

## THE ANALYSIS OF THE EMPLOYMENT INEQUALITY BY GENDER IN ROMANIA

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Abstract. The paper presents a brief critical overview of the women condition on the Romania's labor market. The paper focuses on three directions that are reflecting the women's quality of work: employment rate gap, wage gap and empowerment gap between women and men. The paper argues that women represent an important untapped resource that might be better used and stresses that women are more exposed to the risk of becoming poor at old age than men. The paper also includes solutions of right policies to be made in order to avoid feminization of poverty and reach sustainable economic development.

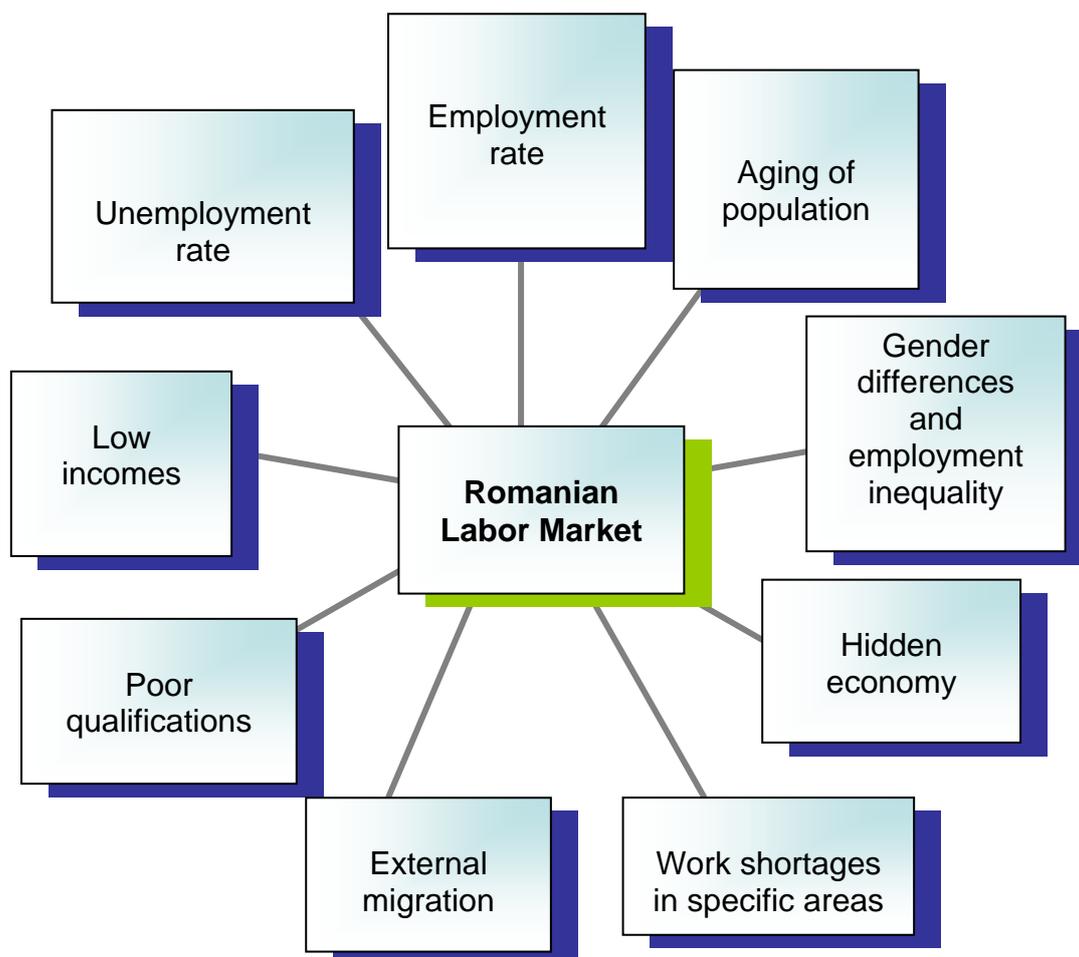
### 1. INTRODUCTION

Romania joined the European Union (EU) on the 1<sup>st</sup> of January 2007, after several years of strong economic growth and development. The economic development of a country might be concisely seen as a permanent shift in its economic structure: from an agricultural era towards an industrial era and, more recently, to the era of services. This pathway was also followed by Romania where the restructuring of economy was constantly growing, this being accompanied by a bigger number of persons employed by the tertiary sector, [1] at the expense of the decline of the primary sector. However, despite the positive trends registered on the labor market, several issues are to be addressed as growing labor shortages, untapped labor, women status in Romanian society that is still suffocated by stereotypes that preserve employment inequalities.

Gender equality represents a fundamental human right that contributes to reducing poverty. At the time it is an essential pillar for the achievement of economic growth, employment and social cohesion that are important goals of the Lisbon agenda [2]. Historically, gender equality was a major characteristic in Romania as greater employment and wage equality were registered in the planned economies than in industrialized or developing economies. Moreover, the unemployment rates and unemployment rates by gender were and still are lower than other developed economies from the European Union. Accordingly, the current unemployment rate is low enough (6.1%) with unemployment rates for women lower than for men (unemployment rate 4.9% for women and 7.2% for men) [3]. The 2005 data publicized by statistics reveal important information: out of a population of 7,556,414 women placed into the age category 15-64, only 59% are economically active (4,490,000) and about 54% are employed (4,258,000) [4]. It means that only approximate 5 women are working out of 10 and by the right policies a significant larger number could be tapped into the tax payers mass. In spite of better figures in contrast with other European countries, Romania, in its transition road towards market economy, increased the gender gap in terms of women's work quality. Considering the current situation characterized by low birth rates, shrinking work force and population aging, women should be seen as an important resource that might be better used in order to reach sustainable economic development.

## 2. BRIEF OVERVIEW OF THE CHALLENGES FACED BY PRESENT LABOR MARKET IN ROMANIA

The evolution of the Romanian labor market was oscillatory over the first years after 1990 with ups and downs mainly due to economic and especially industrial restructuring [5], but the problems were calmed down after 2000. The labor market from Romania is shaped by different factors, revealed in figure 1.



*Figure 1. The factors influencing the Romanian labor market.*

The unemployment rates varied profoundly, but after 2000 a significant decrease was registered and the present unemployment rate in Romania is low enough, about 6%. However, this low figure might be associated with a significant number of people involved in hidden economy. Unfortunately, the fall in the unemployment rates was not accompanied by an increase in the employment rates, especially due to fast growth and large outward migration [6]. The current employment rate of approximate 58% is below the current EU average and the Lisbon target of 70% [2].

The low payments represent another problem that burdens the Romanian labor force. A recent study [7] showed that in Romania a company spends ten times less money on salary and other financial benefits for one employee than in Western Europe. The impossibility of some people to find jobs or decent jobs coupled with the low incomes were the main cross-border inequalities in economic and social conditions that powered the external migration. However, Romanians found that they were mainly subjected to limited

labor market opportunities, low-paid and unskilled jobs compared with the residents, and xenophobia. The outward migration was also considered by women, whom in an effort to avoid social exclusion and poverty, preferred to leave the country when confronted with gender differences and employment inequality.

Another aspect of the labor market is the continuing aging of population that will lead by 2020 to a 50% employed population over the age of 40 [8].

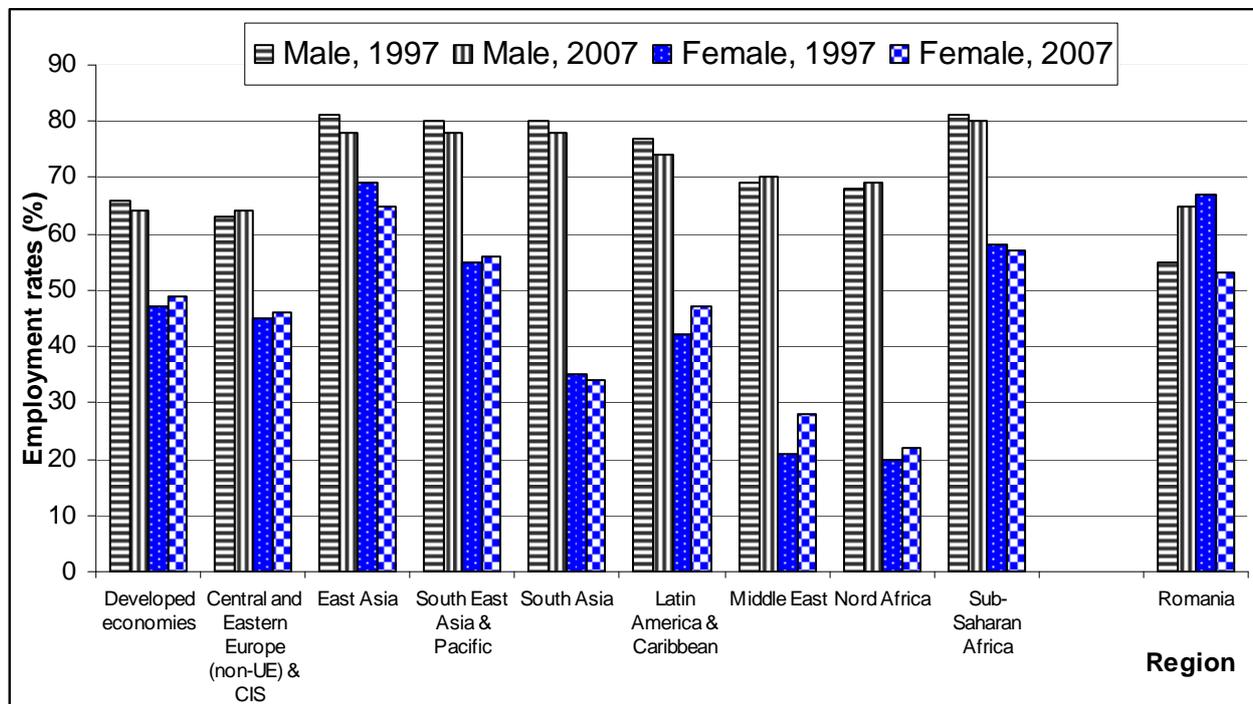
A more recent trend on the Romanian labor market is the poor qualification of people. This coupled with work shortages in specific areas lead to an alarming fact: 73% of employers in Romania declared that they have difficulties in filling available positions [9].

### 3. GENDER DIFFERENCES AND THE LABOR MARKET IN ROMANIA

At the global level women have more difficulties than man when they desire to participate in labor markets and find decent and productive work. Globally, less than 70 women (66.9) are economically active for every 100 men [10]. Moreover, women are more likely to earn less than men for the same type of work, even in traditionally female occupations. The situation recorded in developed economies (among which is considered the EU) is somewhat positive, as 82 are economically active for every 100 men.

#### 3.1. Employment rates for women and men

The global employment rates are generally much lower for women than for men (see figure 2), with Romania being an exception for few years.



**Figure 2. Global and Romanian employment rates by gender and region in 1997 and 2007.**  
Source: International Labor Office, "Global employment trends for Women", 2008 and Eurostat 2008.

It is interesting to note that the region with an economic boost is that characterized by higher employment rates for women, namely East Asia. In this region, women are more able to contribute to growth and in turn to profit by participating in labor markets than the women of other regions. However, the figure represents only quantitative data, expressing

the women access to labor markets and not the quality of their work. For instance, the figures for Sub-Saharan Africa are high compared with other more developed regions, but they are the expression of women poor employment quality, namely agriculture.

The values recorded in Romania in 2007 show that the employment rate for women is about 53% (computed for the ages range 15-64 years), much less than that recorded for men, namely 65% and sensible less than the Lisbon objective of 60% employment rate for women in 2010 [2]. In 2007 the gender gap in Romania (computed as men's employment rate minus women employment rate) reached 12%, a figure below the mean EU-27 of about 14% [11]. This might be associated with voluntary home and family work performed by an important number of women (25% of the inactive women population is involved in home and family work [12]).

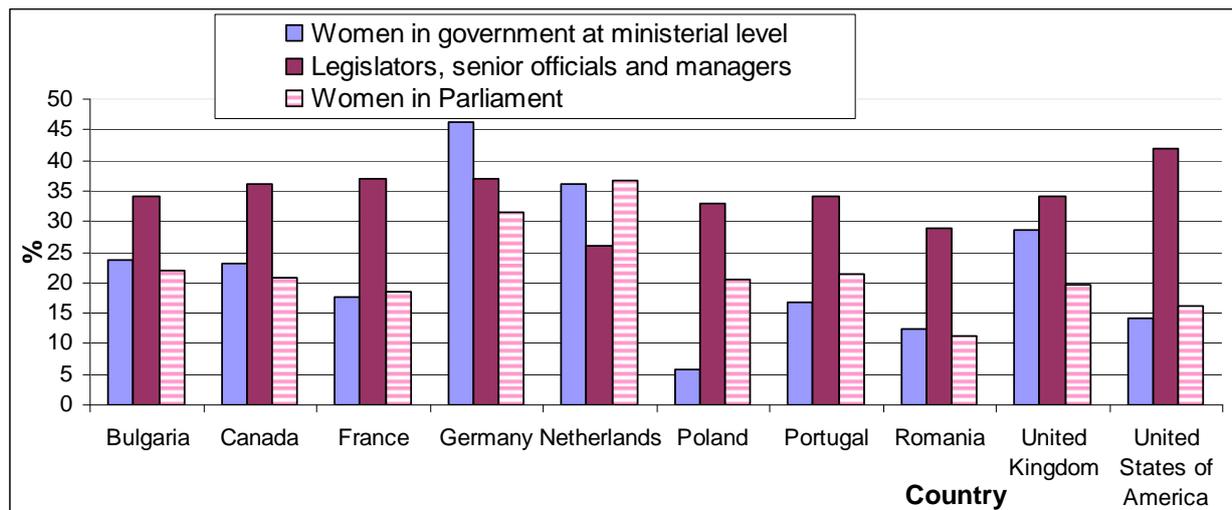
### **3.2. Wage gap between women and men**

Romanian women face more challenges than men when it comes to employment as they are more exposed to inequalities [13]. They are more likely to obtain lower average earning during their economically active life and consequently they accumulate lower pensions, thus increasing the risk of becoming poor at old age. Across the EU, the wage gap between women and men was in average 15%, whereas in Romania reached 13% (values for 2005) [14]. The low income recorded for a long period of time determines stress and has negative effects on women's health, which might lead to social isolation. Therefore, the risk of poverty (an income below the threshold set at 60% of the national median income) recorded is higher for women than for men. Thus, in Romania the proportion of elderly women (above 65 years) at risk of poverty was in 2005 of 21%, whereas for men falling into the same age category the value reached only 12% [14].

These facts are even more dramatic when the gender intersects with race (women belonging to a given minority), age (older women) or disabilities (disabled women). Another vulnerable group is represented by women living in rural areas, as they are mainly unemployed, being most of the time "family-and-farm workers". An additional delicate situation is faced by lone-mothers, when the risk of poverty is much higher than for other women.

### **3.3. Women empowerment**

The women representation in key positions in the economical and political life is far below that of men, in EU countries and Romania. Thus, only about 11% of the members of Romanian Parliament were women in 2005, a figure that places Romania among the countries with the smallest number of seats in Parliament for women [15]. The same situation is recorded for the percentage of women in Government at ministerial level (about 13%) and for the representation of women legislators, senior officials and managers (29%). These findings, considered in comparison with other countries, place Romania in the last group of countries that allow women to decision-making positions (see figure 3).



**Figure 3. Women empowerment in figures for several countries and Romania, 2005.**

Source: Social Watch, "Gender Equity Index 2008", 2008.

### 3.3. Solutions aimed to address women work situation in Romania

The solutions aimed to address the gender equality in the Romanian society involve a clear commitment at the highest political level where the followings measures are to be taken by the Government:

- Equal access to education of all levels (primary, secondary, tertiary, postgraduate studies);
- Avoiding of stereotypes in the educational system;
- Elimination of gender stereotypes in the media;
- Equal access on the labor market for women and men;
- Reconciliation of family and professional life for women and men – equal share of responsibilities;
- Flexible working arrangements aimed to allow women to continue their carriers and take care of children;
- Professional training aimed to prepare women for better paid jobs;
- Professional training for women that involves their implication in decision-making positions and political life;
- Women empowerment (women implication into technical, management and political positions, in parliament, ministerial positions);
- Training for the development of entrepreneurial skills;
- Programs aimed to warn women living in rural areas in the domain of equality of chances between women and men;
- Measures to tackle undeclared work;
- Measures to extend active life and reduce early retirements.

## 4. CONCLUSIONS

In contemporary Romania women have less chance to push themselves and their families out of poverty, as the creation of decent employment opportunities that help them secure productive and remunerative work in conditions of freedom, security and human dignity is not yet supported by the Government. Whether the situation will continue, the process of feminization of poverty will be passed on to the next generation.

Other issues that might be addressed by supporting more women integrating into paid employment are the ageing of population and the welfare of elderly persons. More people should be working if Government is to secure living standards and maintain long-term sustainability of the pension system, as women represent an important untapped resource that might be better used.

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