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What we know about differences in earnings of women and men

Summary of published studies within the project 22% TOWARDS EQUALITY

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1. Purpose and content of the text

The purpose of this text is to provide readers with a brief overview of unequal pay for women and men in the Czech Republic in regards to its current situation, international comparisons and developments in the field along with links to other useful sources. This text contains a summary of theoretical background and descriptive statistics on the topic of gender inequalities in remuneration and briefly presents the most important findings from the performed studies and analyses¹:

- *Current differences in the remuneration of women and men in the Czech Republic. In-depth analysis of statistics and international comparisons (2017)*. This study uses available data from the Czech Statistical Office, Eurostat and the European Institute for Gender equality. In the text, the information from this study is indicated as S1.
- *Differences in remuneration of women and men in the Czech Republic: workplace, employment, equal work and breakdown of factors (2018)*. This study is based on calculations from data on the Average Earnings Information System (ISPV)². These are interconnected (cross-indexed) data on wages and working conditions as well as individual characteristics of individual employees and employees coming directly from companies and organizations. In the text, the information from this study is marked as S2. The updated results of these analyses on data for 2018 are added in some places.
- *Public Opinion Research Report (2018) Equal Remuneration of Women and Men in the Experience and Opinions of the Czech Public*, conducted by ppm factum research s.r.o., as a public procurement commissioned by the Ministry of Labour and Social Affairs. In the text, the information from this study is referred to as VVM.
- *Report from qualitative research (interviews and focus groups) conducted by Deloitte Advisory s.r.o. on the topic of the causes and processes leading to unequal remuneration from the point of view of various actors, effectuated as a public procurement commissioned by the Ministry of Labour and Social Affairs*. In the text, the information from this study is marked as QUAL.

¹ All presented materials were created within the project “Equality between women and men in the labour market with a focus on (un)equal pay women and men”, Reg. No. CZ.03.1.51 / 0.0 / 0.0 / 15_009 / 0003702, which is financed from the European Social Fund under the Operational Employment program and from the state budget of the Czech Republic. The entire study and the opinion poll are available on the site www.rovnaodmena.cz.

² See <<https://www.ispv.cz/cz/Vysledky-setreni/Aktualni.aspx>>

2. Introduction and terminology

This section clarifies the basic terminology that has been used in both studies (S1 and S2) as well as in other analyses and research which are summarized here. Further on, the data sources for S1 and S2 are also listed here.

Terminology

- In line with the terminology of the project 22% TOWARDS EQUALITY, the terms **“differences in the remuneration of women and men”** or **“gender pay gap”** (and the abbreviation GPG) are used interchangeably.
- The **GPG** is an indicator that determines the **amount of differences in remunerations between men and women**. It does not have a uniform method of measurement. There are a number of ways (mean/median, ratio/difference)³ and units of GPG measurement (e.g. hourly, monthly salary). There are also differences in the definition of the sample (e.g. all economically active inhabitants of the Czech Republic, only full-time employees, people aged 25-55, etc.). All this affects the results obtained and for this reason we may encounter different amounts for this indicator.
- Unless otherwise stated, GPG was determined as the **percentage difference between the average hourly gross earnings of employed men and women** (this is also used in S1 and S2). It is thus uniform in the European Union, is the main indicator of differences in the remuneration of women and men, and is used for international comparison.
- **Remuneration for equal work and work of equal value**. We use these terms in accordance with the definition in the Labour Code. The “same job” is the same job with the same employer. Work of equal value is defined as work of: comparable complexity, responsibility and effort; in the same or comparable working conditions; with the same or comparable work performance and work results. For the measurement of equal pay for the same work other indicators are used, e.g. adjusted (aggregated) GPG rate.
- The terms **wage** and **salary** are distinguished between in the text. We use the term salary for remuneration of employees of the state, regional authorities and municipalities, state funds, and contributory organizations (i.e. the state and public sphere); we use the term wage for the remuneration of employees of the private

³ The data used from Eurostat deal with the average wages of men and women; the data from the Czech Statistical Office, on the other hand, deal with median wages of men and women. If other data or measurement methods are used, this fact is pointed out in the text, usually by footnote.

sphere. However, if it is clear from the text that we are talking about remuneration in general, i.e. wages and salaries, we use the term wage in accordance with the use of this term by the Czech Statistical Office, e.g. “the difference in the average monthly wage of men and women”.

Data sources

- The most important data sources include the **Average Earnings Information System (ISPV)**⁴, which is the data source for S2. It contains data on all employees directly from the wage/salary data of selected companies, linked to data for workers. The data are collected quarterly in the private sphere and every half year in the state and public sphere. These data make it possible to analyze the same remuneration for the same work, to compare individual jobs, workplaces and the impact of sectoral segregation and segregation on employment and companies.
- **The Czech Statistical Office (CSO)**⁵, the primary data source for S1, uses the above data to publish aggregated data (hourly and monthly wages/salaries) sorted by e.g. sex, CZ-ISCO job classification, education attained, age, unit size, presence of collective agreement, industry, period of employment and region. In addition to average wages and salaries, CSO also works with median wages and salaries.
- Other data sources include **Eurostat**⁶, which is also a data source for S1. It publishes average hourly wages/salaries, similarly to the CZSO but also in a European comparison. In these data we can find an even more detailed breakdown by age, education, etc. in the European comparison.
- Also, the databases of the **European Institute for Gender Equality (EIGE)**⁷ and the **Organization for Economic Cooperation and Development (OECD)**⁸ were used as a data source for S1 and S2.

⁴ Available from: <<https://www.ispv.cz/cz/Vysledky-setreni/Aktualni.aspx>>.

⁵ Available from: <<https://www.czso.cz/csu/czso/struktura-mezd-zamestnancu-2019>>.

⁶ Available from: https://ec.europa.eu/eurostat/databrowser/view/sdg_05_20/default/table?lang=en .

⁷ See Gender statistics database, available from: <<http://eige.europa.eu/gender-statistics/dgs/browse/ta>>.

⁸ See Gender equality and employment indicators (<https://www.oecd.org/gender/data/employment>) an OECD Family database (<http://www.oecd.org/els/family/database.htm>).

3. Causes, manifestations and consequences of the gender pay gap

The differences in remuneration of women and men are a complex problem that arises at different levels and in various areas of society. GPG is a very important indicator of the position of women and men in the labour market as it captures the quality of their economic participation in this area. It expresses the degree of disadvantage for women, and possibly men, in relation to their working conditions and career opportunities as well as in relation to the expected standards of responsibility for caregiving and unpaid domestic work. Because GPG is the result of many interrelated causes, the elimination of GPG requires a comprehensive approach. (S1)

3.1 Causes of the gender pay gap

The gender pay gap has many causes that interact and reinforce each other and have implications in various areas of women's lives, as well as their families' lives. The gender pay gap has a major impact on the standard of living of women and their households, on the feminisation of poverty, and also on the standard of living, the upbringing, the aspirations and the future life success of children; ultimately, it has a major impact on the performance of the whole economy.

Cultural causes

- **Notions about masculinities vs. femininities** as not only different, but also as opposites, having different value, importance and significance, are associated with different social norms for behaviour of women and men. Masculinities (and men in general) are understood as the “more valuable”, “more important”, etc., are perceived more positively and are also more valued than femininities (and women), which is a manifestation of gender prejudices and stereotypes.
- **Different socialization of girls and boys, different upbringing and education** due to cultural ideas about femininities and masculinities also influence the choice of profession and are reflected in people's views on the remuneration of men and women. It also affects people's sensitivity to gender advantage or disadvantage and discrimination in the sphere of paid (but also unpaid) work.
- Many psychological studies prove the existence and persistence of the so-called double bind for women and men. While some characteristics, abilities, and behaviours favour men, women on the contrary are penalized because these characteristics are not expected of them. Subsequently this is reflected in social labelling.

- The so-called **women's professions** tend to be less visible and less valued; they are often understood as missions (especially those in providing care), they are assigned low added value, they often do not meet the standard of full-time employment for men, as well as not meeting the standards for permanent working hours and uninterrupted careers (e.g. part-time hours due to maternity and caring for others).

Structural causes: labour market structure and the legal system

- **Gender segregation in specific professions, sectors, fields** (so-called horizontal segregation into “female” vs. “male” fields or professions) **and in management and decision-making positions** (so-called vertical segregation) has an impact on the employment access, earnings and working conditions of women and men. The causes of both types of segregation are mainly gender stereotypes, which are then retroactively reinforced by them.
- **Different types of contracts for men and women**, where women are more likely than men to have fixed-term employment contracts, or contracts for forms of work with lower value (temporary work, self-employment contracts and part-time work due to caregiving for others, etc.) deepen the GPG.
- **Different employment rates for women and men affect the GPG**, where the lower employment rates for women are caused by maternity or caregiving for family members, or more specifically where careers are interrupted in order to care for close family members.
- **The quality of labour law and its enforcement**, which is generally low in the Czech Republic, have a direct impact on gender pay inequality.

Systemic causes: systems of remuneration, its processes and its main actors

- The amount of gender pay gap is influenced by the **remuneration system itself**, i.e. non-application of both the principle of equal pay for equal work and the principle of equal pay for work of equal value. Non-transparency of remuneration and taboos in regards to the topic of equal remuneration as well as to the amount of the minimum wage, which should reduce gender inequalities in the lowest earnings groups (usually for the lowest qualified workforce) also play a role.
- **Different wage structure and evaluation of its components** (in particular, the valuation of linear uninterrupted careers, the emphasis on overtime, the emphasis on seniority and experience, etc.) disadvantages those who provide caregiving and do not conform to the model of an “ideal” or “abstract” worker free from caregiving duties and responsibility for others, i.e. mainly women.

- **The setting of working hours / working regimes** often affects how certain types of employment are incompatible with caregiving (still performed in our country mostly by women), which is reflected in the non-occupancy of these jobs by women.
- **The organizational level of a particular employer** is a factor in the context of company culture and its labour market, but a specific corporate culture can also be established, for example with remuneration transparency or lack thereof; with remuneration rules and the evaluation of the work of men and women at different levels and in various fields; with various recruitment, career development and dismissal options; with different possibilities of combining working and non-working life; etc.
- **The role of the main actors** is important, i.e. especially the role of legislative institutions, trade unions, labour inspectorates, and non-profit organizations active in the field of the labour market, social inclusion and human rights. The role of employers' associations, individual employers and their activities (i.e. approved and implemented measures) is also important. The main players also have an impact on wage levels and the amount of overall pay inequalities of women and men.

Institutional influences

- Inequalities are also caused by: **political measures** defining the conditions for a **combination of paid work and caregiving** as a setting of family policy measures (caregiving leave with a guarantee of returning to work and a guarantee of duration as well as flexibility in the parental allowance, etc.); the unavailability of childcare facilities for very young children; tax policy (e.g. a tax advantage for a non-working parent, usually a woman) preserves the traditional division of roles in family; family unfriendly or inflexible working conditions (e.g. part-time work can have an ambivalent or even negative impact on equal pay for women and men); etc.
- The **trade union organization** of men and women also plays a role, with higher trade union organization of men in masculine fields and professions contributing to their higher wages or salaries. However, in case where collective agreements of a higher-level cover not only employed men but also women, the gender inequalities in remuneration are lower.

Individual and family factors

- **Individual factors** such as age, education, length of experience and choice of employment in themselves have a **very little effect on the gender pay gap. However, individual factors, including psychological ones** (such as ambition, willingness to negotiate wages, etc.) **are usually overestimated** by some actors.
- **Inequalities in the private sector** (division of care, responsibilities and domestic work) **exacerbate inequalities in the labour market and vice versa. In the case**

of women, the number of children and the age of the children negatively affect earnings from employment (an example of the so-called maternity penalization) while for men it is the opposite (an example of the so-called paternity bonus).

The disadvantage of women in the labour market is widely reflected in the Czech public, although significantly more so by women than men. Older women, single mothers, and women with small children are generally considered to be the most disadvantaged groups. (VVM)

- The **public** sees the causes of GPG mainly **in the labour market** and its functioning, as well as in the **career ambitions** of men, in **gender stereotypes** or in the **environment of the education system**. Only about 32% of respondents attribute the causes to the abilities, performance or qualifications of women, and this opinion is more often held by men. (VVM)

3.2 Consequences of the gender pay gap

The diversity of the causes of the gender pay gap is reflected in its diverse consequences from the individual level and group level up to the macroeconomic and macrosocial level (S1):

- The gender pay gap increases the risk of poverty for women and their (especially single-parent) households (an example of the **feminisation of poverty**) in the period of economic activity and in old age when the difference in pensions by gender is 18% in the long term.
- The **GPG leads to the ongoing recurrence** (the continuation or even the worsening) **of gender inequalities in families and households**. The segregated labour market does not allow couples to set a more balanced division of caregiving, responsibility and housework. The low economic power of women in families leads to various types of violence against women in private sphere.
- The low economic power of women, i.e. their low remuneration and subordination in the work sphere, is reflected in the different aspirations and career opportunities of women and men. It is also related to the ongoing recurrence (the continuation or even the worsening) of **sexual harassment and gender-based violence in the workplace**.
- **The low economic power of women in the field of paid work** (due to insufficient access of women to management and decision-making positions in economic life and their low earnings from paid work) **is interlinked with low representation of women in public and political life, their overall lower power in society**.

- The **GPG** has an impact on the economy of the whole state, as it reduces the country's GDP. It also has an impact on the reproductive behaviour of the population.
- The **GPG is related to the continuation and repetition of gender stereotypes in society** because the gender inequalities in remuneration are retrospectively perceived as “natural”, unchangeable (in the labour market, in the education system, in families, in the upbringing of children, etc.), as a consequence of individual choice or individual abilities and skills (or lack thereof), or as an individual failure of the employer, etc., and not as a consequence and manifestation of structural and systemic factors in the function of society.

Various theories and approaches clarifying the issue of the gender pay gap continue to confirm that **the world of paid work** is above all **a masculine world**, shaped and functioning according to masculine needs, interests and options that **reinforce masculine norms** (such as an uninterrupted career) that are incompatible with the life experiences of many women and their life trajectories. **Women** then inevitably continue to have **more difficult conditions when entering work, in their professional growth and in their career development** compared to men, while they are usually not financially rewarded in the same way for the work of the same value in comparison with men (which contributes, among other things, to the development of the feminisation of poverty).

Along with gender stereotyping, **the disadvantaging and discriminatory attitudes towards women** are usually unconscious (an example of so-called implicit discrimination), which leads to the assumption that they cannot be easily identified or eliminated.

Opinion polls show that **gender inequalities in families** affect and are retroactively affected by **gender inequalities in the labour market** (VVM):

Attitudes towards the division of caregiving and work in families

- Although almost three-quarters of the population agree that a woman should always go on parental leave, according to roughly the same proportion of women and men, **men should be involved in childcare as much as possible, even if they are fully occupied at work.**
- However, **men use parental leave in less than 2% of households.** For three-quarters of women the main reason they stayed on parental leave was that they earned less than their partner. Another often-stated reason was that women wanted to be at home with the child and could not imagine another solution.
- Half of the population still agrees with the traditional division of roles within the household (i.e. female caregiver and housekeeper, male breadwinner).

People's attitudes towards the roles of women and men in private life are (thus) reflected in the possibilities of employment of women and men in the labour market and these attitudes affect the level of the GPG.

Reality of division of labour and caregiving in families

- **Women are usually burdened with a so-called double burden** (paid work and unpaid work in the form of caring for others combined with domestic work) and thus also they **more often experience difficulties in combining paid work with childcare and housework**, especially women with more than one child under the age of 15.
- In about half of households with both partners, the normal operation of the household is ensured exclusively or mainly by woman (54%). In about one third of these households, it is precisely determined who is to do what (33%), or it is ensured by the one “who has time” (11%). **Only in 1% of households is the normal operation of the household ensured mainly by a man.** A slightly more even division of labour is applied in the households of university graduates.
- **Nearly a quarter of women at some point in their lives have changed the distribution or amount of their working hours or other circumstances of work** to care for children or other family members, **and 10% of women have even quit their employment for these reasons.** Men undergo these changes significantly less often than women.

Living standards of women and families

- The gender pay gap has a long-term negative **impact on living standards**, especially for women (e.g. low pensions). In addition, however, they affect not only the women themselves but also **the standard of living of their households**, hence the standard of living of all their members, including the children. (S1)
- While women with basic education earn on average around 85% of the average earnings of men with this level of education, university graduates earn only about 74%. These are significant yearly losses that probably have significant impact on the living standards of households with two adults and especially for households of single women (S1). For more, see below the section “Wider context of gender pay gap in the Czech Republic”.

4. The gender pay gap in international comparison (data for 2019, unless otherwise stated)

The following chapter presents a summary of various indicators from S1 and S2 (the gender pay gap, the gender overall earnings gap, the gender equality index and the author's own calculations), which can be used for European and global comparisons of the gender pay gap. Various indicators show that the issue of gender equality in remuneration the Czech Republic still occupies the lowest levels.

- **In international comparison** (where not only EU countries are represented but also e.g. Canada, USA, South Korea), in terms of the difference in remuneration between workplaces it is clear that this is a component of the overall variability of wages, which increases overall pay inequalities in most of the countries monitored. In the Czech Republic, inequalities within workplaces are constant, but **inequalities between workplaces are growing significantly**. This is a consequence of the division into the primary and secondary labour market, i.e. the division into high-wage workplaces (where men are primarily concentrated) and low-wage workplaces (where women are primarily concentrated). (S2)
- **In an international comparison** (using the same countries as above) regarding different levels of segregation and using annual wages⁹, the differences in the remuneration of women and men **in the Czech Republic are the highest in every monitored level**. The levels are: the total difference in remuneration (in the Czech Republic it was 20%); differences in remuneration at the same workplace (15% in the Czech Republic); differences in remuneration in the same category of employment (15% in the Czech Republic); and differences in remuneration for the same job position (10% in the Czech Republic). (S2)
- In an international comparison, the **Czech Republic** ranks among the countries where **wage variability, especially wage inequality, increased significantly** in the period 2002–2016. These are higher than in Scandinavia or France, but they are significantly lower than e.g. in Canada and the USA. (S2)
- In 2019, the average gender pay gap in the EU was 14,1%. However, the Czech Republic has long been significantly above this average; the **GPG in the Czech Republic in 2019 was 18,9%** and in the long run does not fall significantly. It can be

⁹ If we use the annual wages, they are specific in that they also include breaks in the career during the year with zero wage, so even in the case of the Czech Republic, the difference in remuneration between men and women is significantly higher compared to hourly wages. Here it probably shows the influence of motherhood on the difference in pay between men and women in the Czech Republic. The Czech Republic has the highest levels in comparison with the “Western countries of the world”; only significantly patriarchal countries such as Japan or South Korea have worse results.

observed that the amount of the GPG is (in some ways) related to the unemployment rate of women and men, i.e. the more that women are economically active, the more pronounced the difference in wages between women and men. This can also be due to the effect of pre-selection, that is, if people cannot gain a good position in the labour market, they prefer to leave the labour market. (S1)

- Eurostat also publishes an even more comprehensive indicator of unequal pay, the so-called **gender overall earnings gap**¹⁰; the latest available figures are from 2014. That year, the average overall pay gap for women and men in the EU was 33%, while in the Czech Republic it reached 40%, thus ranking the Czech Republic eighth among the countries with the largest overall pay gap. The Czech Republic thus **achieves a better result in this comparison than in the case of utilization simple indicator**. (S1)
- **The European Institute for Gender Equality (EIGE)** has also developed a more comprehensive indicator covering various characteristics of the labour market for the comparison of EU countries, the so-called **Gender Equality Index (GEI)**¹¹. The latest data from 2020 show that the overall average for all monitored areas of the EU is 67.9 and in the Czech Republic it is 56.2. It is improving very slowly, by gaining only 0.6 points since 2010. The Czech Republic traditionally achieves a **good result** in the category of **participation in labour market**, where it is even above the EU average with rating of 84.3 compared to the EU average of 81.5. Since 2010 this number is even growing. The high employment rate of women has a significant effect on the positive result of the Czech Republic.
- The Czech Republic achieves **worse results** in the category of **gender segregation and quality of work**; where the EU average is 64, the Czech Republic maintains a constantly low rating of around 53.3, placing it at the very bottom of the ranking. (S1)
- **In the European comparison** from 2012 in terms of **gender segregation by employment**, which is one of the most significant causes of unequal pay between men and women, the Czech Republic is **above the EU average** (the EU average is close to 25%, the Czech average close to 30%). In the case of sectoral segregation, the EU average is around 17%, in the Czech Republic around 20%. (S1)

¹⁰ The indicator expresses the differences in the average earnings of women and men, taking into account the inequalities between men and women in terms of wages, hours worked and employment. It thus reflects the pay gap between countries much more comprehensively than just gross unadjusted rates of the gender pay gap.

¹¹ The indicator is divided into several basic domains: work, money, education, time, power and health. The individual domains further consist of subdomains and in turn from specific indicators. The index uses values from 1 to 100, where 100 means perfect gender equality, i.e. the higher the value, the better the result.

5. Wider context of gender pay gap in the Czech Republic: cheap work, precariousness of work and standard of living

The labour market in the Czech Republic is increasingly divided into workplaces with high wages and workplaces with low wages. We are seeing this trend in both the private and public sectors. At the same time, women are predominant in work places with low wages and men predominate in work places with high wages. (S2)

Overall, the labour market in the Czech Republic is perceived as a market with low wages and salaries. The opinions of respondents confirm this (VVM):

- Over 80% of respondents in the public opinion survey were of the opinion that the **cause of lagging wages** is mainly **the reluctance of business owners to share their profits with employees**; the preference of foreign workers on the part of employers (because they can pay lower wages); as well as the fact that politicians in the Czech Republic are not willing to advocate for wage increases.
- According to two thirds of the respondents, **people who have to work for the minimum wage are predominately women**.
- According to the respondents, the **average gross monthly wage** should have been on average in the first half of 2018 approximately 10% higher (i.e. it should have amounted to CZK 33,304) compared to its then current amount. However, according to them, **the minimum wage should be almost 57% higher** (i.e. CZK 19,134 compared to CZK 12,200). A total of 90% of respondents were of the opinion that the **amount** of the then minimum wage **was not enough to cover basic living needs**.

Precariousness in the labour market in the Czech Republic is becoming more and more related to the female gender. Women more often than men report non-standard forms of employment in their job and a lower earnings (S2):

- A “good job” (with a wage higher than two thirds of the median wage in the Czech Republic, full-time, and with a contract for an indefinite period) has fewer and fewer women (54% in 2018) and men (64% in 2018).
- The proportion of women and men whose wages are less than 50% of the median wages in the Czech Republic is 6% for men and 7% for women. A total of 23% of women and 18% of men receive a wage lower than two thirds of the median wage in the Czech Republic, so it is possible to mark them as the working poor, and those percentages have also increased in the last two decades.

- In 2019, 12% of women and 7% of men worked part-time (but more than half-time). This share has more than doubled for women since 2002, for men it has increased from 3.5% in 2002.
- While in 2002 12% of men and 15% of women worked on fixed-term contracts, in 2019 it was already 22% men and almost 27% women. (For analysis procedure and other results, see S2.)

The results of a public opinion poll from 2018 confirm that the precariousness of work affects women more often than men (VVM):

- **Earnings less than or equal to CZK 15,299** in 2018 was reported by 50% of women, only 32% of men. On the other hand, earnings over CZK 23,500 was reported by almost 40% of men, but only 20% of women.
- **The main source of total household earnings** for two thirds of the population is wages or salaries, for 8% it is the earnings from self-employment (more often reported by men), for 20% it is pensions and for the remaining 3% benefits in unemployment or any other social benefits.
- **In the age group 60 years plus, there is a higher proportion of men compared to women** (28% men, 18% women) who are not dependent on the retirement pension; **instead the main source of earnings for them is wages/salary or self-employment earnings**. The personal earnings of women over the age of 60 is lower than that of men. A total of 26% of women report a net earnings below CZK 11,900, but only 15% of men; earnings below CZK 15,300 are reported for 68% of women and 55% of men in this age group.
- Almost a quarter of respondents state that **their family budget is fundamentally dependent on social security benefits** (more often mentioned by people with education lacking a GCSE, the unemployed and people on old-age or invalidity pensions).
- **Paying unexpected expenses** is a problem especially for women, both pensioners and single mothers.
- Seven out of ten respondents describe the material conditions of their household as good (women more often rated it as rather bad or very bad). **Poor living conditions** are reported regardless of the person's gender by people over the age of 60, by people with an education lacking a GCSE and those whose budget depends on social benefits.

According to the results of qualitative research focused on the views of key actors, equal pay for women and men is not a priority for trade unions (KVAL):

- The issue of equal opportunities, including equal pay for women and men, is usually classified into a **broader category of protection of the rights of workers and protection against discrimination of any kind.**
- This issue is generally perceived by trade unions as **an implicit part of collective bargaining, not as a specific topic or specific problem.** It is therefore not explicitly defined either in the activities of trade unions or in collective agreements.
- The **priority themes of trade unions** are low wages in general, respect for rights and the protection of employees, working conditions, work safety, overtime, etc.

6. Current differences in the remuneration of women and men (data for 2019, unless otherwise stated)

Basic summary statistics of the gender pay gap in the Czech Republic are published annually by the Czech Statistical Office, most recently in the publication **Structure of wages of employees 2019**¹²; for individual EU member states it is published by Eurostat¹³. The amounts of the gender pay gap are monitored in total or based on one or more basic factors and in different groups of the population and occupation. These data are classified according to labour market areas (fields, occupations, educational groups, gender, etc.), but do not show any causal relationships, and do not measure same remuneration for the same work, because the wages of individual employees are not interconnected with individual workplaces.

- In 2019, women in the Czech Republic were paid an average of CZK 7,462 less than men for their work. The total difference in average wages between men and women according to CZSO reached **18.8% in 2019**, and the difference in median wages of women and men reached 14.7%. (S1)
- **Eurostat** for the Czech Republic in 2019 states the size of the gender pay gap was 18,9% (excluding state administration, methodological deviations in the calculation). (S1)

¹² Available at: < <https://www.czso.cz/csu/czso/struktura-mezd-zamestnancu-2019>>.

¹³ Available at: https://ec.europa.eu/eurostat/databrowser/view/sdg_05_20/default/table?lang=en.

- Men and women differ significantly according to **the distribution into individual wage groups**. Average wage in the Czech Republic reached CZK 36,336 in 2019. However, 71% of women have a salary of less than CZK 36,000, compared to 56% of men. (S1)
- Historical data on average monthly wages date back to the 1960s and show that the **gender pay gap was also significant before 1989**. In 1962, the average wage for women was only 63.8% of men's wages (a difference of 36.2%). With significant educational advancement in the female population in the 1970s and 1980s, the pay gap narrowed to 29% by the end of the 1980s. (S1)
- Gender pay gap in the Czech Republic **is not decreasing**, but rather remain at similar levels, as we will show further. (S1)

6.1 Related indicators

In terms of differences between groups of people and occupations, the data show that **differences can be identified by education, age, employment groups by CZ-ISCO, industry, company size, existence of a collective agreement, the owner of company or enterprise, and by region**. These aspects can be divided into three basic levels: indicators related to the labour market and its structure, indicators related to the characteristics of workplaces and companies, and finally to individual indicators.

The results presented below are summarized in S1 and S2.

Labour market structure indicators

- An international comparison of EU countries shows that the size of the gender pay gap is related to the **rate of employment**. In countries with low employment of women (less than 60%, e.g. Malta, Italy, Romania or Spain), the gender pay gap is rather low. This is due to the fact that (I) women whose wages would be rather low do not participate in the labour market, (II) the vast majority of care for children, the elderly and the sick is provided by women on an informal basis and is therefore not included in the formal economy and (III) there is a strong gender segregation of the labour market and therefore in many fields and in many positions women are completely absent and their wages cannot be compared to men's wages. The high gender pay gap between women and men in the Czech Republic is therefore also significantly related to the relatively high employment.
- The **rate of employment** in the Czech Republic is above the EU average (73.9%). In 2019 it reached the level of 80,3% for the population aged 20–64 (87.7% for men and 72.7% for women).

- The **degree of the gender segregation of Czech labour market** is also related to the overall level of the gender pay gap. Women often concentrate in feminized professions. There is an underestimation of female work that is considered low-skilled and is poorly rewarded financially.
- Within the jobs in the **four-digit CZ-ISCO classification**, the highest GPG is for intermediaries of financial transaction (45%), which means an average of CZK 31,651 per month less for women than for men, with the average work time for men being only 0.2 hours per month higher than for women.
- Of the 385 CZ-ISCO employment subgroups examined, **women have higher average wages in only 16 cases** (these are differences of up to 5%, with maximum amount of a few hundred crowns, with the exception of receptionists, where women reached an average of 19% higher wages than men in 2019).
- The **largest** gender pay gap is in employment types where **women are under-represented, a high the degree of qualification is required, and in high levels of management**, such as top executives (GPG 36%, representation of women 15%). Minor differences are where positions do not require high qualifications or where women predominate, such as music teachers, art teachers and pre-school teachers.
- In terms of **sector classification** (NACE), there is a **higher** gender pay gap in the **sectors where women predominate**, e.g. in finance and insurance (GPG 38%), education (22%) or health and social care (24%). Greater differences in the remuneration of women and men are also evident in **sectors where there are higher average wages**. On the contrary, a **lower** gender pay gap is found in **manual labour and work that requires less qualifications and the less financially valued sectors that have a more balanced representation of men and women** (e.g. administrative and support activities).

Indicators of companies and workplaces

- The place of work, the size of the company, the ownership structure of the company and the coverage by collective agreement are also important factors in wage averages and in the pay gap between men and women.
- In the capital city of Prague, the pay gap between men and women is the largest (22%). In general, there are **higher differences in regions with higher average wages**.
- The **gender pay gap is higher in larger companies**, with the most significant GPG found in companies with 250 up to 999 employees (24%). Small companies with up to 10 employees have a GPG of 5%. This is probably due to more a transparent wage system and a less hierarchical structure in the small companies.

- **Smaller** differences in remuneration and at the same time higher average wages are clearly visible in companies and organizations where a **collective agreement** is established.
- **Higher** average wages for both men and women and a **smaller** pay gap are clearly evident in companies owned by the state and in the public sector where there are more precise and transparent remuneration rules than in the private sector in general.

Individual indicators

- In the Czech Republic, motherhood has the strongest and long-term **impact** on women's employment. On average in the EU-28 in 2018¹⁴, the employment rate of women with young children (under 6 years of age) was 9% lower than for women without such children. In the Czech Republic, **the employment rate of women with young children was 34.2% lower than women without young children**. This is mainly due to widespread use of several years of parental leave, which is used mainly by women after the birth of a child, as well as due to the disadvantage of mothers of young children in access to employment (Křížková & Vohlídalová, 2009).
- Gender differences in remuneration are **highest** in the **age categories 40–44** years (25%), **45–49 years** (24%), i.e. at the age when women usually take care of young children or return to the labour market after parental leave. Age is a fairly reliable indicator of the impact of motherhood and childcare on women's remuneration (see the chapter "Equal pay for equal work?" below.).
- Although at present women in the Czech Republic exceed men in terms of the average highest level of education, the differences in remuneration to the detriment of women, which could previously have been explained by lower education levels for women, persist¹⁵. And **with increasing education**, the gender pay gap is even **growing**. The lowest pay gap is between men and women with basic education - 15.3%. For people with secondary education without a GCSE it is 22.2%, for people with a high school diploma it is 19.3%, and the highest pay gap is among university graduates - 26.2%.

¹⁴ Eurostat stopped monitoring this variable. The last known figure is for 2018.

¹⁵ In 2018, 38% of women had a high school diploma and 20% of women had a university degree, while 31% of men had a high school diploma and 19% had a university degree. See Czech Statistical Office: Employment and Unemployment according to LFS results - annual averages - 2018. Available from: <https://www.czso.cz/csu/czso/zamestnanost-a-nezamestnanost-podle-vysledku-vsp-s-annual-averages-2018>

- The **differences in the average number of hours worked** per month between women and men are very small on average and they **cannot explain the gender pay gap** in the Czech Republic currently. The biggest difference is obvious for the employee class of machinery and equipment operators. In this class, men work an average of 6 hours more per month than women and GPG is 14.7%. Further, men work an average of 3 hours more per month in the class of craftsmen and repairmen (GPG 21%) and qualified workers in agriculture (GPG 12%), and finally men work an average of 2.5 hours more per month in the class of unqualified workers (GPG 17%).

In other classes, men work a maximum of one hour per month more than women. Female managers work an average of one hour more than male managers, and in this class of employment the gender pay gap to the detriment of women is the highest (28%).

6.2 Equal pay for equal work? What is the impact of different types of segregation?

Inequalities in remuneration of women and men in the Czech Republic are very high, not only (as we have shown above) on average in the entire labour market and within individual occupations, educational or age groups, but also for the **same job position**. **The difference between the wages of men and women working the same job in the same workplace is on average 9%**. The possible influence of age and level of education is taken into account so it does not play a role in this difference. In this chapter we summarize the results of the analysis of the gender pay gap at different levels of the labour market (individual fields, employment, workplaces, job positions). We use **data from the Average Earnings Information System for 2018**¹⁶, which is unique in that the data on individual employees is linked with data on workplaces and companies and includes answers to questions about equal pay for equal work. (S2)

- First we show the wage differences between women and men at the **four levels of segregation** in 2018: 1) the difference in the average wages of women and men in the labour market as a whole (19%); 2) the difference in the average wages of women and men who work at the same workplace (15%); 3) the difference in the average wages of women and men working in the same category of employment (very detailed 4-digit CZ-ISCO classification) (14%); and 4) the difference in the average

¹⁶ Alternatively, a comparison with 2008, resp. change over the last 10 years.

wage of women and men, who perform the same work, at the same workplace, in the same category of employment (9%)¹⁷ (see Chart 1 below).

- This analysis was carried out on all years in the period 2002-2018 and showed that the amount of inequalities during this period did not change significantly and the GPG for the same job position, i.e. men and women performing the same employment in the same workplace, reaches around 10% throughout this period.
- Thus, the **segregation** of women and men into different categories of employment is responsible for only about a quarter of wage differences between men and women. A quarter of the pay gap is caused by the segregation of women and men into different workplaces¹⁸. When we eliminate both these types of segregation and compare only the wages of women and men who work at the same workplace and in the same category of employment, performing the same work at one workplace, the total pay gap will decrease by only about half - 9% (see Chart 1 below).
- If we calculate the GPG only for the population in the so-called **primary working age**, which refers to the population aged 25-55, the **GPG** in hourly wages including bonuses for full-time workers reaches **21%**, the GPG for women and men **in the same job reaches 16%, in the same workplace 16% and in the same position 10%**. This is therefore a slightly higher difference, probably also in connection with the fact that in this population is a significant number of parents.
- **Parenthood** is a factor that is missing in the information from the Average Earnings Information System data. However, the analysis of individual age categories points to a **strong penalization of women due to motherhood**. Graph 2 below shows the same analysis as Graph 1 but performed separately for each age category in 2008 and 2018. For clarity, the graph shows only the total difference in remuneration and the difference in remuneration for the same position.
- The gender pay gap appears to be **highest in the age groups 35-39 and 40-44** years, when both women and men are parents of young children. From about the age of 30, the total pay gap between men and women starts growing dramatically and also the pay gap in the same job position. The difference in wages for the same work at the same workplace (in the same position), which is very small in the lowest age categories (about 2-3%), compared to the age categories where women and men are typically parents of young children, is above average and reaches 11% (in 2008 it even reached 12-14%). At that point it remains constant

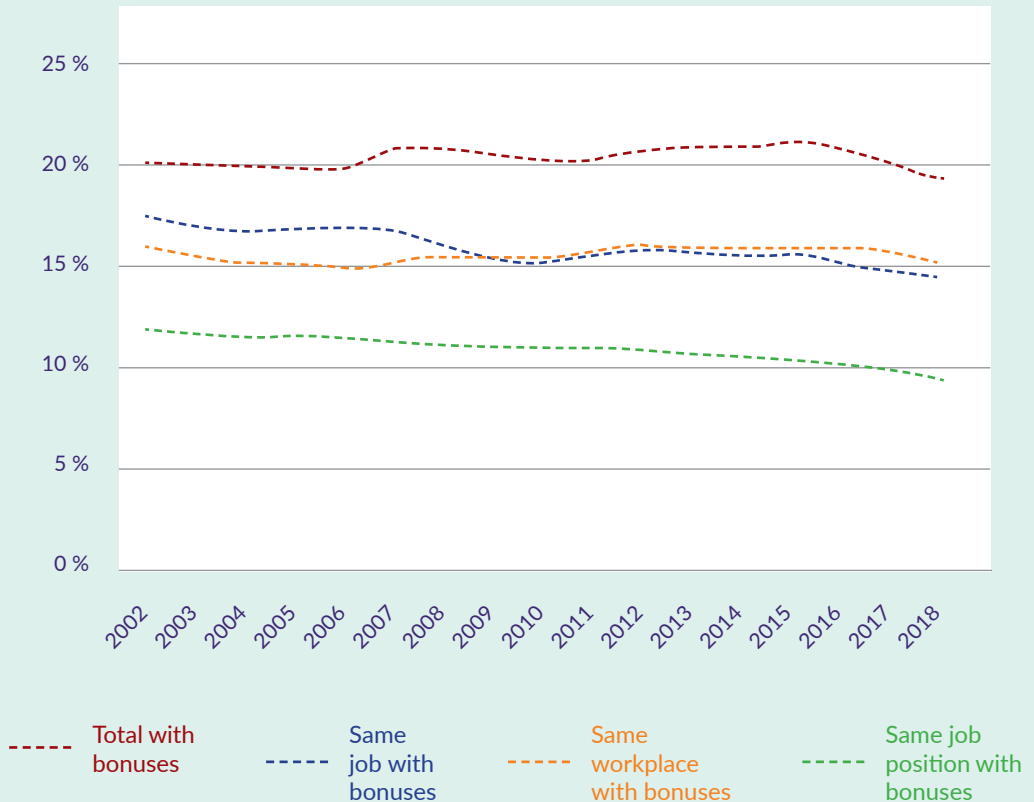
¹⁷ The pay gap at all four levels is calculated from average wages, including bonuses, for the 16+ population.

¹⁸ The overall difference of 20% will be reduced by about a quarter in 2018, whether we compare the wages of women and men in the same workplace (15%) or in the same category of employment (14%).

and does not decrease to its original level. Even in the pre-retirement age it still reaches 6-7%.

- A positive change over the last ten years is that in the two age groups (almost solely) with one of the highest differences, i.e. **30-34 and 35-39** years of age, there has been a **slight reduction of the differences**, at the same job position and also in overall statistics. This means that although there has been an overall decline in inequality, the fact that women and men in these age groups work in different fields and occupations (segregation) still plays an important role, although not the only one. After the influence of segregation removed, there is still about half of the pay gap remaining even where women and men work in the same workplace and in the same category of employment, i.e. they perform the same job.
- The **decrease** in total wage differences in the age group **60-64 years** can be explained by an **increase in the retirement age**, due to which more women remain on the labour market compared to ten years ago, and probably also in highly skilled jobs.
- **In the public sphere, where there is greater regulation of salaries either through salary tables or through the Act of Civil Service, the differences in remuneration between women and men are generally lower** than in the private sector, but they are also significant there. The salaries of women and men in the public sphere who do the same work in the same workplace differ on average by 5%, compared to roughly double that in the private sector.
- **The biggest difference in remuneration by education is found between university graduates.** The total difference is 25% and the difference between the wages of men and women in the same job position is 10%. For university graduates in the last 10 years, the gender pay gap has tended to increase.
- **Sectors (NACE - Nomenclature statistique des activités économiques dans la Communauté européenne) also differ from each other.** In the financial and insurance sectors and in the construction sector, the gender pay gap is very high; women are paid less than men working in the same job position by 17% and 13% respectively. In contrast, in the education sector and in the administration sector women are paid less than men working the same job position, 6% and 4% respectively.

Graph 1: GPG in % for the population 16+ including bonuses, comparison for the same job, workplace and position, full-time, in 2002-2018



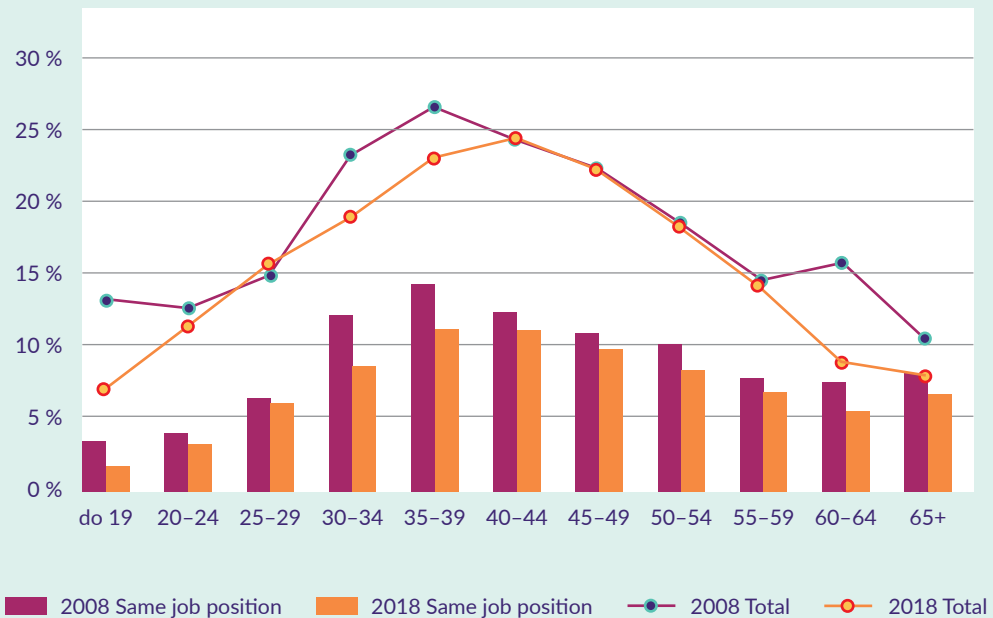
7. Breakdown of the gender pay gap into individual factors and their influence, updated calculations for 2018

- **A breakdown of the gender pay gap by the Blinder-Oaxaca method** into individual factors with the data available showed that 9% of the 23% gender pay gap (limited to a primary age of 25–55 years) can be explained by the differences between women and men in specific factors and characteristics. The remaining 14% represent

the unexplained part, i.e. the effect of the factors that are not reflected in the data and the effect of direct or indirect discrimination. (S2)

- **Differences in individual positions and characteristics of men and women** such as leadership positions, full-time work, education, age, etc. contribute to the explained parts (9%) only minimally (0.44%). (S2)
- **Taking into account the segregation of women and men in different occupations** contributes 3.35% to the explained part of the gender pay gap; this 3.35% is more than one third of the explained part (9%). (S2)

Graph 2: Comparison of age groups, 2008–2018, GPG in % of the average hourly wage, including bonuses, full-time work, total GPG and GPG for the same positions



- The **largest segment of the explained part of the gender pay gap consists of the characteristics of the company/workplace** (such as the average wage in the workplace and sector) and the **segregation of women and men in different companies/workplaces**. The effect of this segregation makes up almost two thirds or 5.27% of the explained part of the gender pay gap, which is 9%. (S2)
- The **unexplained part represents 14% out of the 23% gender pay gap. This 14% represents the part of the difference caused by the different remuneration of women and men in the same positions or same characteristics**. The different remuneration of women and men in the case of the same individual work characteristics contributes about 2% (specifically 2.23%) to this and thus represents about one-seventh of the unexplained part. (S2)
- Unequal pay for women and men based on segregation into different jobs reduces the unexplained part of the gender pay gap by 5.78%. **Women are better paid in those categories of employment (ISCO) and in those fields (NACE) in which they are currently more represented**. If women were more concentrated in jobs and fields where mostly men work, their wages would probably be even lower than in the current situation. (S2)
- **As with the explained part, the characteristics of companies/workplaces play the biggest role in the unexplained part**. Unequal pay for women and men working in the same companies, organizations and workplaces contributes about 78% to unexplained part of the gender pay gap (The model constant is also included in the unexplained part. After deducting it, the unexplained part forms 14 pp). (S2)
- The unexplained part is reduced by the model constant, which includes the effects of all the factors that are not available in the data. The model constant reduces the unexplained part by 60%. (S2)
- **Between 2008 and 2018, the gender pay gap (in the population aged 25-55) decreased by 1% from 24% in 2008 to 23% in 2018**. This decrease took place in the unexplained part (i.e. in the area of unequal remuneration for identical individual characteristics and positions). (S2)
- For the explained part between 2008 and 2018, the effect of the difference between individual characteristics between men and women on the pay gap has lost in importance. The sum of job characteristics fluctuated; overall it rose slightly. On the contrary, the **influence of the characteristics of the company/workplace and thus the influence of the fact that women and men work in different workplaces has grown more distinctly**. (S2)
- For the unexplained part, between 2008 and 2018 we detected a change only in the characteristics of the company/workplace. **The impact of unequal pay for women and men working in the same workplace has increased**. (S2)

8. Attitudes to some aspects of work, disadvantages in the labour market and the gender pay gap

When addressing the issue of unequal pay, it is important to know which characteristics of work are considered important, what attitudes people hold towards the GPG, what is their personal experience, and specifically what are their views on unequal pay between men and women. **Almost 90% of workers know what items make up their monthly wage or salary**, and 74% know exactly what they received a reward or bonus for. (VVM)

Importance of selected aspects of work for women and men (VVM)

- By both men and women, the **most important** characteristics of work are considered to be the level of earnings and fair remuneration, whereas non-financial benefits (telephone, car, etc.) and the possibility of further education are valued as less important.
- **Women** (more often than men) consider the **time distribution of work and the time intensity of work** to be of high importance, which points to the need of reconciling work with family care usually carried out by women; men more often consider technical equipment important for work performance. At the same time, when evaluating the characteristics of the current work, both men and women most negatively evaluate those characteristics which are most important to them (i.e. earnings and fair remuneration).
- When deciding to enter a new job, **women are more likely to make decisions primarily on the basis of conditions that enable them to combine work and family life more effectively**, such as the proximity of the workplace to the place of residence, the possibility of combining work with family responsibilities, followed by physical strenuousness, work safety, necessity of business trips or the possibility of part-time work. This is more often mentioned by women with children under 15 years of age (and the most by women with children under 6). Women consider the possibility of getting into management positions a less important motive for entering work, something which is mentioned more often by men. The age and number of children were not significant factors for men.

Reflections of inequalities in the sphere of paid work (VVM)

- According to a public opinion poll, **almost half of the population** (women more often than men) agree that in the sector where they work or have worked, **men have better opportunities compared to women to be promoted to management positions and have better wages or salaries for the same work**.

- In two-thirds of cases, however, people do not feel that they themselves are disadvantaged in their jobs. However, if a disadvantage is mentioned, then most often it is due to gender (with women significantly more often than men) again in cases **concerning the financial valuation of work (wages and bonuses), the possibility of advancing to a higher position, the hiring or firing procedure or in receiving work benefits.**
- According to 58% of women, men and women “definitely do not” or “somewhat do not” have the same chance of getting the same pay for the same work. On the contrary, men are more inclined to the possibility that they have the chance “more likely” or “definitely” to get the same pay for the same work (53% of male respondents). The views of men and women are significantly different on this issue.
- When considering the remuneration of men and women in the organization where they work or have worked, **43% of respondents say that men are paid more than women.** At the same time, the vast majority of workers (almost 90%) know exactly what their monthly wage or salary is for, and 74% know exactly what they received a reward or bonus for.

Expectations of women and men to reduce pay inequality

- **People clearly want more transparency when it comes to information on wages and salaries.** This includes wanting information on the wage or salary range listed in advertising (only 8% of respondents disagreed with this) and also includes wanting anonymized information about individual job positions both between and within companies and organizations. The lower the respondents’ income, the more often they agree to the disclosure of this information. (VVM)

9. Who should address the unequal pay of women and men?

A majority of the Czech public (62% of respondents) considers trade unions to be the main player for addressing the gender pay gap and the respondents include this issue among trade unions’ most important tasks, even though the percentage of employees in trade unions is very low in the Czech Republic. Going further, 57% of respondents consider employers to be the main player, and 50% of respondents considers individuals to be the main player. Not considered by the majority of respondents to be appropriate actors for addressing the GPG are: state institutions such as the State Labour

Inspection Office (40% of respondents), the Labour Office of the Czech Republic (38% of respondents) or courts (14% of respondents).

Low confidence in the courts may be due to the absence of litigation over the issue of unequal pay, which would be resolved in favour of a financially disadvantaged person. (VVM)

10. Opinions on 22% EQUALITY project activities

Among the most effective measures/tools to reduce the gender pay gap that respondents would agree to introduce are: the cooperation of trade unions and employers (57% of respondents), legal solutions (57% of respondents), effective control tools of the State Labour Inspection Office and The Labour Office of the Czech Republic (57% of respondents), state support for employers (55% of respondents), sanctions from labour inspectorates (54% of respondents), state support for employees who feel discriminated against (52% of respondents) and regular audits of employers to see if there is unequal pay for women and men (52% of respondents). Educational activities are considered the least effective tools. (VVM)

- The responses show that the Czech public sees state intervention as the most effective tool for reducing unequal pay between men and women, e.g. the state should cooperate with other actors, should punish employers who do not pay equally using the help of state control bodies such as SÚIP (the State Labour Inspection Office) or should support individuals who are discriminated against. There is a discrepancy between the fact that the respondents do not consider the state as a key player, who first of all should be involved in solving unequal pay, but nevertheless consider the state to be the one who should be active in reducing the pay gap. This discrepancy can be explained by the fact that the Czech public is aware that unequal pay has not yet been an important issue for the state to address (since the state is not very active in this issue) but considers the state to be the actor that should address the issue by creating and implementing measures to reduce GPG. (VVM)
- Women more than men give more importance to the state and state institutions as main actors who should implement measures to reduce pay inequalities. (VVM)

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Romana Marková Volejníčková, Lenka Simerská, Petra Sofie Haken**

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