily available. As a result of this occupational segregation, and a surplus of women seeking work in these sectors, women's wages are lower. Second, the lack of support and limited provision of state care makes women the primary caregivers of children, the sick and the elderly. Due to women's child-bearing and caring responsibilities, the female labor force is therefore characterized by discontinuity of employment, especially during the childbearing ages, resulting, on average, in five years less experience over the course of working life, when compared to men. This additionally and

negatively affects on women's position on the labor market. Women are at greater risk of being fired from work, or less likely to be employed and to retain their jobs, particularly at the child-bearing ages. Another factor that impacts women's low level of remuneration is also their low involvement in self-employment private activities

In all education categories, women receive lower monthly wages, and women's average salary is 17.63 per cent lower than that of men with the same educational attainment. (UN. (2011) National Report on the Status of Women and Gender Equality in Albania; 76)

In 2014 in Albania the gross average monthly wage per employee is 45,539 Lek. For male employees the gross average monthly wage is 47,664 Lek and for female employees is 42,852 Lek. (INSTAT. Femra dhe Meshkuj 2015; 56). The gender pay gap is 10 %. That means that male employees have a gross average monthly wage 10 % higher than female employees. On the other side of view it is much lower than the European Union figure, which is 16.4%.

Table Nr 2. Gender Pay gap regarding Gross Average Monthly Wage per Employee by Group Occupations and Gender, 2014.

Group occupations according to ISCO-08 level 2	Gender Pay Gap in %
TOTAL	10
Chief executives, senior officials and legislators	4
Administrative and commercial managers	-17
Production and specialised services managers	13
Science and engineering professionals	48
Health professionals	26
Teaching professionals	15
Business and administration professionals	1
Information and communication technology professionals	-3
Legal, social and cultural professionals	10
Science and engineering associate professionals	25
Health associate professionals	8
Business and administration associate professionals	-3
Legal, social, cultural and related associate professional	11
Information and communications technicians	21
General and keyboard clerks Customer services clerks	-92
Customer services clerks	- 12
Personal service workers and Protective services workers	24
Sales workers	5
Market-oriented skilled agricultural workers	10
Subsistence farmer, fishers, hunters and gatherers	5

Source: INSTAT. Femra dhe Meshkuj 2015.Pg 73.

Gender pay gap varies in Albania, depending on the type of enterprise ownership. The gross average monthly wage per employee in foreigner enterprises is more than two times higher for males compared to females.

Table Nr 3. Gross Average Monthly Wage per Employee by Ownership and Gender and Gender Pay Gap, 2014.

Monthly Average	Male	Female	Gender pay gap	Typ of Ownership
45 539	47 664	42 852	10%	Average for all Ownerships
54 981	54 770	55 215	-1%	Public enterprise
30 751	31 680	29 236	8%	Albanian private enterprises
75 692	109 109	48 976	55%	Foreigner enterprises
53 935	67 370	42 635	37%	Joint-venture enterprises (Albanian + Foreigner)

Source: INSTAT. Femra dhe Meshkuj 2015.Pg 72.

As it is shown from the table above, for employees in public enterprises the gender pay gap is almost insignificant (-1 %). In Albanian private enterprises the gender pay gap is 8 %, whereas in Joint-venture enterprises this indicator is 37 %.

Conclusion

The analyze above shows that gender pay gap still remain a very challenge issue in almost all European countries, reaching the levels of 30% in some of them. This is a characteristic not only

for post- communist countries but also for the west Europe countries. The analyzes shows that often the gender pay level gap of post-communist countries is lower than those in western countries, such it is Albania, but this doesn't present the real situation due to the fact that in those countries it is still a high level of informality regarding the declaration of the real monthly salary. This means that due to this problem it is still impossible to undertake a real comparison of the gender pay gap between the European Union and Albania or other post- communist countries where it is still a high level of informality.

In Albania gender pay gap depends on the type of enterprise ownership. The gross average monthly wage per employee in foreigner enterprises is more than two times higher for men compared to women. This gap is much smaller in the Albanian private enterprises, while almost nonexistent in the public sector. Achieving gender equality in the labor market it is a challenge of now days and needs that, the two objectives of equal pay and equal participation in the labor market to be pursued simultaneously. Elimination of pay inequalities requires the adoption of a set of new measures, as well as the strengthening of existing ones, procedures and programmers and in the same time increasing the commitment by all the society actors.

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