



OVERVIEW

The social and economic changes that transformed Eastern Europe and the former Soviet Union in the last decade of the 20th century had an enormous impact on the lives of the women and men living in the region. While the process of economic restructuring that followed the collapse of the state socialist regimes has brought new opportunities and benefits for some, it has also led to a dramatic increase in unemployment, poverty and social inequality, all of which have negatively affected the economic security of large numbers of women and men. One aspect of the restructuring has involved labour market shifts, and the ways they have impacted different groups of people.

Determining what precisely this impact has been is complicated, however, and at least in the case of women, is subject to a continuing debate among experts and policy makers. While analysts agree that labour markets throughout the region have changed radically since 1990, they have produced different evaluations of how these changes affected women's occupational chances and work opportunities. This is partly due to inadequate data but partly also to differences in the way the existing data are interpreted.

The Story Behind the Numbers explores the position of women in the labour market in the countries of Central and Eastern Europe (CEE) and the Western Commonwealth of Independent States (CIS)¹. The analysis is based on data from the United Nations Economic Commission for Europe (UNECE) Gender Statistics Database, which contains comprehensive sex-disaggregated statistics for the region. The goals of this report are threefold:

- > To understand the impact of recent political, economic and social changes in the region on women's economic well-being and thereby shed light on the differing evaluations offered by recent reports on women in the region.
- > To show the utility of the UNECE dataset as a source of comparable data on women and men in the region and to highlight needed improvements in the availability and quality of data on women and men in the region.
- > To identify directions for policies to improve the economic situation of women in the region.

In recent years, two major reports have assessed women's labour market situation in transition economies: a World Bank report, entitled *Gender in Transition* (World Bank 2002a), and the final report to the European Foundation for the Improvement of Living and Working Conditions, entitled

Working Conditions and Gender in an Enlarged Europe (European Foundation 2005). Although both survey the same region, the scope of the World Bank report is broader, covering all countries in the former Soviet Union and Eastern Europe, while the European Foundation report focuses only on new member states and acceding countries of the European Union (EU). Both rely on similar data sources - labour force surveys and qualitative studies from each country, supplemented by information from well-known international databases. Seemingly, the two reports come to different conclusions about the trends in women's labour force conditions as well as the level of gender inequality in paid work.

The European Foundation finds that '[a]lthough women continue to constitute around 45 per cent of employed people, female labour force participation rates have gone down, and women have dropped out of the labour market to work in household and informal economies, or when still present are overrepresented among unemployed people' (2005: 66). The World Bank report, on the other hand, states that 'there appears to be no empirical evidence that the treatment of women in the labour market has systematically deteriorated across the region' (2002a: xi). These conflicting findings echo the ongoing debate in the academic world, where some analysts argue that women's labour force position has been harmed by the transformations in Eastern Europe, and that they are bearing the burden of social changes to a disproportionate extent (e.g., Funk 2004; LaFont 2001; Einhorn 1993), while others focus on the gains women have made, such as in narrowing the wage gap (Brainerd 2000; Fodor 1997).

The Story Behind the Numbers

This report shows that it is not easy to assess what has happened over the past 15 years to women's economic position in the region. It requires more than simply comparing data over time. Other important elements of such a study are: the basic questions being asked, the comprehensiveness and detail of the data being used and the social and economic context used in interpreting the data.

The primary reason why analysts evaluate women's positions differently is that they ask and answer slightly different questions. This report highlights the implications of these differences and explores the social and economic conditions that provide the context in which they must be viewed. It also considers the limitations and gaps in existing data that prevent us from drawing a fully reliable and complete picture of women's labour market position.

¹ CEE countries analysed in this report are: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, FYR Macedonia, Hungary, Latvia, Lithuania, Poland, Romania, Serbia and Montenegro, Slovenia, and Slovakia; Western CIS consists of Belarus, Moldova, Russian Federation and Ukraine.

The questions examined are: 1) Did women's labour market position and overall living standards deteriorate during the transition? 2) Did women's labour market position deteriorate relative to that of men?

The answer to the first question is a resounding 'yes'. Millions of women lost their jobs; many of them became unemployed, and others became discouraged and dropped out of the labour force. Poverty rates have skyrocketed as the scope and real value of state subsidies have declined at the same time that jobs have disappeared. Only a small number of women can take advantage of the new opportunities offered by international companies or domestic private sector firms. Economic activity rates for women declined significantly over the transition period, particularly among younger women. Female unemployment rates have increased to double-digit numbers in most transition countries. More than 40 per cent of the unemployed women are long-term unemployed in nearly all of the countries examined here. Already high levels of job segmentation continue and women are increasingly crowded into less prestigious, underpaid public sector jobs. As a result, women (as well as men) have become active participants in the growing informal economy, where many receive minimum wages in unstable jobs that offer no benefits at all (Renoy et al.). In addition, women, on average better educated than men, are paid significantly less no matter what sector or occupation they work in. In sum, there is currently significant gender inequality in the job market and the position of most women has undoubtedly deteriorated across Eastern Europe. The long-term consequences of this trend for women will mean greater impoverishment in their later years and greater dependency on state benefits.

The answer to the second question is less clear-cut and varies widely across the transition countries. On the surface, in most countries gender inequality has remained stable over the course of the transition. Women's labour market position has declined, but so has men's. Millions of men have also lost their jobs, become unemployed, discouraged, impoverished - even depressed and suicidal. In only five of 13 countries with sex-disaggregated data on employment do women have significantly higher unemployment than men. The share of women vis a vis men in the labour force has not declined significantly since 1995. The current situation is one in which women and men have roughly equal opportunities - that is, equally few of them. In addition, some aspects of labour force segregation such as occupational segregation have not deteriorated and the gender pay gap - for workers in wage employment - appears to have narrowed in the new EU member states² (but not in other, less developed countries).

The differences between the different political/regional groupings of countries are not significant - in part because only limited data are available for the western CIS and some of the countries in Southeastern Europe (SEE). The main difference is employment in the public and private sectors. Generally, with the exception of Moldova, the share of women relative to men in public sector employment in the eight new member states of the EU is higher (from 55% to 64%) than in either the SEE or the CIS countries (from 40% to 52%). In the latter set of countries with less private sector development, public sector positions are likely to be relatively advantageous, making them more attractive to men than is true in the EU member states.

Fuller understanding of regional labour market trends requires a more detailed examination of occupational and other categories behind the basic labour market indicators, including their terms and conditions, as well as an analysis of the social and economic context in which indicators must be interpreted - in other words the story behind the numbers. Underlying the stability in basic indicators of gender inequality is a great deal of change. The rate of workforce participation of younger women relative to younger men has fallen sharply, while the opposite trend has occurred in the older age groups, particularly for the 55-59 age group. Women now comprise a larger share of public sector employees than they did in the early years of the transition while the vast majority of male employees, particularly in the EU countries, currently work in the private sphere. The consequences for women of segregation in low paid public sector jobs are strikingly different in a market economy than they are in a centrally-planned economy. When income differences are relatively small and people can make ends meet on average wages - as they could in the state-socialist period - a 30 per cent gender wage gap is more tolerable than when inequalities are large and women's wages do not meet a family's or even a single person's needs. Similarly, the conditions underpinning gender segregation are different in labour markets that are fully state-regulated compared to those dominated by private ownership, considering that the private sector offers not only higher wages but also much better in-kind benefits, such as contributions to pension funds, access to higher quality medical and childcare and travel allowances.

It is also important to stress that work conditions in the same employment categories (according to occupation, status, or sector) differ among countries depending on the specific national context and they also differ between women and men. The fact that women are over-represented

² The Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, and Slovenia

in a specific category or that their share has increased does not necessarily mean that women are faring well. For example, the large share of women employed in the private sector or as own-account workers in Moldova could either be the result of scarce opportunities in the state sector or an indication of better opportunities and conditions of work for women elsewhere; any conclusion in this regard requires additional data.

The current analysis shows that quantitative measures of gender inequality presented without sufficient detail and outside the broader social and economic context may lead to inaccurate conclusions about the situation of women. In the case of Eastern Europe, ignoring the context masks the economic hardship, discrimination and declining living standards many women experience. Moreover, even with regard to those aspects of the labour market that have seen no change, a situation where women continue to be employed in positions of lower pay, with lower monetary and non-monetary benefits and overall inferior job quality, is by no means satisfactory. The fact that gender gaps have remained broadly stable is not a gain by itself; it should rather ring a bell, encouraging an inquiry into the reasons behind the lack of improvements and the policy changes necessary to contribute to more equitable work opportunities for women and men.

Along most dimensions, patterns of Eastern European women's labour force participation are starting to look more and more like that of women in the western parts of Europe, despite some differences, such as the level of participation in part-time work. This convergence is due in part to deterioration in the labour market status of Eastern European women over the past 15 years and in part to some improvement in the position of women in the West.

Some important aspects of women's engagement in economic life remain unexplored, as they are not included in the UNECE database. There is no systematic information on the level and quality of informal work done by men and women, which is crucial for understanding trends in women's labour market position; nor is there data on the multitude of unexplored differences among women, such as class, nationality, race/ethnicity and geography, which intersect with gender to make women's economic position precarious. These are all important factors to consider when evaluating women's labour market position, as is the impact of the increase in women's labour migration and trafficking, which has been reported for some countries.

To improve the labour market situation of women and, indirectly, men in the CEE/CIS region, this report points to several needed policy measures. First, in light of the drastic fall in women's labour force participation, alongside that of men, targeted efforts to improve access to paid work for both women and men is critical. For women, this requires access to affordable childcare, along with wider availability of flexible work schedule arrangements that would allow them to stay in formal employment and avoid seeking unreliable and badly paid jobs in the informal economy. Second, the system of tax-benefits and the length, conditions and targeting of parental leave should be reconsidered in order to create more equitable work conditions and allow parents to better balance work and family obligations. Finally, transparent job evaluation and wage setting mechanisms that will help create standards for equal pay for comparable work should be adopted.

The social and economic transformations that have swept across Eastern Europe in the past decade and a half pose many challenges to men and women in transition countries, but also create new opportunities. Public policies should now be put to work to reduce gender inequalities, not through a 'leveling down' process, but by directly improving women's economic position and allowing women to achieve their full potential.