

BRIDGING THE GENDER PAY GAP IN THE WESTERN BALKANS?

A COUNTRY CASE STUDY OF CROATIA,
NORTH MACEDONIA, SERBIA AND SLOVENIA

*Radojka Kraljević, Laetitia Thissen, Kristijan Kevešević, Tania Ivanova,
Bogdan Banjac, Brankica Janković, Andreja Poje*



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European Political Foundation - N° 4 BE 896.230.213
Avenue des Arts 46 1000 Brussels (Belgium)
www.feps-europe.eu
@FEPS_Europe



**CENTRAL AND EASTERN EUROPEAN
NETWORK FOR GENDER ISSUES**

Iblerov trg 9, 10 000 Zagreb (Croatia)
www.ceegendernetwork.eu
@CEEGENDERNET



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Project Coordination: Laetitia Thissen, Senior Policy Analyst, FEPS & Lovorka Marinović,
Regional Project Manager, CEE Gender Network

Peer-Review: Željka Marčinko Trkulja, Assistant Professor, University of Rijeka & Daša Šašić Šilović,
Gender Expert CEE Gender Network

Copy-editing: Rosalyn Cowie

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EXECUTIVE SUMMARY

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The main goal of this policy study is to uncover the causes and circumstances behind recent dynamics related to the gender pay gap in the Western Balkans. Looking at four countries (Croatia, Slovenia, Serbia and North Macedonia) in the period from the beginning of the COVID-19 pandemic (March 2020) until the end of 2022, this policy study shows that, whilst almost all countries have legislative frameworks guaranteeing equal pay (except North Macedonia), the implementation of the underlying legal acts and strategic documents is still lacking in practice.

Moreover, data from all countries under study indicate that women's position in society has been made more vulnerable in the aftermath of the COVID-19 pandemic. As a result of the health crisis, gender inequalities have widened in all segments of society, and the societal burdens placed on women have increased in both their professional and private lives. The analysis indicates that the decrease in the gender pay gap is an extemporaneous process, which cannot solely be attributed to planned policies or measures. The policy study concludes by formulating a set of policy recommendations aimed at improving our understanding of the gender pay gap and at enhancing its monitoring.

INTRODUCTION

INTRODUCTION

Significant gender differences with regard to wages and remuneration are prevalent in labour markets in every country of the world. Equal pay for equal work or work of equal value for women and men is a universally accepted principle in the EU and is one of the fundamental values of United Nations resolutions and documents from world conferences on gender equality, especially since the early 1970s.

The gender pay gap is an important indicator of the overall political, economic, social and legal circumstances in a country. It can unequivocally indicate the causes behind inequalities in a society, especially those related to gender equality.

The right to equal pay for equal work or work of equal value has been guaranteed by international legislation for over 80 years. Women have made significant progress regarding educational attainment, inclusion in the labour markets and gaining market-relevant skills, which has helped to reduce the gender pay gap, a phenomenon known as the “quiet revolution” in Nobel Prize laureate Claudia Goldin’s terms.¹ However, significant gender differences with regard to wages and remuneration remain prevalent in labour markets in every country of the world.

While the difference in human capital gains between women and men is reduced, the gap in earnings or wages between men and women for equal work or work of equal value is decreasing only slowly over time.²

Gender differences in earnings and wages, and in women’s and men’s positions in the labour markets and within organisations, have been the subject of numerous research studies for decades.

The gender pay gap constitutes an important indicator of the causes behind gender inequalities. It provides a direct insight into the two types of

labour market gender segregation: horizontal and vertical gender segregation. The former refers to the overrepresentation of women in precarious and undervalued sectors characterised by intensive and low-paid labour (e.g., retail, food and accommodation industries or in the care economy). The latter implies that women tend to be excluded from higher-paid and top managerial positions in the private and public sectors.



While the difference in human capital gains between women and men is reduced, the gap in earnings or wages between men and women for equal work or work of equal value is decreasing only slowly over time.



Gender-based pay inequality is one of the most resilient forms of discrimination in all countries of the world. This phenomenon persists despite significant progress made in women’s educational attainment and work experience in the labour market.

As such, the gender pay gap is a negative social phenomenon, and it is an indicator of the lack of implementation of legislation that ensures the principles of gender equality across the labour market and related fields.

To monitor imbalances in earnings between women and men, figures from Eurostat and national statistical offices focus mainly on the unadjusted gender pay gap, which is defined as “the difference between the average gross hourly earnings

of men and women expressed as a percentage of the average gross hourly earnings of men".³ However, this gauge takes neither individual (e.g., education, field of study, years of experience, age or sector of employment) nor company-level (sector, size, etc.) characteristics into account. Research demonstrates, however, that even if all characteristics are considered, a large part of the gender pay gap remains unexplained.⁴

According to the International Labour Organization (ILO),⁵ around 30% of the total gender pay gap is explained by the overrepresentation of women in relatively low-paying sectors, such as care work, education, and the food and service industry (e.g. hotels and restaurants).

This has been best exemplified by the COVID-19 pandemic. Whilst some jobs are done mostly by women, others are still largely the province of men. In contrast to Slovenia and Croatia, in the Western Balkans, the labour market position of women in comparison to men is unfavourable due to large employment gaps, female workers' over-participation in unpaid (care) work and gaps in land ownership. The neo-liberal transition model has only exacerbated the situation, especially in the first phase of transition. While some parameters were on the decline in the 2015-2019 period, women earned, on average, up to 16% less than men at an aggregate regional level.⁶

The causes of the gender pay gap are complex and depend on the position of women and men in society and labour markets. Factors like gender socialisation, stereotypes, cultural pressure, and individual and political decisions play an important role. Key drivers are differences in human capital, direct or indirect discrimination, segregated labour markets, underestimation of women's work, institutional settings, and inequality in reconciling work and family obligations.⁷

The countries included in the survey share a common history of socialism, where the central value was equality. As part of Yugoslavia, countries in this policy study enshrined women's equal rights

in the economic sphere (including equal pay) in the first constitution in 1946. Engels believed that complete equality between men and women would be established through socialism and that differences in gender roles would disappear.⁸ Former socialist societies had a special approach towards women and gender roles.⁹ On one hand, women participated in paid work and education on an almost completely equal basis. A widespread network of social services was created, and women were present in different spheres of society. On the other hand, sexism was widespread, and patriarchy was in the first place in society, institutions and politics. These deeply engrained gender stereotypes continue to influence the next generation.¹⁰

A contradictory gap persists between what is proclaimed and what is experienced – between norms and practices. The position of women in society and the implementation of gender equality is a litmus test of democratisation and the creation of an equal society for all citizens. We can say that socialist societies have made positive progress towards reducing gender inequalities, but, unfortunately, they failed to completely overcome them.¹¹

It is important to mention that progressive feminist and other associations, as well as social democratic and progressive parties, have significantly contributed to maintaining a positive attitude towards gender equality in former socialist countries and have greatly contributed to the drafting of positive and affirmative legislation regarding gender equality in post-socialist countries, for example, in the political participation of women, the quota system and labour legislation. The biggest challenge for improving gender equality remains changing the mentality of both women and men towards traditional gender roles and the conservative backlash.

At the time of the COVID-19 pandemic, the prevalence of gender inequality was made visible throughout all segments of society, and the burden on women increased in both in their pro-

fessional and private lives. Women have borne the brunt of the health crisis. In many aspects, they have demonstrated readiness to take on both social and political responsibilities at all levels. At the same time, they were exposed to significant health risks because they work in predominantly female-dominated professions, such as social welfare, healthcare, education and service industries.¹²

Probing the nature and factors behind wage disparities can shed light on measures that can be taken to address inequalities and improve women's access to economic justice, thus tapping their potential and creating conditions for sustainable growth. During the pandemic, gender inequalities were exacerbated by a marked return to so-called traditional gender roles. At the same time, in the labour market, the sectors with the highest female employment rates experienced the largest job losses. Due to the increased need to care for children in the period when preschools and schools were closed, working mothers had to bear a greater burden, with a significant increase in the scope of household chores and care for other household members, as well as emotional strain, since the outbreak of the pandemic.

Moreover, the implementation of lockdowns in response to the global pandemic resulted in a one-third increase in the number of domestic violence cases.¹³ Women in violent relationships were forced to stay at home at the mercy of abusers for long periods of time.

Against this backdrop, the main goal of this policy study is to determine the dynamics of the gender pay gap in the period from the beginning of the COVID-19 pandemic (March 2020) until the end of 2022 in four countries (Croatia, Slovenia, Serbia and North Macedonia), and to offer a better understanding of the causes and circumstances behind the gender pay gap and its recent dynamics.

Analyses made through this study also indicate that that gender pay gap decrease cannot solely be attributed to planned policies or measures.¹⁴

Based on the fact that during the COVID-19 crisis the gender pay gap significantly decreased in comparison to previous periods, the research was focused on examining in which activities or economic sectors the changes in the gender pay gap were generated (sectors where the gender pay gap increased and where it decreased), and which sectors were "resistant" to the impact that the pandemic had on the economy.

After briefly presenting the current EU legislative frameworks in place, this policy study offers a more complete picture of gender equality frameworks in the four countries at hand, of which two are EU members and the other two are in "accession mode", based on qualitative and quantitative assessments at the national level. Furthermore, it describes the existing national policy mechanisms available to address gender-based discrimination in the labour market.

Ultimately, the aim is to raise awareness of the importance of a nuanced and context-based understanding of the challenges inherent to the gender pay gap and to formulate possible responses.

THE EU LEGAL AND INSTITUTIONAL FRAMEWORK FOR FAIR PAY

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Equal pay for equal work or work of equal value for women and men is a universally accepted principle in the EU and is one of its fundamental values. Article 157 of the Treaty on the Functioning of the European Union (TFEU) places the obligation on member states to ensure that the principle of equal pay for equal work or work of equal value for women and men is applied. Resulting from this primary law basis, a range of secondary laws have emerged over time that were brought together under Directive 2006/54/EC of the European Parliament and of the Council of 5 July 2006 on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation (recast).¹⁵ This directive requires the implementation of the prohibition of direct and indirect discrimination based on gender, including in pay, (access to) employment and in occupational social security schemes. In other words, all aspects and conditions of remuneration for the same work or work of equal value, as well as job classification systems used to determine wages, must be based on the same criteria for both men and women to exclude any discrimination on the grounds of sex. National laws constitute the basic channel of transposing the provisions of this European directive.

Through the evaluation of the application of Directive 2006/54/EC, it was noticed that the application of the principle of equal pay was limited by the lack of transparency in pay systems and

that increasing transparency would enable the detection of gender discrimination in employers' pay structures, that is, that workers, employers and social partners would be enabled to take appropriate measures to ensure the application of the right to equal pay for equal work and work of equal value. This was the main motive for the European Commission to propose a new directive. As a result, Directive (EU) 2023/970 of the European Parliament and the Council to strengthen the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms¹⁶ was adopted and entered into force in June 2023 (see textbox 1). The basic requirement of the directive is that employers in the public and private sectors have pay structures that ensure equal pay for equal work or work of equal value to determine, correct and prevent differences in the salaries of men and women. Member states are obliged to prescribe effective, proportionate and dissuasive sanctions for the violation of rights and obligations related to the principle of equal pay, which includes fines, and any worker who has suffered damage as a result of the violation of any right or obligation in connection with the principle of equal pay has the right to request and receive full compensation or restitution of damages. The member states of the EU are obliged to transpose the directive through national regulations by 7 June 2026.

Textbox 1. Key points of Directive (EU) 2023/970 on strengthening the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms¹⁷

The directive applies to (a) public and private sector employers; (b) all workers with an employment contract or employment relationship defined by law, collective agreement and/or practice.

EQUAL PAY FOR EQUAL WORK OR WORK OF EQUAL VALUE

- EU member states ensure that employers have pay structures that exclude any pay discrimination on the grounds of sex.
- The assessment of comparable work is to be based on criteria including skills, effort, responsibility and working conditions, and other criteria that are relevant to the specific job or position. Criteria must be applied in an objective, gender-neutral manner, excluding any direct or indirect discrimination based on sex.

Pay transparency measures stipulate that:

job applicants have the right to information from the prospective employer before an interview on the initial pay of the job position or its range and, where relevant, details of the provisions of the collective agreement applied by the employer in relation to the position;

Workers:

(1) have the right to request (directly or through their workers' representatives or national equality body) information on their individual pay level and the average pay levels, broken down by sex, for categories of workers performing the same work as them or work of equal value to theirs; and (2) will not be prevented from disclosing their pay for the purpose of the enforcement of the principle of equal pay;

Employers:

- 1) may not ask job applicants about their current or previous pay;
- 2) ensure that vacancy notices and job titles are gender neutral and recruitment processes are non-discriminatory;
- 3) make easily accessible to their workers the criteria that are used to determine workers' pay, pay levels and pay progression, and those criteria shall be objective and gender neutral;
- 4) inform all their employees annually of their right to request and receive in writing information on their individual pay and average pay levels broken down by sex for colleagues doing the same work or work of equal value;
- 5) provide information such as the gender pay gap and the proportion of female and male staff receiving complementary or variable components;¹⁸ and
- 6) cooperate with workers' representatives to identify, remedy and prevent discriminatory pay differences when their pay reporting reveals a gender pay gap above 5% that cannot be justified by objective, gender-neutral criteria and was not tackled within six months.

Member states:

- 1) ensure the availability of analytical tools or methodologies to assess and compare the value of different jobs at the employer level;
- 2) provide technical assistance and training to help employers with fewer than 250 staff comply with the requirements of the directive; and
- 3) take measures to ensure social partners are actively involved, without prejudice to the autonomy of social partners and in accordance with national law and practice.

REMEDIES AND ENFORCEMENT

Member states must ensure that:

- 1) workers have the right to go to court to enforce their rights to equal pay if reconciliation fails;
- 2) associations, organisations, equality bodies, workers' representatives and others with a legitimate interest in ensuring equality between men and women can be involved in administrative or legal proceedings;
- 3) workers whose rights have been infringed can claim full compensation, including back pay, related bonuses or payments in kind, compensation for lost opportunities, and non-material damage;
- 4) competent authorities or national courts can order: (a) that an infringement be stopped and the principle of equal pay be applied; and (b) employers to disclose any relevant evidence;
- 5) employers have to prove that no discrimination has taken place if a case is brought against them;
- 6) the limitation period for bringing equal pay claims is not shorter than three years;
- 7) penalties, which should include fines, are effective, proportionate and dissuasive;
- 8) in the performance of public contracts or concessions, economic operators (including the subcontracting chain) comply with the obligations relating to the principle of equal pay; and
- 9) workers and their representatives are not victimised on the grounds that they have exercised their rights relating to equal pay.

Horizontal provisions:

Equality bodies have jurisdiction with regard to matters falling within the scope of the pay transparency directive.

Member states:

- 1) must provide their equality bodies with adequate resources for effectively carrying out their functions with regard to the respect for the right to equal pay;
- 2) must ensure consistent and coordinated monitoring of, and support for, the implementation of the equal pay principle;
- 3) may apply more favourable terms to workers than those in the directive;
- 4) must provide Eurostat annually, from 31 January 2028, with national data for the calculation of the gender pay gap;
- 5) must inform the European Commission by 7 June 2031 about the implementation of the legislation – this provides the input for the Commission's report to the European Parliament and the Council of the European Union by 7 June 2033.

Another key measure for fair pay stems from the EU work-life balance directive (see textbox 2).¹⁹ In direct application of the European Pillar of Social Rights Action Plan²⁰, it aims to modernise the existing EU legislative and policy framework by addressing women's underrepresentation in the labour market and outlines several new or improved minimum standards for parental, paternity and caregivers leave, as well as flexible working arrangements for parents and carers, while also aiming to encourage a more equal sharing of parental leave between men and women. By August 2022 all EU member states had to transpose the directive into national legislation. The resulting infringement procedures initiated by the European Commission against 24 member states failing to meet their obligations in September 2022 corroborates the idea that values and costs have a major role to play in enacting social policy measures.²¹

Text box 2. Directive 2019/1158 of the European Parliament and of the Council of 20 June 2019 on work-life balance for parents and carers and repealing Council Directive 2010/18/EU²²

Measures under the directive include:

The introduction of paternity leave: under the directive, fathers must be able to take at least 10 working days of paternity leave around the time of birth of their child, compensated at least at the level of sick pay.

Ensuring that two out of the four months of parental leave are non-transferable between parents and compensated at a level that is determined by the Member State.

The introduction of carers' leave: workers providing personal care or support to a relative will be entitled to five days of leave per year.

Extending the right to request flexible working arrangements to carers and working parents of children up to eight years old.

The directive is also accompanied by a set of policy measures that are designed to support Member States in achieving the aims of better work-life balance and more equally distributed caring responsibilities. These include:

Encouraging the use of European funds to improve the provision of formal care services,

Ensuring protection for parents and carers against discrimination or dismissal, and

Removing economic disincentives for second earners within families.



THE NATIONAL LEGISLATIVE AND INSTITUTIONAL FRAMEWORKS FOR FAIR PAY

THE NATIONAL LEGISLATIVE AND INSTITUTIONAL FRAMEWORKS FOR FAIR PAY

Offering a first overview of the gender pay gap in the countries under study, table 1 shows the change in the level of the employment rate for women and men. Besides the considerable variations from one country to another, it also shows the challenges related to collecting relevant data (the only available data for Serbia and North Mac-

edonia date from 2018). In Croatia and Slovenia, the gender pay gap is highest during 2019, after which time it shows a slight trend of reduction. However, these trends also need to be contrasted with other gendered indicators, such as women's and men's employment rates.

Table 1. The gender pay gap in Croatia, Serbia, Slovenia and North Macedonia between 2018 and 2022.

Year	Croatia	Serbia	Slovenia	North Macedonia
2018	13.3	8.8		16.8
2019	12.8	(unavailable)	9.3	(unavailable)
2020	6.8	(unavailable)	7.9	(unavailable)
2021	6.9	(unavailable)	3.8	(unavailable)
2022	7.4	(unavailable)		(unavailable)

Source: Calculations based on average monthly gross earnings per person paid by legal entities, according to NKD 2007, and by sex, according to the Croatian Bureau of Statistics; Women and men in the Republic of Serbia, Statistical Office of the Republic of Serbia; Slovenia – Statistical Office (SORS); North Macedonia State Statistical Office. MakStat DataBase: average gross earnings, taxes and social contributions by regions and gender, four-year; data for total average gross earnings per hour in 2018 used for our calculations

Beyond the mere gender pay gap figures, the presentation of the institutional framework in each country provides insights into the public authorities responsible for monitoring and implementing the principle of gender equality at the national level,

including the principle of equal pay for women and men. It also outlines the existing labour and anti-discrimination laws protecting workers in case of violation of the right to equal pay for equal work or for work of equal value.

CROATIA

According to Croatian labour law, the employer is obliged to pay equal wages to workers for equal work or for work of equal value.²³ Any provision of an employment contract, collective agreement, working regulations or other legal act contrary to the stated legal obligation is considered null and void. In the latest amendment to the Labour Act (in force since 1 January 2023), the legislator separated the categories of equal work and work of equal value, which until then had been formulated as cumulative prerequisites of the obligation to pay equal wages. Therefore, according to the new regulation, the employer is obliged to pay equal wages to workers for equal work or for work of equal value.

Both concepts have their own legal definition. Equal work exists if two persons of different sexes perform the same work under the same or similar conditions or could replace each other in relation to the work they perform, that is, if the work performed by one of them is of a similar nature to the work performed by the other, and the differences between the performed work and the conditions under which each of them performs it have no significance in relation to the nature of the work as a whole or occur so rarely that they do not affect the nature of the work as a whole.

Work of equal value exists for two persons if the work performed by one of them is of equal value to the work performed by the other, taking into account qualifications obtained at a certain level of education and the nature of the work determined according to objective criteria, such as the necessary knowledge, skills, responsibility, independence and conditions under which the work is performed.

In line with the EU directive, the Croatian legislator stipulated that the employer is obliged, at the request of the employee, to submit information on the remuneration criteria for an employee performing tasks of the same or similar nature to their colleagues.

Transposing EU Directive 2006/54/EC, the 2008 Gender Equality Act²⁴ prohibits discrimination in the field of employment and work in the public and private sectors, including state bodies, in relation to the conditions of employment and work, all rights from work and on the basis of work, including equal pay for equal work and work of equal value (Article 13). This clearly determines that the gender pay gap, under circumstances of equal work or work of equal value, represents gender discrimination.

At the institutional level, the competent authority for drafting the legal framework is the Ministry of Labour, Pension System, Family and Social Policy. At the level of monitoring the application of the principle of gender equality, the ombudsperson for gender equality regularly analyses trends in the gender pay gap and reports their findings in annual work reports to the Croatian parliament. It is important to point out that, as the holder, the ombudsperson implemented a very rare EU project on the topic of the gender pay gap,²⁵ which was recognised as an example of good practice at the level of the European Network of Equality Bodies (EQUINET).

At the level of strategic action, the gender pay gap is the subject of the National Plan for Gender Equality and its accompanying action plan, which were developed by the Office for Gender Equality as an expert service of the Government of the Republic of Croatia.

Finally, at the level of implementation, it is important to point out the role of the state inspectorate of the Republic of Croatia, which in the implementation of inspection supervision can order the employer to provide the worker with information about the criteria on the basis of which the worker who performs jobs of the same or similar nature earns a salary, if such a worker exists for the employer.

When considering the institutional structure important for the topic of the gender pay gap, it is necessary to anticipate the establishment of a special monitoring body (or organisational unit) based on the transposition of EU Directive 2023/970 on pay transparency.

SLOVENIA

When Slovenia was part of Yugoslavia, equality was one of the fundamental values enshrined in the first Yugoslavian (1946)²⁶ and Slovenian (1947)²⁷ constitutions. In line with the constitution, the duty of the state was to safeguard the interests of the mother and the child by establishing nurseries, kindergartens and care institutions and giving the mother right to a paid leave before and after childbirth. The constitution also stipulated that women were equal to men in all spheres of state activities, in economic and social life. For equal work, women had the right to equal pay²⁸ and enjoyed exclusive rights in the labour relationship; among others, women were protected from working at night and under extreme conditions.

This historical context has led to a strong belief that equality in Slovenia has been achieved, resulting in the gender pay gap not being recognised as a major issue for concern. Although addressing the gender pay gap constitutes an essential precondition for equal opportunities, no actual policies are being pursued.

After independence, the new Slovenian constitution adopted in December 1991 did not explicitly include the equal pay principle but broadly enshrined equal human rights and fundamental freedoms, regardless of gender or other individual grounds, as well as equality before the law (Article 14).

In addition to the Employment Relationships Act,²⁹ which obliges employers to pay equal pay for equal work or work of equal value, irrespective of gender, and defines the invalidity of employment contract provisions, collective agreements or general acts of the employer that do not comply with these requirements (Article 133). The Public Sector Salary System Act³⁰ similarly lays down the principle of equal pay for male and female civil servants working in comparable posts, titles and functions in the Slovenian public sector (Article 1).

The very general provision of Article 133 of the 2013 Employment Relationships Act, which pro-

vides equal pay for men and women, is closely linked to Article 6 of the same act, which regulates the prohibition of discrimination (direct or indirect) against a job seeker or an employee due to gender or other individual characteristics. It forces employers to ensure equal treatment and equal opportunities in employment, promotion, training and education, retraining, wages and other benefits, working conditions, working hours, and termination of employment contracts. In line with EU obligations, the amendments to the above-mentioned Act furthermore included unfavourable treatment of workers due to pregnancy and parenthood as a grounds for gender-based discrimination. Likewise, it also ensured the reversal of the burden of proof on the employer, meaning that the latter must prove that they did not violate the principle of equal treatment or the prohibition of discrimination. If a violation of the right to equal pay for equal work or work of equal value occurs, an employee may request legal protection and may not be dismissed (Article 90). In this case, the employee can initiate litigation, referring to the violation of the equal pay principle (Article 133) or referring to discrimination (Article 6). The provision of Article 133 itself has no minor offence sanctions, while the disputes of Article 6 are related to a monetary claim.

Direct legal redress is possible in Slovenia, but there has never been a court dispute for violating the right to equal pay for equal work or work of equal value, regardless of sex. Although the burden of proof is on the employer, the person initiating the dispute must prove that the right to equal pay has been infringed. A major impediment to achieving pay equality is a culture of non-disclosure of wages, reference to personal data protection, non-transparency in wages and wage systems, and the inability to compare wages with other employees doing the same job or suitable comparators, as well as a lack of legal certainty on the concept of work of equal value and procedural obstacles.³¹ Besides the unavailability of wage data, Slovenia did not define the concept of equal/same work, work of equal value or equivalent work. Establishing a valid compar-

ator in pay discrimination cases would therefore be impossible.³²

Beside trade unions,³³ the Slovenian equality body, in their recommendations (2021), called on legislators to identify measures to increase transparency in the provision of equal pay for comparable work and to strengthen the effectiveness of protection in the event of infringements.

In 2016, the University Women of Europe filed a complaint with the European Committee of Social Rights (ECSR) against Slovenia and 13 other European countries,³⁴ claiming that Slovenia failed to observe the principle of equal pay for women and men for equal, similar or comparable work. Among others, the complaint related to Article 4(3) and Article 20(c) of the revised European Social Charter, first defining the right to fair remuneration and the right to equal pay for work of equal value and later defining the right to equal opportunities and treatment in employment and occupation without sex discrimination.³⁵ The ECSR (case no. 137/2016)³⁶ established that Slovenia violated both articles of the European Social Charter. The Committee noted, on one hand, that the existing legal framework allowed victims of pay discrimination to claim their right to equal pay, but the obligation to ensure access to effective remedies had not been satisfied due to the complexity and length of the proceedings; this is reflected in the absence of equal pay cases being brought in front of a competent court.

The main obstacles, according to the ECSR opinion, are the absence of a clear definition of equal work and work of equal value and the lack of pay transparency (regarding regular reporting by employers on pay and access to information on the pay of a fellow worker) in the context of judicial proceedings. The ECSR adopted the conclusion that *“Slovenia is not in conformity with Article 20(c) of the Charter on the grounds that pay transparency is not ensured”*³⁷ and added that *“the measures”*³⁸ *taken to promote equal opportunities in the labour market with regard to equal pay have not been sufficient”*.

In 2014, the European Commission adopted recommendations on strengthening the principle of equal pay for women and men through transparency,³⁹ promoting four key transparency actions (i.e., the right to information on pay levels, pay reporting, pay audits and collective bargaining on equal pay). Slovenia is one of the countries that has not followed the recommendations and has not implemented a single measure to improve the transparency of wages.

Ahead of the adoption of the EU Pay Transparency Directive was passed in 2023, the Ministry of Labour, Family, Social Affairs and Equal Opportunities (MDDSZ), together with the Slovenian Research and Innovation Agency (ARIS) commissioned a project to review different practices in the area of pay transparency in the EU and other countries and to prepare measures and an action plan for its implementation in Slovenia with the aim of most efficiently implementing the directive.⁴⁰

SERBIA

The constitution of the Republic of Serbia prohibits any form of discrimination, direct or indirect, on any grounds, including race, gender, national affiliation, social origin, birth, religion, political or other beliefs, property, culture, language, age, and mental or physical disability.⁴¹

The constitutional prohibition against discrimination is further elaborated in the Law on Prohibition of Discrimination, which defines acts of discrimination as any unjustified unequal treatment, including omission (such as exclusion, restriction or giving priority), overt or covert. Discrimination is based on personal grounds, namely, race, colour, ancestry, citizenship, nationality or ethnicity, language, religious or political beliefs, gender, gender identity, sexual orientation, property, birth, genetic characteristics, health status, disability, marital and family status, conviction, age, appearance,

membership in political parties, trade unions, and other organisations, as well as other real or presumed personal characteristics.⁴²

Article 104 of the Labour Law mandates equal salary for the same work or work of equal value, defining equal work as “work for which the same educational level, same working ability, responsibility as well as physical and intellectual works are needed”.⁴³

Furthermore, Article 4 of the Law on the Prohibition of Discrimination underlines the principle of equality, maintaining that every individual is equal and entitled to equal legal protection, regardless of personal characteristics. It further mandates adherence to the principle of equality and the prohibition of discrimination.⁴⁴

Additionally, Article 6 of the Law on Prohibition of Discrimination states that direct discrimination occurs when an individual or a group of persons, with the same or similar circumstances, are treated or have been treated, or may be treated, in a less favourable manner based on their personal characteristics through any act, action or omission.⁴⁵ The law strictly forbids the exercise of discrimination in the area of employment, including the violation of equal opportunities for employment, equal conditions for enjoying labour rights, such as the right to employment, free choice of employment, promotion, professional training, professional rehabilitation, equal pay for work of equal value, fair and satisfactory working conditions, paid vacation, joining a trade union and protection against unemployment (Article 16).⁴⁶ The provisions of Article 20 of this law state that:

*discrimination based on gender shall be considered to occur in the case of conduct contrary to the principle of gender equality; that is to say, the principle of observing the equal rights and freedoms of women and men in the political, economic, cultural and other aspects of public, professional, private and family life.*⁴⁷

Article 29 of the Law on Gender Equality outlines the obligations of employers and public authori-

ties to ensure equal opportunities for employees, regardless of their gender or family status, in the exercise of employment and labour rights, as well as other types of work engagement. It mandates equal opportunities for job seekers and emphasises the provision of equal opportunities for professional development, additional education, vocational guidance, advanced professional training, retraining and practical work experience, irrespective of the employee’s sex, gender or family status.⁴⁸

Furthermore, the Law on Gender Equality states in Article 34 the obligation of equal remuneration for work of equal value. Also, it states that, when determining the amount of pay referred to in paragraph 1 of this article, the systematisation of jobs or work positions must be based on the same criteria for women and men and regulated so as to exclude discrimination on the basis of sex or gender.⁴⁹

Finally, in 2021, the government adopted the Strategy on Gender Equality 2021-2030, which emphasises the importance of narrowing down the economic gap between women and men in Serbia and envisages concrete measures for achieving equal pay.

The institutional framework in Serbia relevant to the issue of gender equality, and more concretely the issue of the gender pay gap, includes the government, which is primarily responsible for the implementation of the existing legal and strategic framework. The Coordination Body for Gender Equality is established for the purpose of coordinating government bodies with respect to issues related to gender equality.

Furthermore, the Commissioner for the Protection of Equality is a state authority, established by the Law on the Prohibition of Discrimination, as an independent body to control implementation of the law. The task of this state authority is to prevent all forms, types and cases of discrimination; to protect the equality of natural persons and legal entities in all spheres of social relations; to oversee the enforcement of antidiscrimination regulations; and to improve the realisation and protection

of equality. The commissioner is competent to receive and consider complaints of discrimination, to issue opinions and recommendations in concrete discrimination cases, and to stipulate measures defined by the law. The commissioner is authorised to warn the public about the most common, typical and severe cases of discrimination; to monitor the enforcement of laws and other regulations; to initiate adoption or amendments of regulations, with the aim of making them more enforceable and improving protection from discrimination; and to recommend measures for achieving equality to public authorities and other parties concerned.⁵⁰ All the aforementioned competences make the Commissioner for Protection of Equality a crucial mechanism for advancing gender equality, as well as assessing and closing the gender pay gap.

NORTH MACEDONIA

In the Republic of North Macedonia (North Macedonia, hereafter) gender equality is guaranteed by the constitution⁵¹

Citizens of the Republic of North Macedonia are equal in their freedoms and rights, regardless of sex, race, colour of skin, national and social origin, political and religious beliefs, property and social status. All citizens are equal before the Constitution and law. (Article 9)

The constitutional guarantee is further strengthened by some of the legislation from ex-Yugoslavia that North Macedonia acceded, for example, the ratified ILO Convention No. 156 on Workers with Family Responsibilities,⁵² the principles and values of which it must promote.

North Macedonia is fully committed to the UN 2030 Agenda for Sustainable Development and the EU integration process. The country has set up a framework of sustainable development policies through measures, activities and guidelines

defined in the National Strategy for Sustainable Development 2009-2030 (NSSD).⁵³ The United Nations in North Macedonia assists the country with the acceleration of activities towards reaching the sustainable development goals defined in the 2030 Agenda through the identification of strategic priorities within its key document, the 2021-2025 Sustainable Development Cooperation Framework.⁵⁴ The framework is aligned with the country's national development priorities, its international human rights and gender equality commitments, and Agenda 2030.

Furthermore, North Macedonia has signed or ratified several international documents and conventions that govern various aspects related to the protection and promotion of human and women's rights and, as a candidate country, it is obliged to approximate its legislation to the EU acquis and the corresponding directives and regulations, including Article 157 of the TFEU. Likewise, the country needs to ensure that EU directives on equality are transposed into national laws, including the recast Directive 2006/54/EC or the more recent Directive (EU) 2023/970 on pay transparency.

Although North Macedonia has made substantial progress in the approximation of its national legislation,⁵⁵ it has not fully approximated its labour market legislation to the EU acquis and the corresponding EU directives. In the past years, several attempts were made to finalise and adopt the new draft Law on Labour Relations surrounded by long-term advocacy by civil society, among other things, for the introduction of paternity leave and shared parental leave in line with Directive (EU) 2019/1158.⁵⁶

The Law on Labour Relations includes provisions for protection against discrimination and equal opportunities for women and men (since 2005). In 2015, it was amended to require equal pay for women and men and equal treatment in relation to employment, working hours, working conditions, occupational social security schemes and absence from work. And yet, the legal framework for equal pay is not fully in line with the EU acquis, especially

when it comes to transparency of salaries, and it needs further amendments.⁵⁷ Additionally, existing regulations remain a challenge for institutions. There is a serious lack of systematic implementation as well as insufficient efforts by the state to prevent negative effects. Despite the fact that this directly influences the persisting gender gap in the Republic of North Macedonia, equality bodies, such as the Ombudsperson, the Commission for Protection against Discrimination, the Ministry of Labour and Social Policy's legal representative and the mostly applied administrative mechanism for protection of workers' rights – the State Labour Inspectorate – have not been sensitive in relation to this issue. They have failed in their informative, preventive, counselling and repressive competencies when it comes to establishing violation and protection of these institutes. The situation is even worse regarding salary transparency, which is not at all embedded in Macedonian legislative frameworks; the only exception is the announcement of salaries in job advertisements (which is also not fully followed by legal entities).⁵⁸

Another challenge that prevails at the national level, over the long years of candidacy,⁵⁹ is the observed gap between the approximation and implementation of laws, which refers to the processes in which European norms are not merely transposed but also adhered to and enforced.⁶⁰ This is also confirmed by the latest North Macedonia 2022 Report by the European Commission,⁶¹ which calls upon the swifter adoption and approximation of crucial laws and improved implementation of existing ones. This report underlines that the national gender equality index⁶² remains the key indicator for measuring citizens' equality but it has not yet been updated since its first publication in 2019. Adequate collection and analysis of gender statistics requires increasing the capacity of relevant institutions and improving coordination.⁶³

From a policy perspective, we need to state the importance of the legislative changes concerning the statutory minimum wage, particularly for low-paid workers, which has been documented by different analyses and research data,⁶⁴ that can

address the undervaluation of work typically done by women (in labour intensive and/or low-paid jobs, as well as the duty on employers to actively promote gender equality in the workplace.⁶⁵ This is also substantiated by the observed small but still positive shifts when it comes to low-paid female workers, which occurred when the Law on Minimum Wage was amended in 2017; this aimed to equalise the minimum wage with the national average for workers in the textile, leather and apparel industries, where the majority of employees are women, without any significant effects on the businesses' profitability.⁶⁶

This further confirms that specific programmes targeting women to address the cultural and societal undervaluation of their work are important for narrowing the persistent gender pay gaps in the country and improving the overall conditions for women in general, while utilising and unlocking the hidden workforce potential of half of the population.

STRUCTURAL BARRIERS TO FAIR PAY

STRUCTURAL BARRIERS TO FAIR PAY

As the previous section shows, all countries have legislative frameworks for gender equality. Nevertheless, women are still not paid the same as men, even though this right has been guaranteed for almost 80 years. The socio-economic case for addressing the gender pay gap is insufficiently recognised, and the level of awareness remains scarce. Due to a lack of political will, outdated traditional social values continue to prevail. Legislating for the right to equal pay alone won't suffice. The close monitoring of its implementation in practice is essential to overcome persisting structural barriers.

GENDER PAY GAPS DIFFERENTIATIONS IN THE PRIVATE AND PUBLIC SECTORS

The majority of EU member states (for which data is available) recorded a higher gender pay gap

(in absolute terms) in the private sector than in the public sector in 2021.⁶⁷ In most cases, the public sector tends to determine pay levels based on transparent salary grids.

Instead, the gender pay gap in Slovenia⁶⁸ is higher in the public sector than in the private sector, even though the public sector wage system is highly regulated and well-defined. In 2021, in the public sector, it stood at 11.8% and in the private sector at 7.2% (Table 2). The gender pay gap has decreased in the public sector by 1.2 percentage points (p.p.) and increased in the private sector by 0.6 p.p. in 2021 compared to 2020, but further increased again in 2022 in both sectors. At the same time, public ownership in Slovenia has decreased (-1.2) over a three-year period, whereas private ownership is on the rise (+0.6).

Table 2. Type of ownership and the gender pay gap (%) in Serbia (in 2018) and Slovenia (2019-2021).

Type of ownership	Serbia	Slovenia			
	2018	2019	2020	2021	Difference 2021-2020
Private	10.1	8.7	6.6	7.2	+0.6
Public	11.6	13.4	13	11,8	-1.2

Source: Women and Men in the Republic of Serbia – Statistical Office of the Republic of Serbia State Statistical Office. MakStat DataBase: Gender statistics indicators – Labour Force Slovenia – Statistical Office (SORS).

GENDER PAY GAP INFLUENCED BY CARE RESPONSIBILITIES

The highest average income, according to relevant statistics, is achieved in Slovenia,⁶⁹ followed by Croatia⁷⁰ and Serbia.⁷¹ North Macedonia has no relevant statistical data, but *net* monthly wages in 2019 were 609 Macedonian denar (MKD, national currency), 660 MKD in 2020 and 697 MKD in 2021.⁷² In Slovenia (in line with SORS data), the average net wage for men in 2021 amounted to €2,116 and for women to €2,035. In 2020, the unadjusted gender pay gap stood at 4.2% and decreased to 3.8% in 2021 by 0.4 p.p.⁷³ In Croatia, the increase in women's average earnings can be explained by the reduced use of sick leave to care for a family member during 2020, for which the state spent 7,118,333 Croatian Kuna (HRK, €944,765) less than in 2019 or 20,929,881 HRK (€2,777,872) less than in 2021. On a daily basis, this type of sick leave decreased in 2020 by 11%, partially due to the fact that a significant share of employees teleworked without using the right to sick leave to care for a child older than 3 years, for which salary compensation was limited to 4,257.28 HRK (€565).

In Slovenia, COVID-19 affected the distribution of time use between men and women. A time survey among 467 working-age (25-65 years) individuals was conducted during the first COVID-19 wave in May 2020.⁷⁴ Before the pandemic, people spent, on average, 29% (6.7 hours) of their time on paid work, 27% (6.5 hours) on unpaid work and 44% on leisure and other activities. During the pandemic, people worked an average of 20% less than before (1.5 hours less a day), so the share of time of paid work decreased (24%), while the share of leisure (45%) and unpaid work (30%) increased. Household work increased by almost 45 minutes a day.

Even in normal times, Slovenian men and women are still unequal in terms of time use. Before the pandemic, men spent, on average, 32% of their time on paid work and 24% on unpaid work, while women spent less on paid work (26%) and more on unpaid work (29%). Men worked, on average, 1.5

hours more than women in the labour market, and women spent 1.2 hours more than men in households (preparing meals and doing unpaid work). Measures adopted by the Slovenian government during the pandemic greatly affected women and men, and their position in the labour markets, in many different ways. The impact of measures depended heavily on the family status of women and men, burdening parents more than non-parents. As public transport was suspended, getting to work was difficult or impossible. The closure of kindergartens and organising online education for children because schools were closed put an extra burden on parents, primarily women. Additional unpaid work included cooking meals otherwise provided in schools or kindergartens, helping with school activities, and taking care of the elderly and sick. As companies and workplaces were mainly closed due to the pandemic, parents had to reconcile the double burden simultaneously. During the pandemic, the time spent on paid work was reduced for men and women, and additional unpaid work increased for both genders (by 4 p.p.), reducing the gender gap in time spent on unpaid work. Research shows that men spent 26% of their time on paid work and women 21%. Similarly, men spent 28% on unpaid work and women 32%. Interestingly, the gender gaps narrowed in household activities perceived as female, like cooking and cleaning, as men started to engage more, and in household activities perceived as male, like home maintenance, women started to spend more time on the latter. Men also spent significantly more time caring for children, resulting in a large decrease of 19.6 p.p. in the gender gap in childcare.⁷⁵

Highly feminised workplaces and jobs remained open throughout the whole COVID-19 period, including healthcare, social service, retail trade and pharmacies, and women in these sectors were more exposed to infections, long working hours and difficult working conditions. Due to the unavailability of public transport, schools or kindergartens, many young mothers working in these sectors, who had no childcare for their children, were forced to wait for work at home, and those

who continued to work were faced with additional stress, strain and long working hours due to the labour shortages. In line with the Slovenian private and public sector pay systems, COVID-19 allowances were introduced as additional compensation for working under these hazardous conditions and interacting with others, varying between activities or sectors.

The COVID-19 pandemic has also affected the levels of satisfaction with work, work engagement and work efficiency of men and women working from home in Slovenia. In line with a survey of 785 employees working from home during the pandemic, COVID-19 has increased the childcare, housekeeping and other domestic responsibilities of women and men.⁷⁶ Nevertheless, the results show that women took on the bulk of these obligations. In line with the results, women's increased workload with housework, childcare and care for incapacitated elderly relatives interfered with paid work, creating more stress and a gender gap in work satisfaction, motivation, engagement and work efficiency. Consequently, female workers' satisfaction with work, work engagement, work efficiency and quality were perceived as lower than male workers and lower than under normal circumstances. Therefore, women's earnings are closely related to the reconciliation of professional and private lives.

In Croatia, 35% of women (EU average 37%) and 21% of men (EU average 25%) spend time every day on taking care of children, grandchildren, older family members and family members with a disability, while 62% of women (EU average 78%) and only 12% of men (EU average 32%) participate in daily household activities (cooking, cleaning etc.).⁷⁷ In other words, the gender pay gap is directly proportional to women's involvement in care responsibilities.

Similar observations can be made regarding the evolution of the gender pay gap according to women's age groups. In Serbia (Table 3), North Macedonia (Table 4) and Slovenia (Table 5) for instance, the age disaggregation of the gender pay

gap shows that although women in all age groups are affected, it increases for the age brackets most likely to be impacted by care responsibilities compared to the younger or older age cohorts and to increasing extents. This means that North Macedonian women may face a gender pay gap ranging from 5.4% to 26.4% depending on whether they belong 15-19 or 45-49 years old cohort. In Serbia (table 3) for instance, as women progress into their 30s and 40s, the gender pay gap jumps respectively to double digit figures before decreasing again from age 55, indicating a potential shift in dynamics. For individuals aged 60 or more years, the data even shows negative gender pay gap figures. The fact that the gender pay gap is highest in age group aged 30-40, a life period considered crucial for career development and personal development indicates a connection with structural factors such as work life imbalance, child-rearing responsibilities, unpaid work and societal expectations. Age – and the responsibilities that come with it – therefore constitutes a major factor influencing the gender pay gap.

Table 3. Net monthly wage gender gap by age group in Serbia from 2020 to 2022 in %.

Age group	September 2020	September 2021	September 2022	Difference 2020-2022
Total	10.3	12.0	14.7	4.4
15-19	5.5	6.6	6.8	1.3
20-24	6.4	7.3	9.2	2.8
25-29	8.0	9.2	12.4	4.4
30-34	13.9	15.9	18.8	4.9
35-39	15.3	17.8	21.6	6.4
40-44	14.4	17.0	19.1	4.7
45-49	13.5	14.4	16.1	2.6
50-54	11.9	12.2	14.1	2.2
55-59	4.5	6.1	7.8	3.3
60-64	4.3	-3.0	0.4	3.9
65+	2.2	-6.2	1.9	0.3

Source: Statistical Office of the Republic of Serbia.

Table 4. Gender pay gap by age group in North Macedonia 2018 in %.

Age group	North Macedonia
15-19	5.4
20-24	7.0
25-29	12.5
30-34	15.0
35-39	18.9
40-44	20.9
45-49	26.4
50-54	21.6
55-59	16.3
60+	10.4

Source: State Statistical Office. MakStat DataBase: Average gross annual earnings and annual bonuses and allowances by age group and gender, four-year, data from 2018 used for our calculations.

Table 5. Gender pay gap by age group in Slovenia from 2019 to 2021 in %.

Age group	Gender pay gap (%)			
	2019	2020	2021	Difference 2021-2020 (in p.p.)
Total	5.8	4.2	3.8	-0.4
15-64	5.6	4.0	3.7	-0.3
15-24	10.3	8.8	9.9	1.1
25-34	9.1	7.6	7.9	0.3
35-44	8.3	7.0	6.6	-0.4
45-54	8.4	6.8	6.1	-0.7
55-64	3.3	1.7	1.3	-0.4

Source: Gender pay gap in public and private sector by level of education, SORS; gender pay gap by age groups, SORS.

GENDER PAY GAP INFLUENCED BY EDUCATION

Education plays a crucial role in fulfilling personal potential and pursuit of career opportunities. Analysing the data based on the level of education indicates significant disparities in the gender pay gap. In Serbia, for instance, groups without education or incomplete primary schooling experience a gap amounting to 21.2%.⁷⁸ This emphasises the importance of basic education in overcoming barriers and reducing gender inequalities. Individuals with secondary education experience a gap of 14.2%, while those with a bachelor's degree, university or expert studies see a further reduction to 17.9%.⁷⁹ Surprisingly, the gap remains the same for individuals with higher education, master's and doctoral degrees, suggesting no difference once a level of higher or high education is achieved. Likewise in North Macedonia, the gender pay gap is evident

across all educational backgrounds, and women seem to earn consistently less than men (see Table 7). The observed trends highlight persistent gender-based wage disparities among individuals with higher educational qualifications, suggesting the presence of systemic biases and discriminatory practices hindering women's economic progress.

In Slovenia (Table 8), the gender differences in earnings are highest among the most educated and those employed in the most demanding jobs: in 2021, the gender pay gap stood at 15.9% among persons in paid employment with tertiary education; and at 11.8% among those with primary education or less. In the public sector in 2021, the gender pay gap was the highest among persons in paid employment with upper secondary education and among persons with a basic level of education. On the other hand, in the private sector, the gender pay gap was highest among persons with tertiary education (18% in 2021).

Table 6. Level of education in Serbia 2018 in %.

Educational attainment	Total	Women	Men
no schooling	7	5.2	13.6
primary/elementary education	30	22.9	40.1
secondary education	53.6	45.3	60.7
tertiary/higher education	65.8	65.9	65.6

Source: Women and Men in the Republic of Serbia, Statistical Office of the Republic of Serbia.

Table 7. Level of education in North Macedonia 2018 in %.

Level of education	North Macedonia
no education, incomplete primary school	6.8
primary education	22.2
secondary education	24.3
college, bachelor's level of university or expert studies	19.1
higher education, master's and doctoral studies	27.4

Source: State Statistical Office. MakStat DataBase: Average gross annual earnings and annual bonuses and allowances by level of education and gender, four-year; data available dating from 2018 used for our calculations.

Table 8. Gender pay gap by education in Slovenia in %.

Gender pay gap, in %	2019	2020	2021	2022	Difference 2021-2020 (in p.p.)
All employees					
All levels of education	5.8	4.2	3.8	6,1	-0.4
Basic or less	15.8	12.8	11.8	13,1	-1.0
Upper secondary	14.0	12.6	13.0	13,7	0.4
Tertiary	17.6	17.2	15.9	18,3	-1.3
Public sector					
All levels of education	13.4	13.0	11.8	12,5	-1.2
Basic or less	23.8	22.0	18.7	21,7	-3.3
Upper secondary	20.8	21.6	21.3	20,7	-0.3
Tertiary	18.7	18.2	16.6	17,6	-1.6
Private sector					
All levels of education	8.7	6.6	7.2	0.6	
Basic or less	14.5	11.0	10.8	11,5	-0.2
Upper secondary	13.6	11.3	11.9	12,5	0.6
Tertiary	18.1	18.3	18.0	19,4	0.3

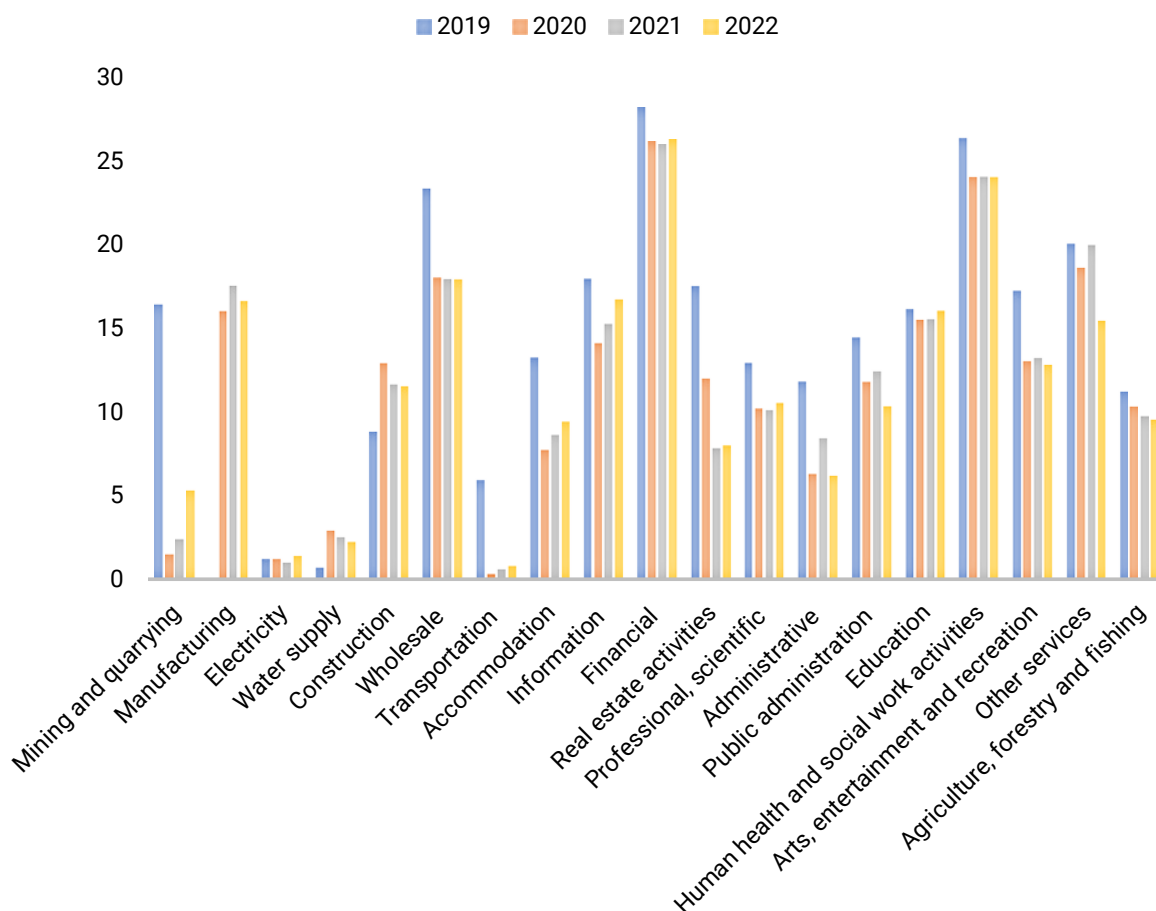
Source: Statistical Office RS (SORS).

HORIZONTAL OCCUPATIONAL SEGREGATION

Besides age and care responsibilities, there is another factor to be looked at to understand the determinants of the gender pay gap; this concerns horizontal gender segregation across different employment sectors. If we focus on the case of Croatia, for instance, the overall gender pay gap in pre-pandemic times (2019) stood at 12.8%.⁸⁰ However, this figure varies significantly when broken down by sector. Almost all industries were marked by a gender pay gap in favour of men. Looking at each economic sector reveals a deeper pay gap in the areas of manufacturing (20.5%);

wholesale and retail trade; repair of motor vehicles and motorcycles (23.4%); information and communication (18%); financial and insurance activities (28.2%); human health and social work activities (26.4%); arts, entertainment and recreation (17.3%); and other service activities (20.6%). Instead, the sectors of water supply, sewerage, waste management and remediation activities (0.8%), along with the sectors of electricity, gas, steam and air conditioning supply (1.3%), seem to feature relatively gender-balanced wages. The gender pay gap in other industries ranges from 6% to higher values. Figure 1 namely presents an overview of the gender pay gap by employment sector in Croatia.⁸¹

Figure 1. Overview of the gender pay gap during the COVID-19 pandemic by sections of activity in Croatia in %.



Source: Calculation based on average monthly gross earnings per person in paid in legal entities, according to NKD 2007, and by sex, Croatian Bureau of Statistics.

As the COVID-19 pandemic was declared in Croatia in March 2020, the analysis of data on entries into the unemployment register of the national employment service showed a significant increase in the number of unemployed persons, with an upsurge of 45% more than the previous month. In April 2020, the increase in unemployment rates continued by an additional 25%. Analysis of employment status prior to entry into the unemployment register in March and April 2020 showed that over 85% of persons entered the register directly after termination of employment, with the largest number of entries into the records being generated from an exceptional increase in the number of business-related terminations of employment contracts. Thus, in comparison with the period of March and April 2019, in the same period of 2020, the unemployment register recorded a 436% increase of people entering the register after business-related terminations of employment contracts. At the same time, from the analysis of the structure of newly registered persons by gender, it is evident that 53.5% of them were women. In addition to business-related terminations of employment contracts, there was an increased number of entries in the unemployment records after the expiration of fixed-term employment contracts. The expiration of fixed-term employment contracts in the time period March-April 2020 concerned women in 62% of cases.

The gender pay gap in 2020 dropped to 6.9%, representing a decrease of 46.3% compared to the previous year. A comparative analysis of data on the gross earnings of employees in legal entities in 2019 and 2020 shows that, in almost all areas of activity where a pay gap in favour of men was present, the gender pay gap has narrowed, while in the case of water supply, sewerage, waste management and remediation activities, it turned into the opposite gender pay gap, that is, a pay gap in favour of women. Alternatively, in two areas of activity where there was a gender pay gap in favour of women present, namely, in the areas of electricity, gas, steam and air conditioning supply and construction, the pay gap has deepened. Overall, it is evident that, in all areas of activity, changes in average monthly gross earn-

ings, and thus, changes in the gender pay gap, went in the direction of a more favourable ratio of women's average earnings to men's average earnings. After the decrease of the gender pay gap in 2020, during 2021 and 2022, in the vast majority of activities, there are changes of direction and a slight increase in the pay gap, again in favour of the average earnings of men.

There are four basic reasons for the changes in the pay gap in the observed period, and they relate to (1) a reduction or a stronger decline in the monthly gross earnings of men; (2) a stronger increase in the monthly gross earnings of women; (3) the formation of a gender pay gap at higher levels of earnings; and (4) potential changes in the structure of employees.

The activities where there was a decrease in the average earnings of both sexes – but the average earnings of men were more reduced compared to the average earnings of women, which resulted in a more favourable ratio of the average earnings of women compared to men – refer to mining and quarrying; construction; wholesale and retail trade; repair of motor vehicles and motorcycles; accommodation and food service activities; professional, scientific and technical activities; and other service activities. Considering that these are activities in which the earnings of both sexes fell in 2020, it can be concluded that the COVID-19 pandemic negatively impacted them most.

Furthermore, the reduction in the pay gap due to the decrease in the average earnings of men, but with the stagnation or growth of the average earnings of women, is related to the activities of transport and storage; real estate activities; and arts, entertainment and recreation.

A number of the activities are characterised by a reduction in the pay gap due to a more progressive increase in the average earnings of women. This group includes agriculture, forestry and fishing; manufacturing; information and communication; financial and insurance activities; administrative and support service activities; public administra-

tion and defence; and compulsory social security. The same dynamics of the movement of average earnings is visible in the areas of water supply, sewerage, waste management and remediation activities, where the gender pay gap in favour of men (0.9%) turned into a gender pay gap in favour of women (3%) in 2020.

Both of these groups of activities are marked by greater pressure on the average earnings of men during 2020, which is manifested either in the form of their reduction or by limiting their growth. There are clear indicators that in a number of these activities men have a larger share of higher-paid jobs and that it was the higher-paid jobs that were more strongly affected by the rationalisation of salary policies.

Education and human health and social work activities need to be highlighted separately because they represent sectors in which the pay gap decreased in 2020, despite the relatively uniform growth of the average monthly gross earnings of both sexes by 10-16%. Therefore, they represent a specific situation compared to the main reasons described for the gender pay gap reduction. When the monthly gross earnings grow relatively evenly for both sexes, despite the initial pay gap, at higher income levels the pay gap will decrease because the share of lower earnings compared to higher earnings increases. This is why the pay gap has decreased in the education sector, despite the fact that the average monthly gross earnings of men increased by €204 and the average monthly gross earnings of women by €180. The same process took place in the area of human health and social work activities, where, despite the increase in the average monthly gross earnings of men by €173 and the average monthly gross earnings of women by €171, there was a reduction in the pay gap by 9% in 2020. This very mechanism of reducing the gender pay gap through an even increase in average monthly gross earnings seems to be effective in the long term.

Finally, it remains to be emphasised that, in some areas, along with changes in the pay gap as a result of changes in average earnings, chang-

es in the employment structure are also visible. It is important to point out that, if the number of employees in lower-paid positions, that is, in lower levels of the hierarchy, decreases, the gender pay gap automatically decreases due to an increase in average earnings. Also, a reversible process has a contrasting effect: the gender pay gap increases if the number of employees in lower-paid jobs increases. The previously described analysis indicates a possible implication of this economic rule in the real estate activities, where the number of employed women has decreased by 10.6%, and in administrative and support service activities, where the number of employed women has decreased by 7%.

In 2019, 36.2% of employed women in Croatia had a university degree, compared to 23.1% of men. However, the available data does not allow a deeper analysis with a gender breakdown to identify at which vertical level the decrease in the number of employees occurred, so it is not possible to decisively claim that the change in the number of employees had an effect on the gender pay gap, but it is possible that it came in combination with the increase in the average earnings of women, and thus, was partly behind the reduction of the gender pay gap in these areas.

In Slovenia, the most significant gender pay gaps are present in most feminised sectors. In financial and insurance activities, the gender pay gap stood at 25% in 2021, and the share of women employed was 62.4%. Similarly, the gender pay gap was very high in human health and social work activities (20.4%), where almost 80% of all employed were women. The differences also stemmed from vertical segregation within these sectors, with men occupying better-paid and better-valued positions (see next subsection). The gender pay gap was higher than 16.0% in public administration, defence and compulsory social security, whereas more than 55% of employees were women.

Women's wages were higher than men's in 2021 in only three activities: water supply, sewage treatment, waste management and remediation;

construction; and transport and storage. In these activities, smaller fractions of women occupy better-paid jobs. Analysing the data on gender pay gap across sectors, we can conclude that the widest gender pay gap can be observed in financial and insurance activities, manufacturing, and information and communication. A similar trend is observed across the EU, where a high wage gap has been recorded in all three abovementioned sectors, indicating a Europe-wide tendency.⁸²

In North Macedonia, the gender pay gap is evident across the different sectors and it is strikingly highest (44.5%) in the area of human health and social work activities, where women are predominantly employed and usually at the front line when dealing with pandemic challenges. Other sectors of activities that mark a higher gender pay gap are manufacturing (27.2%), wholesale and retail trade; repair of motor vehicles and motorcycles (25.4%); and information and communication (25.1%). It needs to be underlined that these are the sectors where labour market segregation is the most important, and women tend to occupy lower paid jobs more often than men.

There are several sectors of activities that mark a negative trend, that is, a positive inclination towards female workers is observed in other service activities (-21.7%), construction (-9%), and transportation and storage (-5.8%) sectors. However, we need to further explore these sectors and other variables and trends to reach further conclusions and explore the reasons behind these results. We cannot provide any details on the eventual impact of the pandemic, since there is no available data in the public domain from a more recent survey on earnings. Occupational segregation based on gender norms is one driver of the overall pay differences between men and women.

In Slovenia, in terms of occupational groups, the highest gender pay gaps are present among services and sales workers (22.6%; 0.8 p.p. more than in 2020), armed forces and elementary occupations (13.9%), and craft and related trades workers (13.8%), as well as among professionals (12.2%). The lowest gender

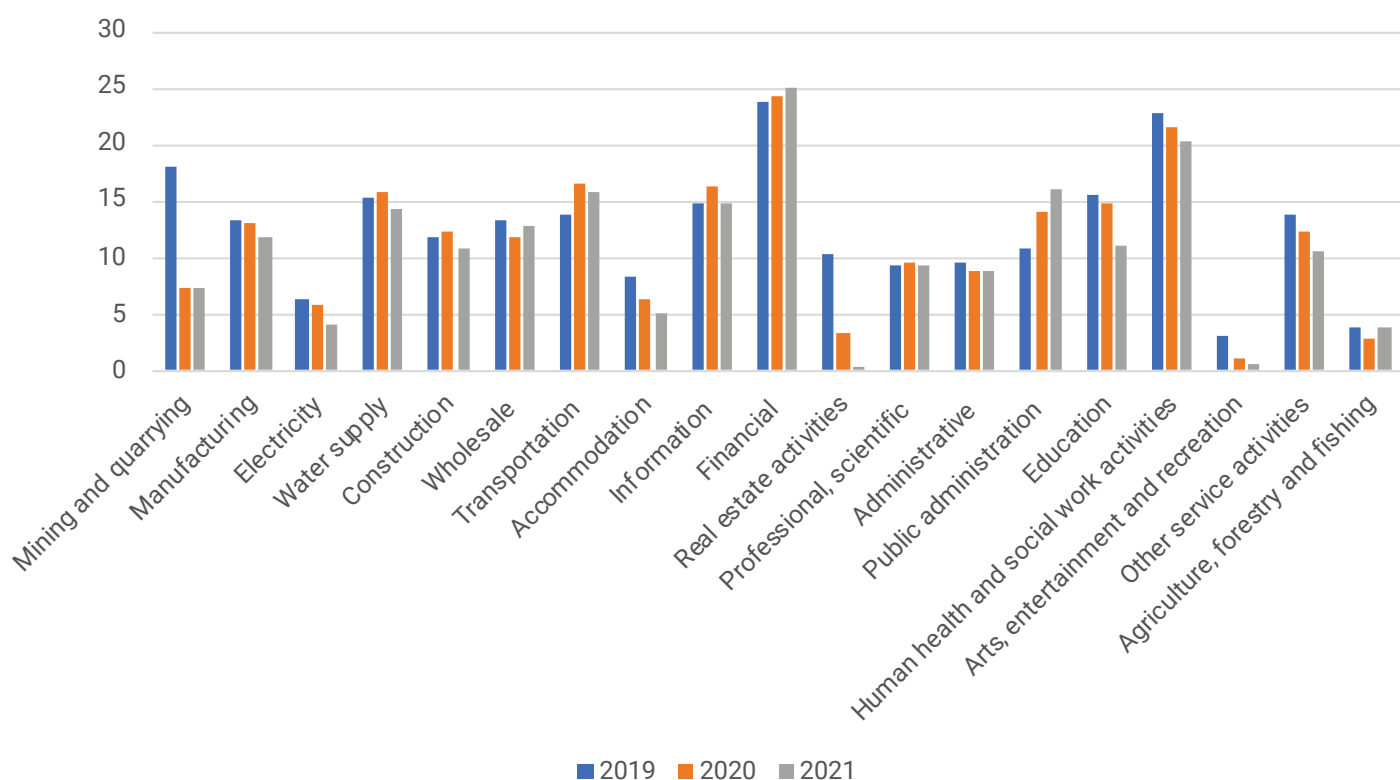
pay gap exists among civil servants, where women are paid more than men (-1.4%).

Slovenia's labour market is segregated, and the analyses show that only 19% of employees in Slovenia work in organisations with an equal share of women and men. Most people work in organisations where the workforce is feminised (40%) or masculinised (37%). Almost 60% of men reported working with men, and 62% of women reported working in an organisation with more women workers.⁸³

To assess the gender pay gap in the post-COVID-19 period in Serbia, it is necessary to analyse major disruptions in the labour market during the pandemic and identify the possible trends that may have continued. For this purpose, we rely on the data published in the study "Consequences of COVID-19 on women's and men's economic empowerment",⁸⁴ issued by UN Women and UNFPA regional offices. The impact of the COVID-19 pandemic and state of emergency on activity and employment affected the male labour force to a larger degree than the female labour force. The decrease in active population was higher for men than women (-3.3 versus -0.3 p.p.), as well as the loss of employed persons (-3.6 p.p. for men and -0.2 p.p. for women). On the other hand, more women than men reported a decrease in most types of income: own business (40% women versus 32.7% men); salary from employment (28.1% women versus 27.1% men); and income from agriculture (34.7% women versus 25.2% men).

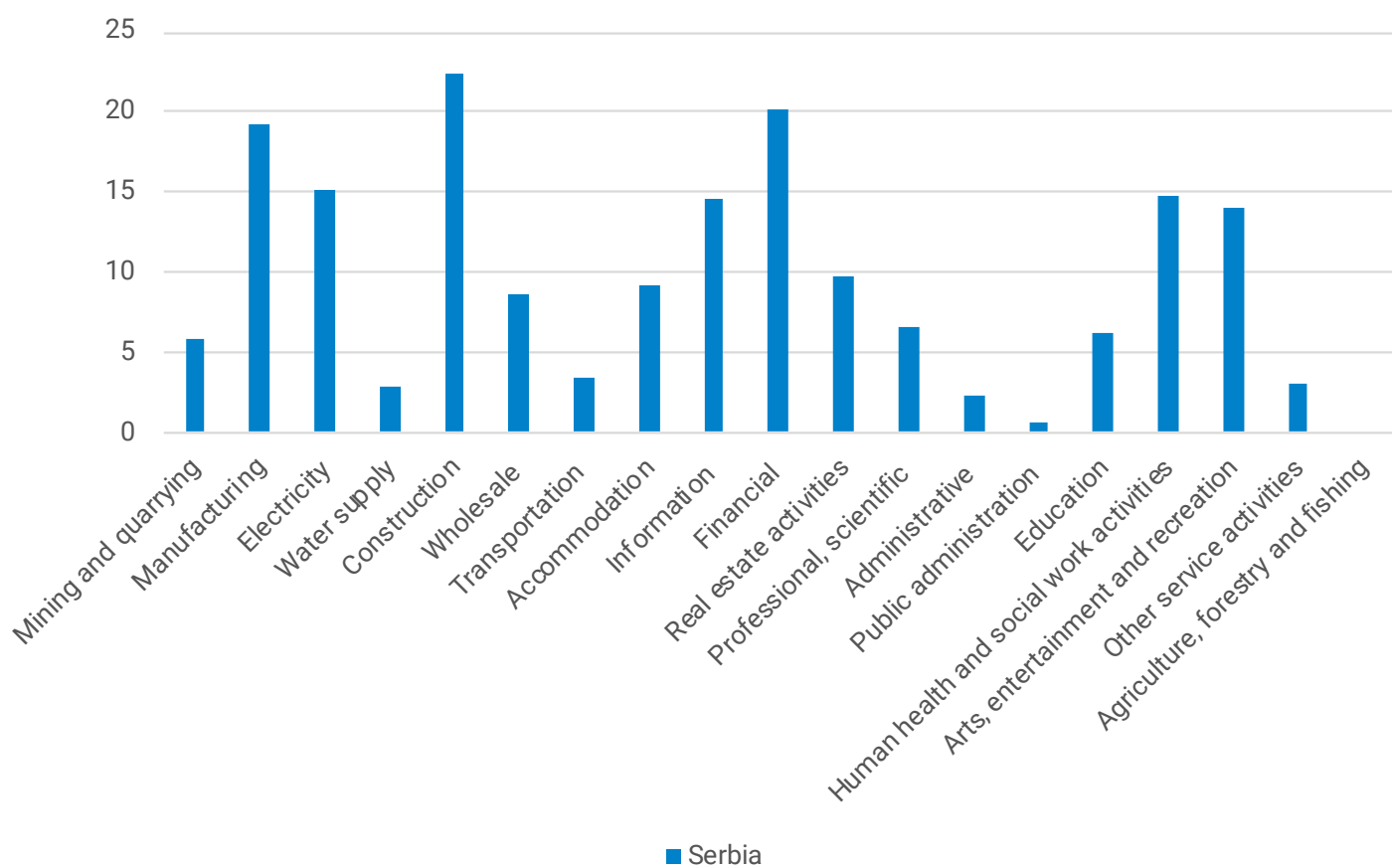
When it comes to unpaid work, significantly more women reported that the time and volume of activities increased; this could be attributed to the quarantine period and an overall shift to working from home. The data also shows that more women than men shifted to working from home, which contributed to exacerbation of the situation concerning unpaid work. Also, some of these tendencies might have continued after the pandemic, bearing in mind that working from home is still present in many industries.

Figure 2. Overview of the gender pay gap during COVID-19 by employment sectors in Slovenia from 2019 to 2021 in %.



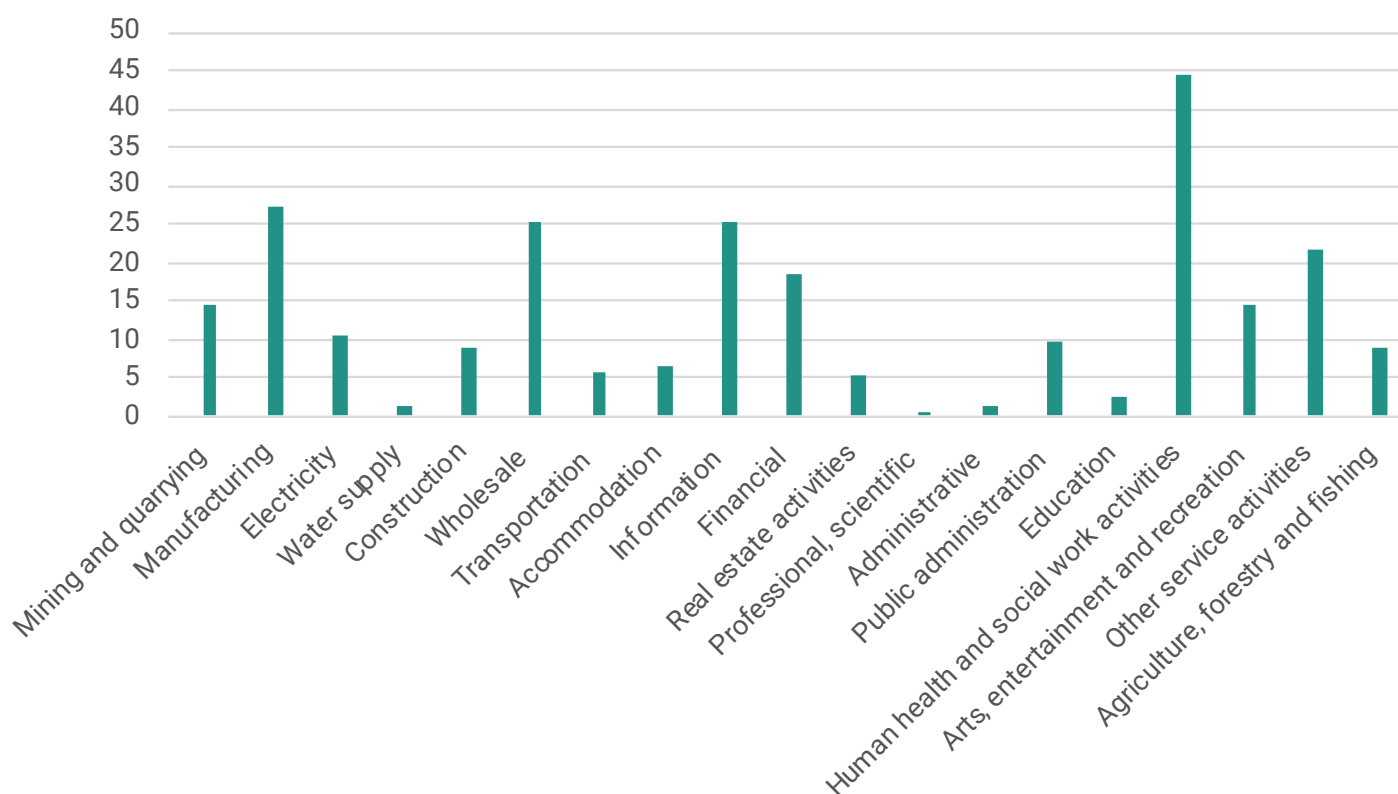
Source: Gender pay gap by activity (Nace Rev. 2), Slovenia, annually. SiStat Portal, Republic of Slovenia Statistical Office. Persons in employment by activity (NACE Rev. 2), educational attainment and sex, Slovenia, annually. SiStat Portal, Republic of Slovenia Statistical Office; our own calculations.

Figure 3. Overview of the gender pay gap during the COVID-19 pandemic by employment sectors in Serbia 2018 in %.



Source: Women and men in the Republic of Serbia – Statistical Office of the Republic of Serbia.

Figure 4. Overview of the gender pay gap by employment sectors in North Macedonia 2018 in %.



Source: State Statistical Office. MakStat DataBase: Average gross annual earnings and annual bonuses and allowances by sectors of activities and gender, four-year; data from 2018 used for our calculations.

VERTICAL OCCUPATIONAL SEGREGATION

Referring to the high concentration of women in lower ranking positions, vertical segregation is best represented by the image of the “glass ceiling” and the “sticky floor” due to obstacles keeping women at the bottom of the organisational pyramid. The connection between vertical segregation and the gender pay gap constitutes another structural barrier worth considering.

Data for Serbia namely shows that managers experience a relatively lower pay gap at 5.3%. This gap widens significantly for professionals (19%) and technicians and associate professionals (19.3%). These occupations often require specialised skills and expertise, indicating that gender biases can still be found in certain industries. Clerical support workers encounter a lower pay gap at 5.4%.

Service and sales workers experience a moderate gap of 10.1%.

Vertical segregation is also present in Slovenia in all sectors and occupations. Men occupy the highest positions, with higher pay and status. Even in female-dominated occupations, men are promoted faster and to higher-paying positions than women.⁸⁵ This phenomenon is termed as the “glass elevator”. The proportion of women on the boards of the largest listed companies was below the EU 27 average (23.1% in Slovenia and 32.2% in the EU 27) in 2022. Slovenia has a slightly higher share of female executive directors than the EU 27 (22.2%). During the COVID-19 pandemic, the proportion of women who were board members decreased from 24.6% in 2019 to 19.4% in 2021 and then increased again in 2022 to 23.1%. Simi-

larly, the proportion of women executive directors has decreased from 26.6% in 2019 to 20% in 2021 and then increased to 22.2% in 2022.

By contrast, in North Macedonia (latest data from 2018), the gender pay gap is evident across different fields of occupations and highest among managers, craft and related trades workers, plant and machine operators, and assemblers. There are two occupational fields that present a negative trend, that is, a positive inclination towards female workers is observed in the fields of armed forces occupations (-5.3) and skilled agricultural, forestry and fishery workers (-0.3). We cannot provide any details of the eventual impact of the pandemic, since there is no data available in the public domain from a more recent survey of earnings.

Figure 5. Gender pay gap by occupational group in Slovenia 2020 in %.



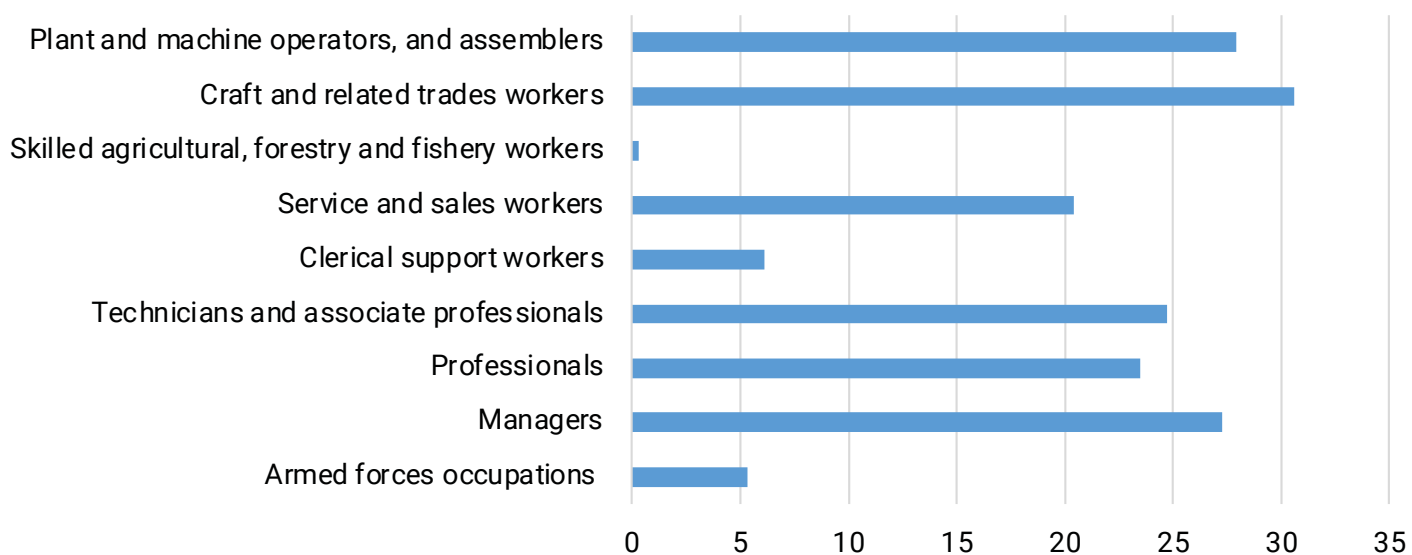
Source: Statistical Office RS (SORS).

Figure 6. Gender pay gap by occupational group in Serbia 2018 in %.



Source: Women and men in the Republic of Serbia – Statistical Office of the Republic of Serbia.

Figure 7. Gender pay gap by occupational group in North Macedonia 2018 in %.



Source: State Statistical Office. MakStat DataBase: Average gross annual earnings and annual bonuses and allowances by groups of occupations and gender; four-year data from 2018 used for our calculations.”

CONCLUSIONS

CONCLUSIONS

The aim of this research was to better understand the dynamics behind the gender pay gap in the period from the beginning of the COVID-19 epidemic in March 2020 until the end of 2022 in four countries (Croatia, Slovenia, Serbia and North Macedonia) whilst trying to answer questions about the root causes and circumstances that led to current gender pay gap trends.

As much as the COVID-19 pandemic played an important role in shedding light on pre-existing gender imbalances, the country case studies converge to the conclusion that women's pre-existing weaker socio-economic position has been exacerbated as a result of the COVID-19 pandemic. In the labour market, the sectors with the highest female employment rates have experienced the highest job losses. Due to the increased need to care for children and other dependent relatives, following the sudden standstill of care infrastructures and services, working women especially had to bear a greater burden, with a significant increase in the scope of household chores, childcare and care for other household members, and the emotional strain since the outbreak of the pandemic.

According to the data analysed in this policy study, the main drivers of the gender pay gap include imbalance concerning unpaid work, gender imbalances in caregiving professions, the undervaluation of women's work, disparities in educational opportunities, occupational segregation, the level of job flexibility, non-transparency of wages and the persistent influence of patriarchal social norms regarding gender roles that produce unequal division of unpaid work and contribute to various other factors that cause the econom-

ic gap. A significantly larger proportion of unpaid work that women perform inhibits their ability to pursue employment and build careers. Furthermore, the phenomenon of unequal pay further limits the ability of families to redefine the distribution of domestic responsibilities. The issue of achieving a healthy balance between work and personal life is a frequent and significant concern in the modern era and a challenge for all countries included in the research.

Legal and institutional frameworks play a very important role in overcoming the gender pay gap. The overview of the relevant legal framework offered in this policy study enables a better understanding of the current legal pathways to guarantee fair pay for men and women. However, the analysis also shows that, despite almost all countries having legislative frameworks regulating equal pay in place, there is still a lack of readiness to implement these legal acts and strategic documents in practice.

This policy study also considered individual indicators at a national level. The observations made in Croatia and Slovenia indicate that the gender pay gap decrease was a spontaneous process that could not be attributed to planned policies or measures. In fact, ensuring equality between women and men remains "unfinished business" in a region where traditional gender roles are deep-rooted. Outdated patriarchal attitudes coupled with a general lack of awareness of women's rights lie at the heart of the problem. Consequently, women's perceived satisfaction with work, their work engagement efficiency and quality tend to be lower than that of their male counterparts.

It is important to underline that the lack of systematic data collection and regularly published information tracking the evolution of gender pay gaps remains a critical challenge. This is especially true for the post-COVID period, as major discrepancies and a general lack of gender-disaggregated data are observed.

Based on the main findings of this policy study, it can be concluded that the main changes in the pay gap that occurred in the period 2019-2022 are the consequence of a spontaneous chain reaction in the labour market, as a result of the impact of the COVID-19 pandemic on the economy, and that they cannot solely be attributed to planned policies.

Therefore, it is necessary to conduct additional research by ensuring gender-sensitive data collection on a regular basis to be made publicly available when analysing broader trends related to gross earnings and professional education.

Reducing the gender pay gap must remain one of the key priorities of social policies at both EU and national levels. Gender equality and its implementation in practice constitutes a litmus test for any democratisation process and the creation of an equal society for all citizens.

Despite the obvious limitations due to the lack of gender-sensitive, regularly collected and recent data, we hope that this policy study will raise awareness of the importance of promoting a deeper understanding of the challenges raised by the gender pay gap during the COVID-19 pandemic.



POLICY RECOMMENDATIONS

POLICY RECOMMENDATIONS

Based on the insights gathered above, this policy study puts forth the following recommendations to overcome the gender gap in the Western Balkans:

- Prevent a return to pre-pandemic pay gap rates by developing targeted policies to close the gender pay gap, encourage fair pay, promote social justice and extend state support for working parents.
- Develop additional measures to redress the existing horizontal gender segregation of the labour market, enabling a better reconciliation of professional and private lives, salary transparency and effective protection against gender-based discrimination.
- Enable the identification of the root causes of the gender pay gap based on a more comprehensive and gender-sensitive statistical monitoring system to actively track gender pay gap developments.
- Address the systemic causes of the gender pay gap by eliminating patriarchal biases – conscious or unconscious – devaluing of women’s work and perpetuating essentialist ideas on women’s ability to perform certain the types of work.
- Enforce pay transparency mechanisms by forcing employers to disclose information on gender pay gaps with employees, government auditors and citizens.
- Initiate and maintain public interest about the need to redress gender inequality, while raising awareness about the societal stakes of persisting gender pay gaps, especially in the context of rising anti-democratic and anti-gender movements in the region.
- Offer concrete tools to train public authorities and to inform the general public about the need to redress the gender pay gap.
- Develop the timely and systematic collection of a deeper set of comparative data as required by the EU pay transparency directive to enable better pay transparency enforcement mechanisms.
- Encourage corporative gender-neutral recruitment procedures, job evaluations and job classifications.
- Exchange best practices on tackling the gender pay gap.

ABOUT THE AUTHORS

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Radojka Kraljević - Head of Regional Research, Croatia

Radojka Kraljević is an assistant professor at the Faculty of International Relations and Diplomacy at Libertas International University in Zagreb. She holds graduate, master's and doctoral degrees from the Department of Psychology, Faculty of Humanities and Social Sciences, University of Zagreb. She received her psychotherapeutic education at the Fritz Perls Institute in Düsseldorf (The European Association for Psychotherapy). She has given more than 50 lectures at professional development seminars for professionals in various fields, published three books and 35 papers, and participated in more than 25 presentations at scientific and professional conferences. She is an external consultant and trainer in the field of communication and conflict, trauma and domestic violence, and she has collaborated with many international and national organisations.



Laetitia Thissen - Senior Policy Analyst on Gender Equality (FEPS), Belgium

Laetitia Thissen works as a Senior Policy Analyst for Gender Equality at *Foundation for European Progressive Studies* (FEPS) where she is in charge of the foundation's work related to women's rights, equality and anti-discrimination issues. Over the years, her work has focused on topics ranging from gender injustice to care work and gender-based violence. Before joining FEPS, she worked in the European Committee of the Regions and in the European Parliament. She holds a Master's degree in European Studies from *Maastricht University* and in Gender Studies from ULB (*Université Libre de Bruxelles*). Additionally, she completed a post-academic specialisation course on 'Migration, Ethnic Diversity and Intercultural Relationships' and is a member of the *Brussels Binde network*, an initiative committed to improving gender diversity in policy debates and promoting women's voices.



Bogdan Banjac - National researcher, Serbia

Bogdan Banjac graduated from the Faculty of Law of the University of Belgrade. He completed his master of human rights and democratisation studies at Yerevan State University and Tbilisi State University. Bogdan is currently employed in the professional service of the Commissioner for the Protection of Equality as a senior advisor. In addition, he is the moderator of the Working Group for Research and Data Collection of the European Network of Equality Bodies – EQUINET. Also, since 2021, he has been a member of the executive board of the Dialogue on Internet Governance in Southeast Europe – SEEDIG.



Brankica Janković - National researcher, Serbia

Brankica Janković, master lawyer, was elected as Commissioner for the Protection of Equality of the Republic of Serbia for the first time in May 2015 and for the second time in November 2020 by the National Assembly. Prior to the election, she held the position of state secretary in the Ministry of Labor, Employment and Social Policy from 2012-2014 and was director of the Gerontology Center Belgrade from 2006 to 2012. She was a producer and marketing director of RTV Politika and previously RTV Yugoslavia. She graduated from the Faculty of Law of the University of Belgrade, completed her master's studies at the Faculty of Law of the University of Novi Sad and is a doctoral student at the Faculty of Security Studies in Belgrade.



Kristijan Kevešević - National researcher, Croatia

Kristijan Kevešević began his professional legal engagement in the field of protection and promotion of human rights by working on national policies related to human rights and discrimination as a legal advisor and later as an assistant director in the Government Office for Human Rights and Rights of National Minorities. As a government official, he was appointed a member of the EU High Level Group on combating racism, xenophobia and other forms of intolerance and EU High Level Group on non-discrimination, equality and diversity. In 2019, he joined the ombudsperson for Gender Equality Office as a legal advisor of the ombudsperson, dealing with gender equality issues and discrimination, especially in the area of labour market, violence against women and LGBTQIA+ rights. In April 2020, the Croatian parliament appointed him to the position of Deputy Ombudsperson for Gender Equality of the Republic of Croatia.



Andreja Poje- National researcher, Slovenia

Andreja Poje is a macroeconomist and researcher with over 20 years of experience in various fields. She holds a master's degree and is a PhD candidate at the University of Ljubljana. Her dissertation analyses the gender pay gap in Slovenia based on linked employer-employee data. Her research is centred on labour economics, minimum wages, gender pay gaps, industrial relations and public finance. She is also a member of the COIN research network (umass.edu/coin). Her latest research focuses on pay transparency and offers suggestions and action plans for implementing the EU Pay Transparency Directive in Slovenia. She has led national and EC-funded projects or cooperated in the projects FDV, ETUI, IDPF and so forth.



Tania Ivanova - National researcher, North Macedonia

Tania Ivanova is a senior researcher with over 25 years of experience. She is currently president of Reactor – Research in Action, a feminist research think tank in Skopje. Previously, she was part of Ipsos, specialising in qualitative research and complex multi-country quantitative surveys (e.g., European working conditions survey, the OSCE-led wellbeing and security of women survey and the EBRD Life in Transition survey). Her research experiences centre around social and public affairs, political participation, gender mainstreaming, gender-based violence, education, care economy, youth, and marginalised groups. She is a member of ESOMAR and of several gender-equality networks and coalitions, including EQUAPRO.

ABOUT THE FEPS AND ITS PARTNER

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The Foundation for European Progressive Studies (FEPS) is the think tank of the progressive political family at EU level. Its mission is to develop innovative research, policy advice, training and debates to inspire and inform progressive politics and policies across Europe.

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ABOUT THE CEE NETWORK FOR GENDER ISSUES

Established in 1994 by the European Forum for Democracy and Solidarity, the CEE Network for Gender Issues has been active in support of social democratic and progressive parties in the region, and has gain traction and respect within these parties and their leadership. All social democratic party leaders, including a number of European politicians, have signed the 2015 Regional Gender Equality Platform (<https://ceegendernetwork.eu>) proposed by the CEE Network for Gender Issues.

The Network coordinated its drafting, signing and dissemination. For a decade, the Network's annual Korčula School Think Tank "Transforming Politics through a Gender Lens" has brought together high-level social democratic and progressive male and female political leaders and progressive civil society representatives. It has served as a policy-making and strategising tool on gender equality on key issues of relevance to social democracy in the region. <https://ceegendernetwork.eu>



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The main goal of this policy study is to uncover the causes and circumstances behind recent dynamics related to the gender pay gap in the Western Balkans. Looking at four countries (Croatia, Slovenia, Serbia and North Macedonia) in the period from the beginning of the COVID-19 pandemic (March 2020) until the end of 2022, this policy study shows that, whilst almost all countries have legislative frameworks guaranteeing equal pay (except North Macedonia), the implementation of the underlying legal acts and strategic documents is still lacking in practice.

Moreover, data from all countries under study indicate that women's position in society has been made more vulnerable in the aftermath of the COVID-19 pandemic. As a result of the health crisis, gender inequalities have widened in all segments of society, and the societal burdens placed on women have increased in both their professional and private lives. The analysis indicates that the decrease in the gender pay gap is an extemporaneous process, which cannot solely be attributed to planned policies or measures. The policy study concludes by formulating a set of policy recommendations aimed at improving our understanding of the gender pay gap and at enhancing its monitoring.

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