

## **Problematic Aspects of Women Employment in Slovakia in Comparing with Visegrad Countries**



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### **A B S T R A C T**

*In comparing with other Visegrad countries, Slovakia has since 1990 permanent difficulties to reach and maintain high level of employment. High unemployment used to be traditionally in Poland, too. Other two Visegrad countries, the Czech Republic and Poland used to reach much better economic results. However, if we analyse the situation more comprehensively, unemployment in the Czech Republic and in Poland is problematic, too, especially if we take into account unemployment of women, long-term unemployment, labour market rigidity and impacts of current economic crises on labour market. We will analyse gradually all these aspects focusing especially on women employment.*

**KEW WORDS:** *women, employment, unemployment, labour market, Visegrad countries, Slovakia*

### **Introduction**

Visegrad countries (V4 – the Czech Republic, Hungary, Poland and Slovakia) belong to the fast reformers among countries in transition. They generally reach positive macroeconomic results and macroeconomic stability. However, unemployment is traditionally quite high especially in case of Poland and Slovakia. Results of the Czech Republic and Hungary seem to be much better. We can compare it on Figure 1. Evolution of

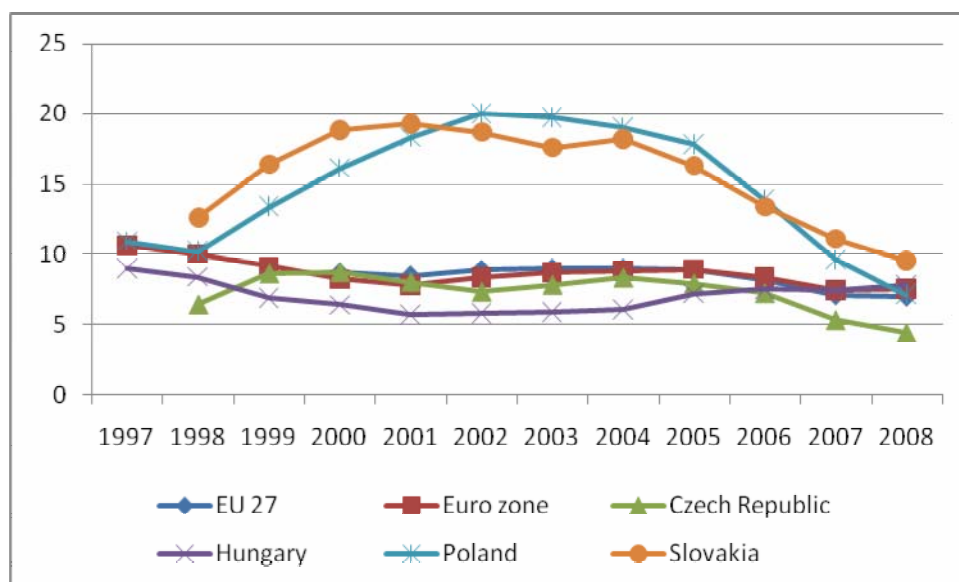
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unemployment in the Czech Republic and in Hungary has been for a long time comparable to the European Union and to the euro zone.

However, if we focus on the problematic more comprehensively, we can observe weaknesses of V4 labour markets especially with negative impacts on employment of women. Among persisting problems we can gradually analyse gap between men and women unemployment, long-term unemployment that concerns especially women, rigidity of labour markets in V4, fragility of V4 labour markets to current economic crisis etc.

*Figure 1: Evolution of unemployment in V4 countries in comparison with EU 27 and euro zone, in %*



Source: own representation according Eurostat

## Gender Unemployment Gap in V4 Countries

Gender unemployment gap is a difference between unemployment of men and women. Generally, we can summarize, the less a labour market is developed the bigger the gap is.

We can observe that gap between unemployment of men and women is the biggest especially in the Czech Republic and the narrowest one mostly in Hungary. Average differences of unemployment rate of men and women in these countries are depicted in the Table 1.

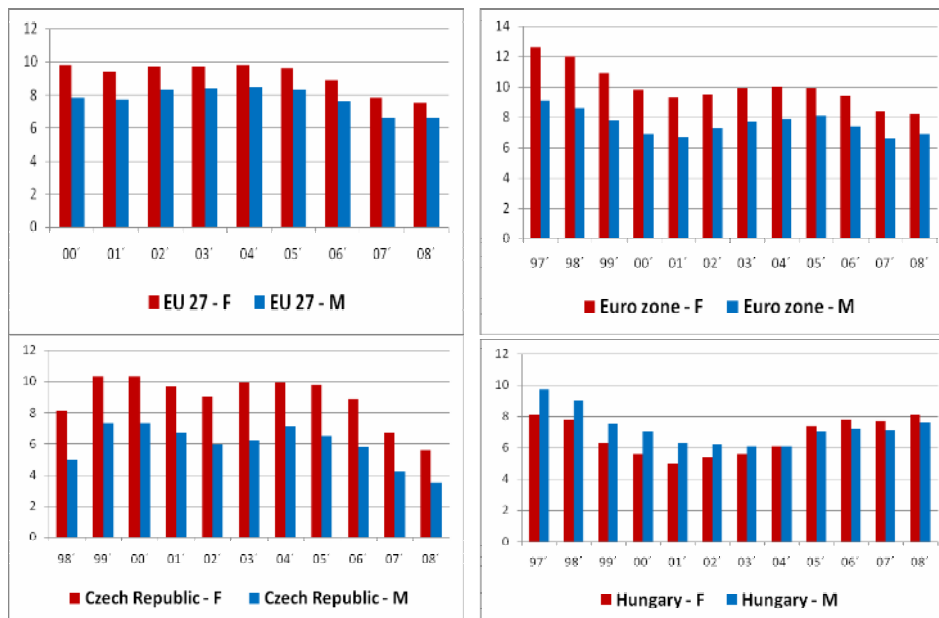
*Table 1: Average gap between unemployment of men and women in V4 countries in comparison with EU 27 and euro zone since 1997 to 2008, in %*

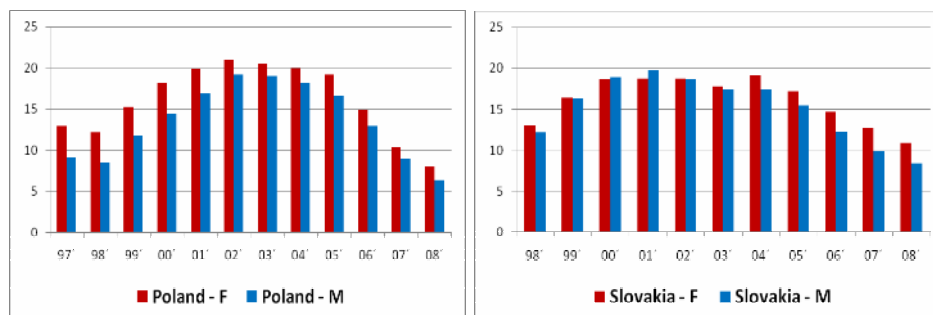
| Country  | EU 27 | euro zone | the Czech Republic | Hungary | Poland | Slovakia |
|----------|-------|-----------|--------------------|---------|--------|----------|
| Gap in % | 1,38  | 2,41      | 2,96               | 0,32    | 2,54   | 1,03     |

Source: own calculations according Eurostat

These results are influenced by tradition in the Czech Republic. Czech women prefer to stay at home with their children longer than is the length of their maternity leave. In fact, they would prefer to do some part time job, but as an adequate legislation regulating part time jobs is missing, it is difficult for Czech women to find a workstation. They stay at home and they are often registered as unemployed. Consequently, the gap is significant. The situation is similar in Poland and Slovakia where part-time job is very rare in comparing with western European countries. Flexible work forms are missing.

*Figure 2: Men and women unemployment gap in V4 countries in comparison with EU 27 and euro zone, in %*





Source: own representation according Eurostat

The gap for each country in comparing with EU and euro zone is graphically depicted on Figure 2.

Despite the fact, that Slovakia does not have the worst results, we can observe negative future trend that can signalise significant worsening of situation. In Slovakia, difference in employment of women and men increased by 7% in 2007 in comparing with 2000, in favour of men. In 2007, Slovakia reached the biggest increase of this indicator among 27 EU countries. In Slovakia in 2000, overall employment of men was 53,3 % and of women 42,8%. In 2007, employment increased in positive way in both cases, however gap became wider. Employment of men reached 68,4%, but employment of women was only 53% (Inštitút zamestnanosti 2008a). This phenomenon was and still is rare in European countries.

In V4 countries, the most endangered group of unemployed people are women over 45 years. If they lose their jobs, they have really very little chance to find a new one. Consequently, there are several projects “WOMEN 45+” (Equalslovakia, 2008) in V4 countries aiming increase of employment of this group of women but their positive results appear only slowly.

However, the gap in employment of men and women is problematic in Europe as a whole, especially if we take into account situation in particular regions. Rate of women unemployment is higher than rate of men unemployment in more than half of all European regions (Mládež 2008).

## Rigidity of Labour Markets in V4

Persisting problems of labour market rigidity in V4 countries are due to heavy administration and legislation, entrepreneurship barriers, missing qualification, insufficient employment policy of government, etc. The rigidity of the labour market can be measured through change of employment and change of GDP.

*Table 2: Average values of indicators since 2000 to 2008*

|                       | $\bar{\Delta}$ Break point of employment growth | $\bar{\Delta}$ Employment/ $\Delta$ GDP |
|-----------------------|---|---|
| <b>Slovakia</b>       | 4,97  | -0,06                                   |
| <b>Czech Republic</b> | 3,83  | 0,12                                    |
| <b>Hungary</b>        | 3,68  | -0,12                                   |
| <b>Poland</b>         | 3,44  | -0,15                                   |

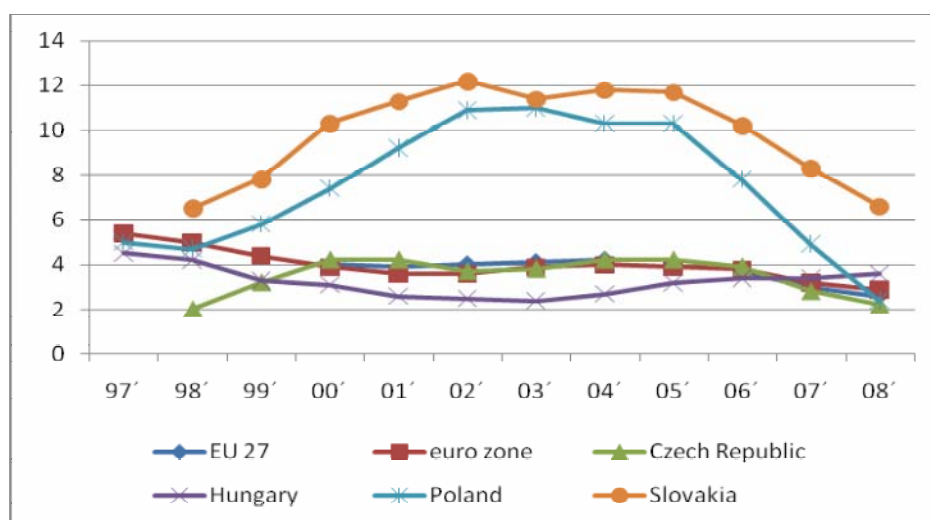
*Source: (Czereová 2008, 47)*

Break point of employment growth is calculated as difference between GDP growth and employment growth (Marcinčin, Beblavý, 2000, 376). This indicator helps us to quantify an overall rigidity of the labour market. The ideal value should be at about zero. Very big number or negative number reflects negative evolution. The highest rigidity is on Slovak labour market. But even other V4 countries are marked with high level of rigidity. Second indicator expressing average elasticity of employment growth to GDP growth presents again negative results. The worst results are this time in Poland. Growth of GDP by one unit often did not cause an adequate employment growth. Despite GDP growth an adequate number of workstations was not created.

## Long-term Unemployment in V4 Countries

According International Labour Organization (ILO) and Eurostat long-term unemployment is unemployment over 12 months. Impacts of long-term unemployment are very negative from economic point of view as well as from personal point of view. The longer are people unemployed the less chance to find a job they have. The most important problems with long-term unemployment are again in Slovakia and in Poland as it is obvious from Figure 3.

Figure 3: Evolution of long-term unemployment in V4 countries in comparison with EU 27 and euro zone, in %

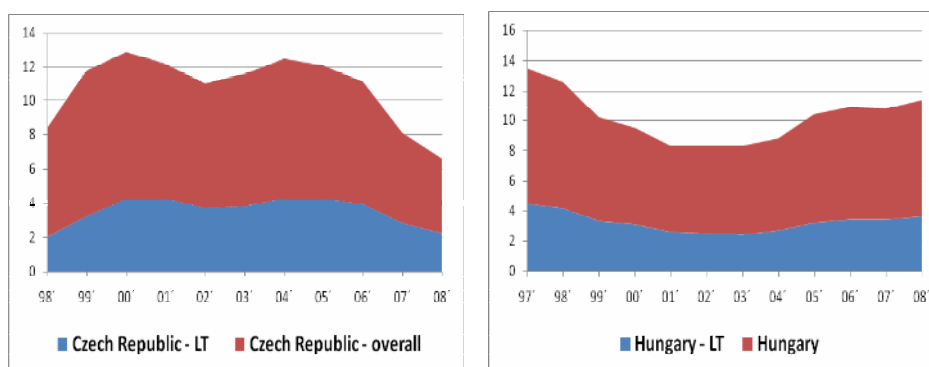


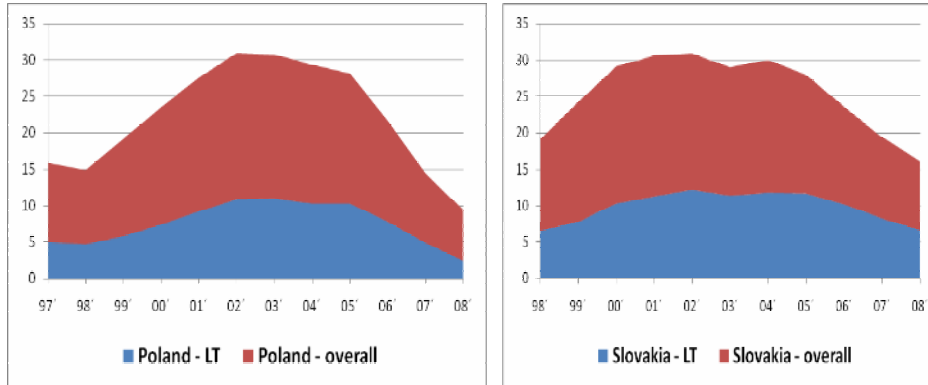
Source: own representation according Eurostat

Long-term unemployment is in case of the Czech Republic and Hungary again comparable with EU 27 and euro zone.

We can observe proportion of long-term unemployment on overall unemployment in V4 countries on Figure 4. In EU 27 and euro zone the proportion is similar.

Figure 4: Proportion of long-term (LT) unemployment on overall unemployment in V4 countries, in %





Source: own representations according to Eurostat

The long-term unemployment is the most significant in case of Slovakia. In 2008, its proportion represented 10,2% on overall unemployment in Slovakia, while European average was only 3,7% (Euractiv, 2008). Persisting long-term unemployment in V4 countries is due to lack of structural reforms and consequently creation of new workstations is very insufficient (Marcinčin 2002, 348).

Long-term unemployment concerns especially:

- women after maternity leave and women with small children,
- non-qualified labour force,
- handicapped people,
- minorities and immigrants,
- people living in country, especially in less developed regions,
- older unemployed people,
- young school graduates (Paukovič 2007, 78).

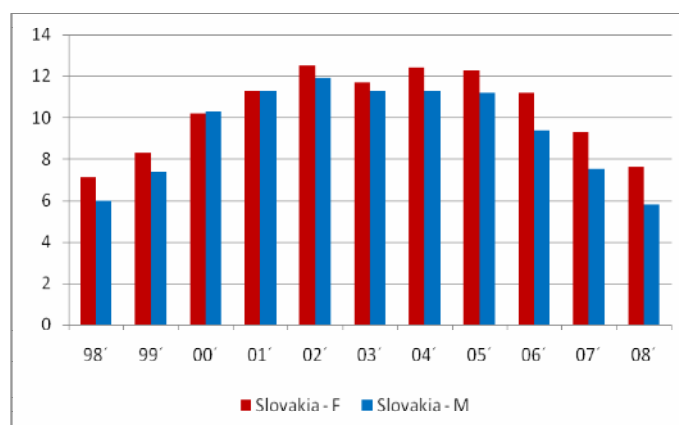
Table 3 depicts gap between long-term unemployment of men and women. Long-term unemployment concerns again mostly women. The worst situation is averagely since 1997 in Poland. The best situation seems to be again in Hungary, where long-term unemployment concerns almost equally men and women. The worst future trend is one more time in Slovakia. General evolution is not so negative, but during last years the gap is getting larger as it is shown on Figure 5.

*Table 3: Average gap between unemployment of men and women in V4 countries in comparison with EU 27 and euro zone since 1997 to 2008, in %*

| Country  | EU 27 | euro zone | the Czech Republic | Hungary | Poland | Slovakia |
|----------|-------|-----------|--------------------|---------|--------|----------|
| Gap in % | 0,47  | 1,32      | 1,65               | -0,4    | 2,12   | 0,95     |

Source: own calculations according Eurostat

*Figure 5: Worsening trend in long-term unemployment of women (F) in comparing to men (M) in Slovakia, in %*



Source: own representation according to Eurostat

Negative impacts of long term unemployment on society is that unemployed people lose their working abilities and habits, they lose motivation to work and this sinister phenomenon is transferred to younger generations of these families.

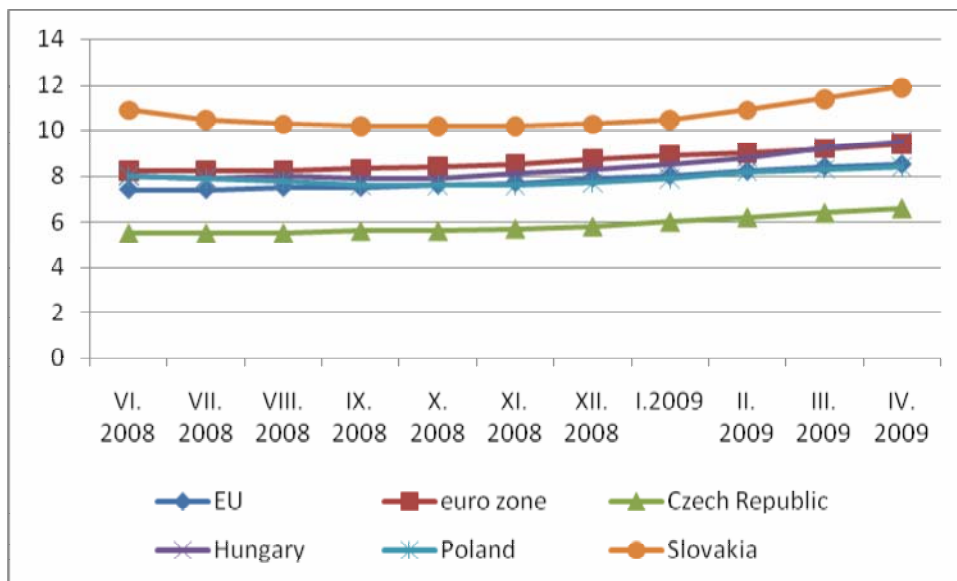
### **Impacts of Current Economic Crisis**

Up to now, situation seemed to be the best for Hungary especially as for unemployment gap between men and women in case of overall as well as long term unemployment. However, current economic crisis influences negatively even Hungary. While the Czech Republic maintains more less low unemployment even below EU 27 and euro zone averages, unemployment in Hungary climbs slightly over EU 27 and euro zone level.



Trends and several macroeconomic analyses signal even more important increase in following months. Evolution of overall inflation in V4, EU 27 and euro zone during last months touched by economic crisis is depicted on Figure 6.

*Figure 6: Evolution of unemployment in V4 countries in comparison with EU 27 and euro zone since June 2008 to April 2009, in %*



Source: own representation according Eurostat

Negative impact of crises on employment of women is more important in Slovakia, Hungary and in the Czech Republic, where gap is widening. In Poland and euro zone the gap is narrowing in favour of women. In EU 27 situation stays unchanged.

*Table 4: Average gap between unemployment of men and women in V4 countries in comparison with EU 27 and euro zone since June 2008 to April 2009, in %*

| Country  | EU 27 | euro zone | the Czech Republic | Hungary | Poland | Slovakia |
|----------|-------|-----------|--------------------|---------|--------|----------|
| Gap in % | 0,47  | 0,97      | 1,95               | 0,05    | 1,37   | 1,79     |

Source: own calculations according Eurostat

Impact of crisis on employment in V4 is often influenced by narrow orientation of country economy. This is obvious is especially in case of Slovakia where economy is orientated mostly on car industry.

## **Gender Pay Gap**

Gender pay gap, i.e. difference between average gross hourly earnings of male paid employees and of female paid employees as a percentage of average gross hourly earnings of male paid employees (Eurostat 2009) is another source of negative impacts on women employment. Gender pay gap is expressed in Table 5.

*Table 5: Gender pay gap in V4 countries in comparison with EU 27 and euro zone in 2007, in %*

| <b>Country</b> | <b>EU 27</b> | <b>euro zone</b> | <b>the Czech Republic</b> | <b>Hungary</b> | <b>Poland</b> | <b>Slovakia</b> |
|----------------|--------------|------------------|---------------------------|----------------|---------------|-----------------|
| Gap in %       | 17,4         | 17,2             | 23,6                      | 16,3           | 7,5           | 23,6            |

*Source:* Eurostat

The most negative situation is in Slovakia and in the Czech Republic. The narrowest gap is surprisingly in Poland. Gender pay gap exists mostly due to vertical and horizontal segregation. Women work usually in sectors with lower average wage where career promotion is limited. If they work in sectors with higher average wage and more professional opportunities, they have usually badly paid positions. Some sectors are strongly feminised and another strongly masculine. In some countries, e.g. in Slovakia, this segregation is becoming even deeper (Equalslovakia 2008). The most of Visegrad women work in public sector while the most of men work in private sector. Women work especially in state administration, education, social services, health care system, restaurants, hotels and retail sale services (Baťo 2007). All these sectors are badly paid in all V4 countries. Men work mostly in information technology sectors, automobile industry and telecommunication services. Among entrepreneurs, only approximately 25% are women. Encouragement of female entrepreneurship would help to reduce many problems on labour markets as it is explained more comprehensively e.g. by Radović (2007).

According analyses of World Bank (Ba'0 2007), one third of gender pay gap In Slovakia can be explained by different education, qualification or labour productivity. The two third of gender pay cap can be explained by other phenomenon as e.g. discrimination. The analyses provide similar results in case of other V4 countries. However, these two thirds can be explained also by gender segregation that was already mentioned. Women are concentrated in sectors with the lowest wages.

In the nearest future, we cannot expect important decrease of gender pay gap. This segregation exists already at the level of secondary school and university education. E.g. girls dominate traditionally on pedagogical schools and boys on technical schools.

We can hope that in long-term gender pay gap will be narrowing as it is in western European countries, however, governmental measurement bring positive effects only very slowly.

## **Conclusion**

V4 governments target to reduce above-mentioned problems of V4 labour market. However, their measurements are often inefficient. Generally, they support little their labour policy. Poland offers every year little bit over 1% of its GDP, Hungary and Slovakia at about 0,6% of GDP and the Czech Republic only approximately 0,5% each year to labour policy measurements. European average is at about 1,7% of GDP (Eurostat). Nevertheless in V4 countries, the most of money goes to passive measurements and active measurements are underestimated. One of the effective solutions seems to be e.g. life-long learning already dealt in numerous works (e.g. Urbančíková 2003, 159) and analyses but above all confirmed by good experience of some western European countries. Countries with the most participants in life-long learning have the highest rate of employment and the lowest gender employment gap. This is e.g. the case of Denmark, Switzerland, Sweden, the Netherlands and Finland. V4 countries, mostly Slovakia and Poland pay much less attention to long life learning (Inštitút zamestnanosti 2008b) and this slow down significantly solving of above-mentioned problems.

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Article history: Received: April 2009

Accepted: July 2009