

DISCRIMINATION OF WOMEN IN THE LABOUR MARKET OF SR AND MODELS OF DISCRIMINATION

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Abstract: The paper deals with the problem of women's discrimination in the labour market. Significant differences, among women and men in the labour market, are especially in unemployment rate in reward system, and high horizontal and vertical segregation of women. The aspects of discrimination arise despite of existing legislation, which gender discrimination strictly prohibits. An analysis of arguments, consequences and models of women's discrimination in the labour market can significantly help to remedy this undesirable phenomenon in our economy and society.

Key words: *Women's discrimination, models of discrimination, aspect of non-discrimination*

JEL Codes: J70, J71

Introduction

Discrimination is unwanted but persistent phenomenon, which has its own reasons, progress and consequences. Discrimination occurs in our society from various reasons, especially on the basis of race, nationality, religion, sexual orientation and on the basis of sex. Discrimination is not a phenomenon of modern times but it is a historical, long-term, interdisciplinary and very complex problem, which has extremely deep social roots. A quality analysis of reasons, symptoms, extent and consequences of the problem should not necessarily be interdisciplinary and wide spectral.

Discrimination research is also oriented to the labour market and, at present, it can contribute to understanding of some significant aspects of the phenomenon. At the same time, it cannot contain the centre of the discrimination problems, to identify all reasons and symptoms because also in out of economic sciences exist many approaches, scientific orientations and discrimination symptoms. The field of discrimination looks like to be quite chaotic, wide and open to a scientific research.

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We need to define exactly the course of scientific study to understand a centre of economic and market aspects of discrimination. The aim of the paper is to analyse the women's discrimination in the labour market in Slovakia and models of discrimination, which describe it. The same work and legal standards for both genders are valid in Slovakia, education level for men and women is also very similar but even though it is possible to identify some symptoms and consequences of discrimination in the labour market.

Defining of basic terms

It is possible to define women's discrimination in the labour market quite unambiguously but its demonstration and quantification is much more difficult process. Women's discrimination in the labour market is generally defined as a phenomenon, when women that have the same education, experience, knowledge and productivity as men, are more hardly to employ, they receive lower salaries, have slower careers and they cannot reach the same jobs than men. Of course, we cannot speak about the discrimination if her lower salary or slower career reflects her lower productivity or qualification. Discrimination in the labour market appears only at the condition of the same productivity of women and men, i.e. if both sexes are able to make the same amount of work at the same time interval of the same quality. Women's discrimination in the labour market has various reasons, symptoms and consequences and on the basis of them we can identify 5 basic types of discriminations:

1. ***Discrimination in employment*** means that employers, in the selection of new candidates, prefer men despite the fact that female candidates have the same education and qualification, knowledge and experience and achieve the same productivity. The consequence of the discrimination is higher unemployment rate of women in the relevant labour market.
2. ***Occupational discrimination*** lies in the fact women are deliberately hampered, hobbled or completely denied access to certain professions and jobs that are physically and mentally able to perform. Discrimination can also be seen the other way around forcing professions to women that are named "typically female".
3. ***Career discrimination*** lies in a fact women's career is slower, respectively some working positions, especially managerial ones, are almost inaccessible for women, although women have equal and sometimes even better conditions for career advance as men. As a result very few women are in important positions not only in private but also in the public sector.

4. **Salary discrimination** is characterised by the fact that women at the same positions and at the same quantity and quality of work are paid by lower salaries than men. Displays of salary discriminations are lower average salaries for women than men, respectively than average salary throughout the economy.
5. **Discrimination in access to human capital** means women have limited or restricted access to opportunities for increasing of productivity of their work, especially possibility of learning, acquiring skills, knowledge and experience. As a result of the discrimination is women's worse starting position in the labour market to their disadvantage but not because of their fault.

The first types of women's discrimination in the labour market are possible to characterise as direct discrimination. The Anglo-Saxon literature uses the term "*postmarket discrimination*"³. With direct discrimination women face up to the active entry to the labour market. In contrast, discrimination in the field of improving of human capital belongs to the indirect discrimination, so called *permarket discrimination*.⁴

Analysis of expressions of women's discrimination in the labour market in Slovakia

Significant differences between women and men prove in employment and unemployment in total economic activity in Slovakia. Women prove lower economic activity rate, lower employment and higher rate of unemployment for long time (Table 1). The long-term negative trend in the labour market is not random and various researches confirm that roots of the development could be also found in economic discrimination in women's employment.

Economic women's activity in the national economy in Slovakia in recent years is around 50%, while economic men's activity is in average around 68%. Economic women's activity is 18% lower than in men's one. Women's employment rate is significantly lower than men's one in Slovakia comparing to

³ McConnel, Stanley L. Brue, 1992, p. 347

⁴ Permarket discrimination is characterised by the fact it starts in the period of pre-active enter into the labour market. Women are already discriminated during primary, secondary schools and university study because they have not equal access and opportunities for education and acquisition of qualification.

	2005	2006	2007	2008	2009	2010
Economic rate activity in %						
women	51,3	50,7	50,5	51,1	50,3	50,8
men	68,4	68,2	67,7	68,3	68,1	67,8

the average of EU⁵. Women's employment ranges from 42% - 45%, while men's population ranged in the same period from 57% - 63%.

⁵ The EU average women's employment in 2010 was around 60%, which was also one of the objectives of the Lisbon Strategy.

In total	59,5	59,1	58,8	59,4	58,9	59,0
Employment rate 15+ in %						
women	42,5	43,2	44,2	45,5	43,8	42,7
men	57,8	59,9	61,1	62,6	60,4	59,5
In total	49,8	51,2	52,3	53,7	51,8	50,8
Registered unemployment rate in %						
women	17,2	10,7	9,3	9,6	12,9	13,1
men	15,3	8,3	6,9	7,4	12,4	12,0
In total	16,2	9,4	8,0	8,4	12,7	12,5

Table 1: Rate of economic activity, employment and unemployment in Slovakia in 2005 – 2010

Source: own processing of the ŠÚ SR data

Regarding the women's unemployment in Slovakia, it is on the average 2% higher than men's population. The main reason is their often position at home as a house lady, their often part-time jobs or so called unsteady jobs (casual or seasonal work). Even though employers are explicitly against women's discrimination in women's employment; the data in economic activities and employment and unemployment bring some doubts. Main reasons of it are following descriptions of women's discrimination in models. It is also to clearly identify both types of gender segregation in Slovakia. Horizontal one refers to the tendency to work in certain sectors and professions, while the vertical one is in different working positions of a high status and remuneration. Women are dominant especially in the tertiary sector of our national economy, which employs more than 70% of working women. In certain sectors and professions feminization moved on to such an extent that women make up about 80% of workers. Teaching, retail, health and social care are typical examples. Some professions have become purely feminine such as kindergarten teachers, nurses, clerks of lower positions, secretaries and shop assistants.

The vertical segregation is often associated with so-called funnel effect. The funnel effect is, when the higher working position, in the organization



structure, the lower proportion of women. Vertical women's segregation in Slovakia is more than obvious but not even in other countries of EU they are much better (Fig. 1). The proportion of manageresses in big companies ranges 25% in the Nordic countries 20% in Slovakia and the women's proportion is lower in Italy, Luxemburg, Malta. About 5%. The entire negative displays of women's discrimination in the EU and individual member states should be eliminated by appropriate legislation⁶.

Figure 1 Percentage rate of manageresses in big companies of EU in 2004, 2007 and 2010

Source: processed on the basis of the European Commission data, GREMPL

Probably the most sensitive is the perceived women's discrimination in salaries, because women, in the same positions and the same quantity and quality of work, receive lower salaries than men. This is a very unhealthy phenomenon, however, it has its economic reasons. For example in Slovakia in 2010, the average gross salaries of women in various professions was from 60% - 83% of average salaries of men and 75% of the overall economy (Table 2).

Chosen professions according to KZAM	2005	2006	2007	2008	2009	2010

⁶ An example could be the Directive 2006/54/ES about implementing of principle of equal opportunities and equal treatment of men and women in employment and occupation.

Lawmakers and managers	58,2	66,2	67,4	68,6	68,6	68,7
Scientists and professionals	75,6	75,3	75,1	74,3	74,2	75,3
Workers of Health service and education	68,6	70,6	72,0	75,0	75,1	73,7
Clerks	79,7	79,7	79,4	81,1	81,2	80,1
Workers in service and trade	73,2	71,6	73,1	75,6	63,2	60,3
Workers in agriculture, forestry, etc.	87,4	85,5	88,6	86,7	87,4	82,7
Craftsmen and related fields	63,4	66,7	65,1	64,1	67,4	68,2
Machine operators	72,4	75,3	75,9	76,3	77,0	78,2
Elementary occupations	73,7	76,1	75,1	75,7	75,9	77,3
Average gross month salary w/m	71,6	73,1	74,2	76,0	74,7	75,3

Table 2: Average gross monthly earnings, proportion of women /men in % in Slovakia in 2005 - 2010

Source: own processing on the basis of ŠÚ SR data

Analysis and comparison of chosen discrimination models

*A model of statistical discrimination*⁷ works on an assumption that an individual is more based on average attributes and characteristics of a group, from which he emerged, than according to own individual attributes and characteristics. This evaluation is on general knowledge and experience or on the basis of statistical data about the group. This evaluation is adequate for the average member of the group but inadequate for an individual, who has own unique and individual features.

Businesses, that receive job seekers, usually have only basic data and information such as age, sex, education, previous job, etc. The reason is the fact that obtaining detailed and relevant information is very expensive and time consuming. To identify, which job seeker is optimal on the basis of imperfect and limited information resources is impossible, therefore they often use only general information and experience⁸. Using of group or average characteristics and features can be, in individual cases, very confusing and ineffective. It means, in practice, every young woman is seen as a potential mother therefore they are very often discriminated during the time of their recruitments or career development, although to prove the form of discrimination is almost impossible.

Job seekers, those are different from the average characteristics and features of the group, which they belong to, are very often discriminated. Typical examples are young women that cannot or they do not want to have children and they prefer their careers. Anyway, they are often discriminated by employers because they belong to a so called “risk group” of potential young mothers. Employers, at the same age, education and experience usually prefer a young man than a young woman, during their tenders.

In the case of the statistical discrimination is the employer, who uses it, is not injured anyhow and the employers declaim any responsibility. The employers tries to minimise own costs that ensure greater efficiency and profit growth. The employer tries to eliminate problems in the future the employer if not biased its action is purely rational. As problematic is perceived the behaviour by those employees that are different from the average of the group, which they belong to. The statistical women’s discrimination by employers will exist as long as an experience change will appear and following expectations regarding women’s employment will come.

⁷ Statistical discrimination was first time described and characterised by E. Phelps in 1972 and K. Arrow in 1973.

⁸ A typical example might be a young woman, who is not recruited because she could get pregnant and stop her working for some time.

A model of different expectations of employers is based on the different expectations of employers that determine differences in the labour market for women and men. These expectations are reflected in the position of the demand curve. In the case where employers expect higher marginal product of men, the labour demand of men will be higher than labour demand of women. The labour demand is derived from marginal product. If it would be illustrated graphically, the demand for female labour in graph is more to the left and will define the smaller labour market than men.

Differences are also on the supply side, because the labour supply for men is much more elastic than for women. There are a few reasons why women have less elastic labour supply than men. Women are less mobile geographically and professionally. It has to do with the fact that women are looking for a job near their home. Women usually follow a man for his job opportunity and they are choosing between job offers in their region. In contrast, men can travel further to work; can work well in batch or at night. Men can change jobs more often than women, because they have more alternative opportunities in the labour market. These aspects contribute then to the fact that women have lower salaries than men.

If businesses have to reward women generally for the same position with the same salary as men, it would mean for them to increase the cost of employing women. The result for these entities would have been worse economic performance than businesses in favour of men. This could lead to a loss of competitiveness and gradual loss of market position, or even the company bankrupt. As a consequence of equal pay for women and men, the employers sought to reduce the number of women employees. The legislation which would set the amount of women salaries at men salaries is to deteriorate the status of women in the labour market. Female population would be worse applied in the labour market and women's unemployment would rise even more.

Another important role is played by a widespread hypothesis of a smaller labour input of women. These considerations are supported by the natural and respected role of a woman – mother in society. The labour market offset with those facts applicable to the society through the economic laws of supply and demand, competition and economic efficiency. This is not the reason for that woman who decides to give priority to her professional life and career before family life, should receive a lower salary. Employment i.e. labour supply is the result of an agreement entered into by both parties voluntarily and by free choice. However women have to overcome statistical discrimination and demonstrate their high productivity to the employer. If they do not come to an agreement with him, they can claim the proper labour valuation by legal action.

*Discrimination on the basis of monopsony*⁹ is another model of discrimination against women in the labour market. Monoplist manufacturer is able to increase his profit by selling own products to customers with less elastic for much higher price than customers with higher elasticity of demand, which will sell for less. The situation of women in the labour market is very similar. It is very convenient for monopsony to divide the work providers into two categories according to elasticity of supply function and will evaluate a group with smaller labour supply i.e. women by lower salary. Employers pay higher salaries to men with higher elasticity of labour supply. Labour supply curve is less elastic for women than men and therefore men achieve higher average salaries than equally productive women. Salary discrimination against women is usually not based on any tradition, whether oppression or underestimating of women, but from a purely economic reasons. Employers only benefit from lower labour supply elasticity for women, which allow them to achieve better economic results through salary discrimination against women.

Figure 2 captures the monopsony salary discrimination that rewards different groups of employees by different salary. Graph (a) describes the situation of monopsony, when the total labour supply SL is increasing so that employer could hire another worker, he has to pay a higher salary ($SL = AFCL = W$). Higher salary must be paid not only to the last recruit, but to all employees. It is clear that the marginal cost function at work factor $MFCL$ is also growing, but it is growing faster than labour supply ($MFCL > W$). DL is the demand for labour, which is derived from its marginal productivity ($MRPL = MPL \cdot MR$).

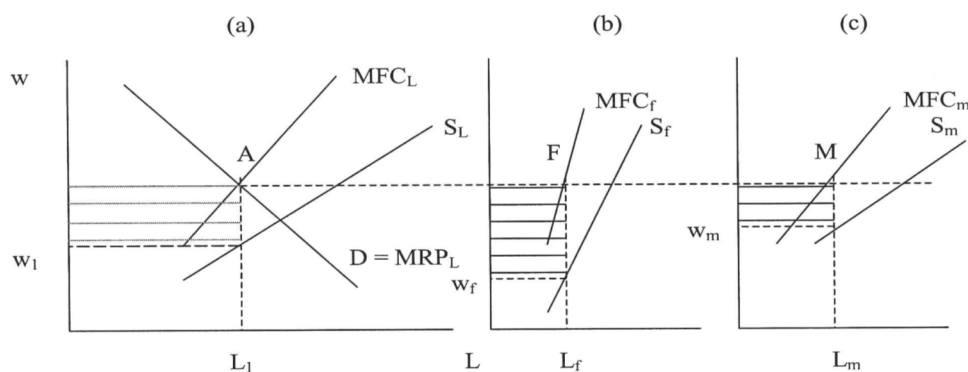


Figure 2: Graphical illustration of monopsony salary discrimination

⁹ Monopsony is a situation in the economy, if there is only one entity on the demand side and usually more entities on the supply side.

Equilibrium occurs at point A, because monopsony is to recruit as long as $MRPL > MFCL$ and will be directed to the point where $MRPL = MFCL$, it will be employed L1 workers with wage W1. The graph (b) and graph (c) captures labor supply and marginal labour costs according to gender. (*Sf and MFCf – women and Sm and MFCm – men*). It is less elastic labour supply for women as labour supply for men. If we horizontally extend a line from the equilibrium point A, then the intersection with *MFCf* (point F) identifies employment of women (*Lf*) and the intersection with *MFCm* (point M) identifies employment of men (*Lm*). Looking at the graphs it is clearly evident that the employer pays higher wages to men (*Wm*) and lower wages for women (*Wf*).

Analysis of non-discriminatory aspects

It is not possible to ignore a large number of non-discriminatory aspects when analyzing discrimination against women in the labour market. These non-discriminatory aspects participate in the different rates of men and women salaries, but they are not demonstrably discriminatory. Salary differentiation of employees, i.e. women and men is determined by the differences in human capital, especially in experience and knowledge, in personality and character differences (persistence, prudence, ability to face danger, etc.). Also these qualities and characteristics determine a value of the employee marginal product for company or organisation. The profit oriented businesses are willing to pay maximum for this value, i.e. overall product increment, which will obtain by hiring of an employee and it does not matter what his gender is. Salary rates differences in the labour market also arise in connection with the market diversification. Salary rate is determined by supply and demand relation for each market sector. A typical example is the labour market in the information technology sector. There is an enormous demand for programmers, network administrators, computer scientists, which is offered above-average salaries.

Men are naturally dominated in the information technology, who often have better qualifications, skills, knowledge and experience in this industry. The preferences are crucial in this context. Men often prefer mathematics, computer science or engineering, while women humanities directions. Women so often work in services, education or health service, where are much lower salaries. In this case is salary differentiation a result of the subjective choice of field of study and consequently the profession.⁸

⁸ There are clear trends from the perspective of the qualification structure. Women are more often studying humanities and social sciences, which make up about 60% share. While men often prefer mathematics, engineering sciences and ICT, which make up about 70% of students.

The jobs and professions are largely heterogeneous, because of different environment, working conditions, physical and psychological demands, time demands, level of risk and harmful to health. From this perspective women tend to seek more comfortable working environment, warmth, less physically demanding work during the day, with lower health risks and harm. Such professions and positions are usually rated with lower salaries. The typical examples are shop assistants, teachers, accountants or administration workers. Higher remuneration for men is often determined by the premiums for risky and unhealthy environment, a higher number of working hours, for night work and work in difficult conditions. Employers logically prefer men for such physically demanding and risky jobs, under the pressure of legal norms and public opinion.

The vast majority of women in society also prefer marriage and family life, care and education of children with respect to these preferences they are making decision about choosing a profession or job. Childcare and household requires a lot of effort, energy and time. Women prefer jobs with less working hours and at the same time they do not have enough time and energy to upgrade skills and investments in human capital. Therefore women choose professions and jobs that are less demanding on effort, performance and time, but they are also worse paid. Presence of women in the labour market is generally shorter than men and is interrupted more often (maternity and parental leave, care of sick children, etc.). Reduced number of working years also means a lower expected rate of return on investment in human capital. On one hand women expect lower salaries assessment in the labour market compared to men, because they often prefer family and household, have less time for education and upgrading skills. On the other hand, there is lower education, skills and investment in human capital; for women it means that they actually become less productive, which corresponds to their lower salaries. Women expectations to fulfil themselves regarding the remuneration lead to a boomerang effect.

Discussion

The analysis of non-discriminatory aspects identifies a number of factors that determine significant differences in rates of remuneration for men and women and does not involve discrimination. The mere existence of differences in salaries between men and women in the labour market does not provide any information about wage discrimination against women and its extent.

Therefore discrimination can not be quantified only in this way. Usually it can be considered when explaining residual, i.e. unexplained by other factors, the difference between salaries of men and women. Identification and quantification of discrimination against women becomes a very complicated process of finding the

ratio between the women individual preferences and non-discriminatory aspects on the one hand, and discriminatory factors determining lower salaries for women on the other hand.

The interpretation issue of unexplained salary gap can be seen from different angles, because there are other factors affecting performance and productivity, such as individual motivation or desire to improve and so on. Efforts to improve and individual motivation also increases the work effort and performance and reduces the unexplained part of the salary gap that can be attributed to discrimination. The analysis of salary discrimination can not lead so far to definite conclusions about the degree and extent of discrimination against women in the labour market, but may bring more rational arguments to the issue.

Conclusion

The existence, quantification and elimination of professional, career, salary and other kinds of discrimination against women in the labour market, the persistence of gender gaps confirm importance of the research on this issue. It is also important to combat deep-rooted gender stereotypes that determine the roles of women and men in society and promoting gender imbalance in paid and unpaid work. Unequal sharing of family responsibilities, difficulty in learning opportunities and investment in human capital may lead to discriminatory tendencies more often in case of women than man. This can negatively affect their career development, salary assessment and economic independence.

Policy to encourage women's participation in the labour market must therefore include an integrated approach including strategies to eliminate gender stereotypes and discriminatory factors. It is also important to take effective measures to improve the balance between work and family life of women and men and not to blame only discrimination from all the differences.

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DYSKRYMINACJA KOBIET NA SŁOWACKIM RYNKU PRACY I MODELE DYSKRYMINACJI

Abstrakt: artykuł dotyczy problemu dyskryminacji kobiet na rynku pracy. Na rynku pracy występują istotne różnice pomiędzy kobietami i mężczyznami, dotyczy to w szczególności systemu wynagrodzenia, poziomej i pionowej segregacji kobiet. Pomimo istniejącego prawodawstwa zakazującego dyskryminacji płci, nadal występuje to zjawisko. Analiza argumentów, konsekwencji i modeli dyskryminacji kobiet na rynku pracy, może znacząco przyczynić się do poprawy tego niekorzystnego zjawiska, występujące w naszej gospodarce i społeczeństwie.

婦女在SR的勞動力市場歧視和歧視模型

摘要：婦女在勞動力市場中的歧視問題的文件。顯著的差異，婦女和男子在勞動力市場中，特別是在獎勵制度，並在失業率高的水平和垂直隔離的婦女。儘管現行法例規定，嚴格禁止性別歧視方面的歧視出現。婦女在勞動力市場的歧視的論點，後果和模型分析，可以大大有助於糾正這種不良現象，在我國經濟和社會。