# УДК 339.972: [342.723 + 314.93 + 316.422.4]

# ГЕНДЕРНИЙ РОЗРИВ ЕКОНОМІЧНИХ МОЖЛИВОСТЕЙ В КРАЇНАХ ЄВРОПЕЙСЬКОГО СОЮЗУ

#### Вінська О.Й., к.е.н. Токар В.В., д.е.н.

ДВНЗ «Київський національний економічний університет імені Вадима Гетьмана» Авторами проаналізовано головні причини гендерного розриву в оплаті праці в країнах-членах ЄС. У статті висвітлено найкращі корпоративні програми, які спрямовані на залучення талановитих співробітниць та викорінення нерівного доступу жінок до високооплачуваних посад. Використовуючи дані Глобального Індексу Гендерного Розриву, авторами розкрито головні зміни в залученні жінок до економічної діяльності в країнах-членах ЄС в 2006-2015 роках. На основі адаптації підходу політики згуртування ЄС до класифікації країн, за критерієм гендерного розриву в економіці у статті виокремлено найменш розвинені, транзитивні та розвинені країни-члени. На основі розрахунків авторами визначено, що середнє значення показника гендерного розриву в економіці для ЄС-28 становило 0,632 в 2006 та 0,712 в 2015 роках, складаючи різницю в 0,08 балів. Словаччина була єдиною країною з незначним зниженням показника, а саме на -0,012 балів, упродовж досліджуваного періоду. Беручи до уваги рівень економічних можливостей для жінок, авторами виявлена відсутність категорії найменш розвинених країн за цим критерієм в 2006-2015 роках. Кількість транзитивних країн зменшилась з семи в 2006 до чотирьох в 2015 роках. До переліку країн-членів вищезгаданої категорії належать Австрія (2006-2010), Кіпр (2006, 2012), Чехія (2011-2015), Франція (2006), Італія (2006-2015), Люксембург (2006), Мальта (2006-2015), Португалія (2013), Словаччина (2015) та Іспанія (2006-2009).

*Ключові слова*: гендерний розрив, рівність в оплаті праці, економічні можливості, Європейський Союз, розширення прав і можливостей жінок

### UDC 339.972: [342.723 + 314.93 + 316.422.4]

### ECONOMIC OPPORTUNITY AND PARTICIPATION GENDER GAP IN EU MEMBER-STATES

# Vinska O.Y., PhD in Economics

Tokar V.V., Dr.of Econ.Sc.

Kyiv National Economic University named after Vadym Hetman

The authors analyze the main reasons of the gender pay gap in the EU member-states. The article reveals the best corporate programs aimed at retaining female talent and eradicating women's unequal access to high-paying jobs. Using the Global Gender Gap Index data, the authors disclose the major shifts in female economic participation in the EU member-states for the 2006-2015 decade. Utilizing the EU cohesion policy

#### © Вінська О.Й., к.е.н., Токар В.В., д.е.н., 2017

approach to classification of countries, the originators distinguish the less-developed, transition and more developed member-states in terms of economic gender gap. The calculations show that the average EU-28 economic opportunity and participation gender gap score equaled 0,632 points in 2006 and 0,712 points in 2015, resulting in the 0,080-point difference between the initial and final values. Slovakia was the only country facing a slight decline, namely of -0,012 points, during the researched period. Taking into consideration economic opportunities for women, the authors discovered the absence of the less developed EU member-states in 2006-2015. The number of transition countries decreased from seven in 2006 to four in 2015. The roster of the abovementioned member-states includes Austria (2006-2010), Cyprus (2006, 2012), Czech Republic (2011-2015), France (2006), Italy (2006-2015), Luxembourg (2006), Malta (2006-2015), Portugal (2013), Slovakia (2015), and Spain (2006-2009).

Keywords: gender gap, equal pay, economic opportunity, European Union, female empowerment

**Introduction**. The global technological and cultural changes challenge the EU sustainable development paradigm based on knowledge economy and human capital. Educated and talented immigrants only partially offset the labor market instability caused by low fertility rates and population ageing; while creative and innovative female citizens face hurdles contributing their potential to the prosperity of nations due to the prejudice and stereotypes. Equal economic opportunities and contribution to GDP for men and women are both human rights and pure economic interests at the same time. Thus, gender gap in creating the economic value inspired a spike in researches generously financed by governments and international organizations fostering the progress in female economic empowerment.

**Literature review**. There is ample literature about female economic empowerment and gender equality in the workplace. For instance, O. Dashkovska describes the US gender policy regulating employment [3], L. Magdyuk pinpoints gender stereotypes damaging labor market efficiency [5], while N. Lavrinenko and O. Rudik highlight obstacles challenging women in small business [4]. V. Troyan in turn demonstrates the EU gender policy incorporation into educational and scientific agenda [6]. S. Sandberg and N. Scovell observe that low leadership ambitions of women impede their economic participation and career advancement [16]. Disclosing the multinational nature of gender equality and its impact on economic growth A. Mitra, J. T. Bang and A. Biswas show how equality of opportunity and equality of outcomes differ in developed and developing countries [13].

Based on findings from research into mutual influence of economic growth and gender equality N. Kabeer proves that economic growth does not automatically generate the increase in gender equality due to patriarchal constrains [12]. Finally, S. Sandberg, A Huffington and P. Polman assert that promotion of diversity and gender equality taken as personal commitment by top-management of corporations is the key driver for responsible economic growth [18]. Notwithstanding the wide range of publications on female empowerment, the European pace towards closing the gender gap in economic opportunities needs further research.

**The aim of this paper** is to classify the EU member-states by female economic empowerment considering women's economic participation rates via adapting the EU cohesion policy criteria.

Main findings of the study. The postindustrial development paradigm defines high quality human capital as the key factor for national economic success. No wonder that developing and defending an inclusive society (where each person no matter of gender, race, age, and sexual preference can thrive and contribute to the economic growth) become the important business and policy issue.

So far, the main reasons for the gender pay gap are:

•little relevant experience in negotiating salaries, benefits and promotions;

•small proportion of women in politics and business top management due to the glass-ceiling, i.e. barriers created by engrained believes and behavioral patterns cultivating female submission;

•lack of gender diversity in STEM (science, technology, engineering and mathematics) industries concentrating highly-paid jobs.

Private business tries to be proactive in bridging the gender pay gap simply because it is profitable for shareholders: equality and inclusion stimulate gifted females to generate ideas converted into value added. Besides, such type of corporate social responsibility attracts new clients and retains regular ones. Corporations in traditional and the cutting edge technology industries (e.g., Intel, Google, Microsoft, Apple, and Simantec) disclose their gender-based employees' reports to general public and work towards leadership diversity goals – compensating women fairly for their input and bringing more females to boards of directors [10]. The

abovementioned entities develop mentorship and sponsorship programs for women aimed at career development and personal growth.

Mercer, the international HR consulting company, has created the global research and solution platform embracing 600 organizations and 3,2 million employees to facilitate business growth via expanding participation of female workforce [19]. Unilever, the leading consumer goods producer, is also deeply engaged in fighting the gender–based prejudice. Its "The Unstereotyped Mindset" research argues that stereotypes, social norms and unconscious bias, significantly strengthened and embedded by advertising, hinder the gender pay equity. Addressing these harmful practices Unilever launched "Unstereotype" campaign in 2016 covering marketing tools for more than 400 brands and aiming at reflecting progressive and fair representation of both men and women [17], thus, developing the new institutional framework by means of media commercials.

Moreover, the commitment of business to establishing inclusive job places for female labor force, supporting gender diversity, equal pay and promoting more women on top has become an important part of corporate social responsibility. Complying with the assessment methodology of global business certification standard for gender equality (EDGE – Economic Dividends for Gender Equality, developed by World Economic Forum in 2011) becomes the business imperative and competitive advantage [20].

In turn, national governments develop gender equality initiatives in accordance with comprehensive global agenda stated in the Sustainable developments goals till 2020 by the United Nations. However, prevalent patriarchal values remain the greatest formidable obstacle to female economic empowerment in different countries. Many modern women choose low-paid or part-time jobs because of their profound care-giving responsibilities. Moreover, deep-rooted gender roles stereotypes result in female unpaid housework and/or informal employment. Besides, due to unconscious social bias women working full time are still responsible for cooking, cleaning, looking after children and elderly family members, etc. For instance, women in OECD member-states on average spend twice as much time a day as their male partners on routine housework [9]. This heavy and disproportional burden causes stress and fatigue, which diminish female career aspirations and result in the loss of potential GDP.

In our previous studies, we proved that gender equality has positive influence on GDP growth as well as boosts innovative competitiveness of the EU-28 [1-2]. Continuing our comprehensive research, we would like to assess the main shifts in gender equality in the EU in the dimension of economic opportunities available for European women. Table 1 presents data relating to the changes in integral scoring of EU member-states in the Global Country Score of Economic and Opportunity Gender Gap in 2006-2015. The EU-28 average equaled 0,632 points in 2006 and 0.712 points in 2015, so, the difference between the initial and final values reached 0.080 points. Slovakia was the only country that faced a slight decline of its score by -0,012 in 2006-2015.

By analogy with classification of EU regions by economic development [8], we suggest the following typology assuming that:

•if a EU member-state's integral score of economic gender gap is less than 75 percent of the EU-28 average, then this country belongs to less developed ones;

•transition countries include EU member-states, which have a score of between 75 and 90 percent of the EU-28 average;

•more developed countries embrace EU member-states with a score exceeding 90 percent of the EU-28 average.

In EO Member-States in 2000-2015											
Country	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Δ
Austria	0,553	0,582	0,587	0,57	0,595	0,624	0,652	0,664	0,67	0,705	0,152
Belgium	0,62	0,668	0,652	0,653	0,71	0,719	0,724	0,737	0,758	0,762	0,142
Bulgaria	0,613	0,699	0,698	0,693	0,684	0,687	0,696	0,707	0,729	0,701	0,088
Croatia	0,651	0,678	0,655	0,646	0,661	0,668	0,669	0,675	0,675	0,664	0,013
Cyprus	0,562	0,602	0,61	0,617	0,63	0,617	0,615	0,635	0,656	0,643	0,081
Czech Republic	0,627	0,63	0,637	0,644	0,621	0,596	0,603	0,604	0,622	0,636	0,009
Denmark	0,708	0,734	0,712	0,748	0,744	0,767	0,772	0,764	0,805	0,788	0,08
Estonia	0,682	0,694	0,7	0,705	0,719	0,72	0,719	0,723	0,705	0,711	0,029
Finland	0,734	0,723	0,741	0,75	0,757	0,768	0,785	0,773	0,786	0,815	0,081
France	0,525	0,646	0,663	0,659	0,661	0,659	0,669	0,669	0,704	0,699	0,174
Germany	0,669	0,7	0,688	0,696	0,714	0,727	0,74	0,712	0,739	0,737	0,068
Greece	0,585	0,63	0,631	0,607	0,621	0,624	0,633	0,647	0,643	0,644	0,059
Hungary	0,64	0,653	0,669	0,674	0,689	0,654	0,659	0,668	0,668	0,685	0,045
Ireland	0,64	0,667	0,681	0,692	0,741	0,732	0,751	0,745	0,754	0,777	0,137
Italy	0,527	0,543	0,587	0,59	0,589	0,598	0,591	0,597	0,574	0,603	0,076
Latvia	0,705	0,734	0,746	0,754	0,752	0,75	0,762	0,777	0,793	0,784	0,079
Lithuania	0,713	0,761	0,742	0,748	0,756	0,744	0,755	0,769	0,738	0,759	0,046
Luxembourg	0,56	0,606	0,613	0,638	0,751	0,745	0,815	0,816	0,753	0,766	0,206
Malta	0,51	0,549	0,56	0,561	0,543	0,528	0,55	0,565	0,569	0,573	0,063
Netherlands	0,635	0,667	0,667	0,685	0,723	0,743	0,758	0,759	0,711	0,732	0,097
Poland	0,635	0,617	0,624	0,643	0,653	0,653	0,65	0,656	0,681	0,687	0,052

Table 1 - Economic Opportunity and Participation Gender Gapin EU Member-States in 2006-2015

## *№118, 2017*

	Continuation of table										
Country	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Δ
Portugal	0,669	0,684	0,696	0,681	0,672	0,663	0,679	0,613	0,719	0,712	0,043
Romania	0,673	0,697	0,7	0,712	0,708	0,694	0,681	0,693	0,683	0,708	0,035
Slovakia	0,65	0,667	0,638	0,646	0,638	0,634	0,628	0,635	0,643	0,638	-0,012
Slovenia	0,667	0,705	0,708	0,721	0,723	0,72	0,714	0,719	0,783	0,778	0,111
Spain	0,539	0,589	0,577	0,602	0,624	0,633	0,646	0,652	0,647	0,674	0,135
Sweden	0,731	0,761	0,784	0,785	0,77	0,793	0,796	0,783	0,799	0,836	0,105
United	0,664	0.695	0.692	0.706	0,721	0,722	0.73	0,732	0.714	0.724	0,06
Kingdom	0,001	0,075	0,072	0,700	0,721	0,722	0,75	0,752	0,711	0,721	0,00
EU-28	0,632	0,664	0,666	0,672	0,685	0,685	0,694	0,696	0,704	0,712	0,080
Average	0,032										
75% of EU-28	0,474	0,498	0,500	0,504	0,513	0,514	0,521	0,522	0,528	0,534	0,060
Average											
90% of EU-28	0,569	0,597	0,600	0,605	0,616	0,617	0,625	0,626	0,634	0,641	0,072
Average											
Maximum	0,734	0,761	0,784	0,785	0,770	0,793	0,815	0,816	0,805	0,836	0,102
Minimum	0,510	0,543	0,560	0,561	0,543	0,528	0,550	0,565	0,569	0,573	0,063
Median	0,640	0,668	0,668	0,678	0,699	0,691	0,689	0,700	0,708	0,710	0,070
Ukraine	0,691	0,708	0,714	0,720	0,707	0,704	0,725	0,743	0,748	0,731	0,028
Median	0,640	0,668	0,668 0,714	0,678	0,699 0,707	0,691 0,704	0,689 0,725	0,700 0,743	0,708	0,710	0,07

Continuation of table 1

Notes: Own calculations based on [11]

Bearing in mind classification of EU member-states by economic opportunity and participation gender gap, we discovered that there were no less developed countries in the EU in 2006-2015. The number of transition member-states decreased from seven countries in 2006 to four in 2015. The roster of transition member-states includes Austria (2006-2010), Cyprus (2006, 2012), Czech Republic (2011-2015), France (2006), Italy (2006-2015), Luxembourg (2006), Malta (2006-2015), Portugal (2013), Slovakia (2015) and Spain (2006-2009).



Figure 1. Average, Median, Maximum and Minimum Economic Opportunity and Participation Gender Gap Score of EU-28 in 2006-2015 Notes: Own calculations based on [11]

The line graphs of average, median, maximum and minimum economic opportunity and participation gender gap scores of the EU-28 shown in Figure 1 depict the tendencies in 2006-2015. The graphs of all abovementioned statistical indicators steadily grew in 2006-2015. It is worth mentioning, that lines of average and median EU-28 scores are almost identical proving typicality of the average values. The general growth of EU-28 scoring could be attributed to the political will and purposeful action of the European authorities: educative and training programs; workplace flexibility; affordable childcare; increased maternity leaves; special grants aimed at female business initiatives; mechanisms of gender quotas in politics and toppositions in business.

However, according to the European Parliament if the current progress does not change its pace, it will take around 70 years to close the existing gender pay gap of 16,1%. Even though the female employment rate is historically high and reaches 64%, but it still far below the male rate of 76%. European women occupy part-time jobs four times oftener than men in spite of the fact of being more educated [7]. Such situation is primarily caused by the disproportional engagement of women in public sector where regulations allow maintaining work and life balance, but this sphere faced cutbacks due to austerity policies promoted to stabilize the European finance. Technology also accounts for the gender pay gap: automation displaces jobs mostly occupied by women, whereas management, architecture and engineering, computer science and mathematics having high growth potential face female underrepresentation [15]. Thus, programs aimed at bridging the economic opportunity and participation gender gap need further elaboration.

**Conclusion**. The EU tries to overcome the slow economic growth by expanding productive labor force aimed at offsetting population ageing and generous safety nets. Very costly adaptation of new-come immigrants and refugees with cultural backgrounds hostile to democratic values actualizes the fact that European educated and creative female labor force is not fully engaged in economic activity. The current EU top priorities include programs and initiatives supporting gender diversity and female economic empowerment. Thriving women, such as innovative entrepreneurs, business and political leaders, become the role model for young female generations and spread the powerful message that gender is no longer the hurdle to fulfilling ideas, unlocking talents and developing skills to seize career opportunities. Corporate business tools eradicating gender bias and retaining female talent to spur the economic growth form the agenda for further studies.

#### **REFERENCES**:

- 1. Вінська О. Й. Взаємозалежність гендерної рівності та інноваційної конкурентоспроможності країн ЄС» / О. Й. Вінська, В. В. Токар // Глобальні та національні проблеми економіки. 2016. № 12. [Електронний ресурс] Режим доступу: http://global-national.in.ua/issue-12-2016.
- 2. Вінська О. Й. Гендерна рівність та соціально-економічний розвиток країн-членів Європейського Союзу» / О. Й. Вінська, В. В. Токар // Східна Європа: економіка, бізнес та управління. – 2016. – № 2. – [Електронний ресурс] – Режим доступу: http://www.easterneurope-ebm.in.ua/journal/2\_2016/08.pdf.
- Дашковська О. Гендерна політика у сфері зайнятості населення: досвід США / О. Дашковська // Вісник Академії правових наук України. – 2010. – № 2. – С. 163-168.
- Лавріненко Н. Гендерний аспект розвитку малого підприємництва / Н. Лавріненко, О. Рудік // Соціологія: теорія, методи, маркетинг : науковотеоретичний часопис. – 2010. – № 3. – С. 111-135.
- Магдюк Л. Гендерні стереотипи. Вплив гендерних стереотипів на представлення жінок і чоловіків на ринку праці [Текст] / Л. Магдюк // Маркетинг в Україні. – 2011. – № 5-6. – С. 7-10.
- 6. Троян В. Гендерна політика як складова освітнього і наукового простору Європейського Союзу / В. Троян // Світогляд. – 2012. – № 6. – С. 64-68.
- Article Gender Equality: Time to Close the Gap [Електронний ресурс] Режим доступу: https://www.neweurope.eu/press-release/article-gender-equality-time-toclose-the-gap/.
- Cohesion Policy Frequently Asked Questions [Електронний ресурс] Режим доступу: http://ec.europa.eu/regional\_policy/en/faq/#3.
- Do We Really Have a Good Picture of Women's Well-Being? [Електронний ресурс] Режим доступу: http://oecdinsights.org/2015/03/06/do-we-really-have-a-good-pictureof-womens-well-being/.
- 10.Gallo, K. Tech Is Empowering Women, And It's Great for Business / K. Gallo,<br/>M. Rohwer[Електронний ресурс]–Режим<br/>доступу:<br/>https://www.greenbiz.com/article/ict-sector-empowering-women-and-its-great-business.
- 11. The Global Gender Gap Index 2015 [Електронний ресурс] Режим доступу: http://reports.weforum.org/global-gender-gap-report-2015/economies/.
- Kabeer N. Gender Equality, Economic Growth, and Women's Agency: the "Endless Variety" and "Monotonous Similarity" of Patriarchal Constrains / N. Kabeer // Taylor and Francis Journals Feminist Economics. – 2016. – Vol. 22, Issue 1. – PP. 295-321 [Електронний ресурс] – Режим доступу: http://www.tandfonline.com/ doi/full/10.1080/13545701.2015.1090009?scroll=top&needAccess=true.

- Mitra A. Gender Equality and Economic Growth: Is It Equality of Opportunity or Equality of Outcomes? / A. Mitra, J. T. Bang, A. Biswas // Taylor and Francis Journals Feminist Economics. 2015. Vol. 21, Issue 1. PP. 110-135 [Електронний ресурс] Режим доступу: https://ideas.repec.org/a/taf/femeco/v21y2015i1p110-135.html.
- OECD Insights. Do We really Have a Good Picture of Women's Well-being? [Електронний ресурс] – Режим доступу: https://oecdinsights.org/2015/03/06/do-wereally-have-a-good-picture-of-womens-well-being/.
- Portalatin J. Technology Could Destroy More Jobs for Women Than Men / J. Portalatin [Електронний ресурс] – Режим доступу: http://fortune.com/2017/01/28/automationworkers-women-pay-gap/.
- Sandberg S. Lean In: Women, Work, and the Will to Lead / S. Sandberg, N. Scovell. Knopf:New York, 2013. – 230 p.
- 17. "Unstereotyped Mindset" Key to Unlocking Gender Equality in the Workplace: New Unilever Research [Електронний ресурс] Режим доступу: http://www.businesswire.com/news/home/20170119005689/en/Unstereotyped-Mindset'-Key-Unlocking-Gender-Equality-Workplace.
- WEF Discusses Gender Equality [Електронний ресурс] Режим доступу: http://www.dw.com/en/wef-discusses-gender-equality/a-37188832.
- 19. When Women Thrive, Business Thrive [Електронний ресурс] Режим доступу: https://www.mercer.com/our-thinking/when-women-thrive.html.
- Офіційний сайт "The Global Business Certification Standard for Gender Equality" [Електронний ресурс] – Режим доступу: http://www.edge-cert.org.