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Transition and beyond: women on the labour market in the context of changing social norms

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Women on the Labor Market: Belarus

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Abstract

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As countries brace themselves for a severe economic slowdown in response to the COVID-19 pandemic, earlier crises, such as that which followed the political transformation of Central and Eastern Europe and the former Soviet Union in the 1990s, may serve as important points of reference. While of course different in many ways, the changes that accompanied the transition affected society as a whole, but also had heterogeneous effects across different groups. One particular dimension – also discussed in relation to the current COVID-19 crises – is that of relative costs and benefits for men and women respectively. In this brief we re-examine one specific element of this, namely the developments of gender gaps in the labour market and social norms related to labour market activity. The starting point is the fact that, at least nominally, women had a relatively strong position before the onset of transition, especially conditioning on the level of economic development of transition countries (see e.g. Campa et al. 2018). This background gives rise to several possible mechanisms and potential developments in the transition period and beyond. On the one hand, the legacy of relative gender equality creates conditions for path-dependency toward further gender equality, and the high levels of education should favour women in more competitive labour markets. On the other hand, the “centrally imposed” gender equality under state-socialism was not accompanied by actual changes of patriarchal values with respect to obligations for the household and children, and women remained responsible for these. The end of central planning could thus mean a setback for most common gender equality indicators, especially in countries with traditional divisions of family roles. In this brief we give a quick overview of what has happened in some of these dimensions over time and across countries, starting in the years before transition. The brief gives a short background for the specific country reviews that follow this introduction. It seems clear that the COVID-19 pandemic and its aftermath may also differently affect the lives of women and men. The experience of the post-communist transition of the 1990s shows that adopted policies may prevent the gender gaps in various dimensions from growing as a consequence.

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Despite high female labor force participation rates and relatively high levels of female educational attainment and professional qualification, the gender wage gap in the labor market is growing. The gender wage gap amounted to 27.4% in 2018 and this is the highest level for Belarus in the available data since 1995. The lack of popularity of science, technology, engineering and mathematics (STEM) education among women, a ban on women taking on certain occupations and industrial segregation, together with traditional conservative views on gender roles in the family are the reasons for growing inequality in the labor market.



Transition and beyond: women on the labour market in the context of changing social norms

Expectations and starting conditions around 1990

It is a well-established fact that the socialist economies of Central and Eastern Europe and the Soviet Union had much higher rates of female labour force participation than the OECD in the decades before the 1990s. Many reasons for this have been considered, ranging from the near political obligation to have a job, to the economic necessity for a family to have two wage earners, to the relatively well-developed support structures, such as child-care, for enabling female economic activities (e.g. Atkinson and Mickelwright, 1992). It is also the case that women were well-represented in higher education earlier than in the OECD.

In the very beginning of transition arguments in favour of women playing a central role in economic development were put forward based on their favourable starting position. As Fong, 1993 (p. 31) put it for the case of Russia: *“Women in Russia have the capacity to play a positive role in the economic reform process, notwithstanding the tradition of concessions to women as the weaker half of the population. Women are the majority of the labor force and of the voting population. The female labor force is more highly educated than the male labor force; retraining women can take less time and be more cost-effective. Women are under-represented in declining heavy industries, and are concentrated in sectors of potential growth – commerce and trade, banking, and social services. [...] In many ways, women have a clear potential of becoming leading*

elements in reform and a pro-active stance on women in social policy reform is called for.”

At the same time there was awareness early on that some of the consequences of transition could be particularly negative for women unless counter measures were taken. For example, it was feared that radical cuts in the bureaucracy's support staff, consisting almost entirely of women, would especially increase female unemployment, and also that an increased profit-motive would put higher demands on longer working hours making it particularly difficult for women to work (Moghadam, 1990, p. 29). That women's status would be additionally affected by cutbacks in family related policies (state-provided or subsidized childcare, long maternity leaves, guaranteed return to work after maternity, and other systems that made it possible to re-concile women's roles as workers and mothers) was also very clear; the following passage from Fong (1993), p. 31 illustrates this point: *“The near-exclusive dependence on women's domestic labor for maintaining the material well-being and comfort of the household, means that much of the cost of social protection of the young, the old and the disabled is borne by women in the context of the family, through a system of labor market concessions. The transformation to a market economy has made these labor market concessions incompatible with the efficient operation of the enterprise, and necessitates a re-examination of family policy in the interest of the free movement of labor.”* In short, in some dimensions women were clearly in a favourable position, at least when compared to most OECD countries. They had been active and comparatively well represented in the labour market, often in sectors that were viewed as growing; they also had comparatively high levels of education.

So what happened?



The economic turmoil in the first half of the 1990s has been well documented and it has been well known that the economic recovery and further development in the region has been very uneven across countries (see, e.g. Svejnar 2002; Campos and Coricelli, 2002, special issue of *Economics of Transition*, Vol 26:4). This heterogeneity has also been reflected in the pattern of relative changes in socio-economic outcomes for men and women (see e.g. Brainerd 2000, Fong 1996, Razzu 2015, and UNICEF 1999). The female/male labour force participation (LFP) rates have in many cases dropped relative to the early 1990s, but the changes in most countries have not been as dramatic as some expected. In many countries relative female participation rates over 25 years after the start of the transition are higher or similar to those in the early 1990s (see Figure 1A). Looking at the country rates in 2017 and comparing them to the – growing – relative average OECD values it must be noted that it is generally the developed Western countries which in terms of the relative employment rates have been catching up with those of the “Eastern block”. Such a trend has also been noted in the comparison between the former East and West Germany – with the female/male participation ratio falling in the East from 61.2% in 1991 to 54.3% in 2010, at a time when the ratio in the former Western regions of the country grew from 45.4% to 52.0% (Statistisches Bundesamt, 2019).

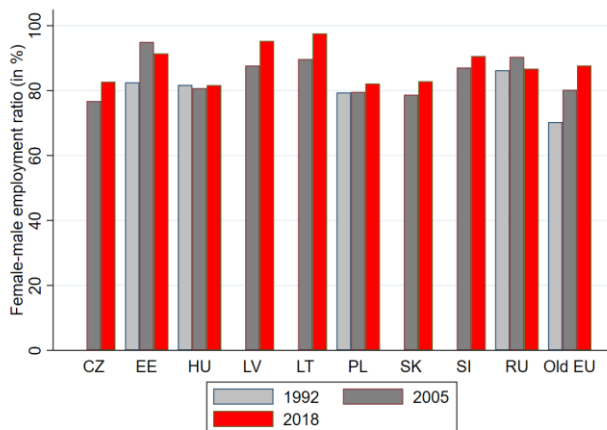
Data on childcare suggests that the negative scenario of significant reductions in enrolment in nurseries and kindergartens did not universally materialise in the region. Although reductions in nursery enrolment were substantial in countries where the rates were high prior to transition (esp. in the countries of the former Soviet Union), drops in nursery enrolment in the countries of Central Europe, in which they in any case were lower prior

to 1990s, were modest. Comparing rates of kindergarten enrollment in 1989 and 1997 in countries such as Poland, Bulgaria or Hungary, shows that they remained essentially unchanged, while they dropped from 78% to 65% in Russia (data from UNICEF 1999). From this point of view, transition brought more substantial changes in this regard in countries further to the East with kindergarten enrolment falling from 44% to 19% in Georgia and from 52% to 12% in Kazakhstan. Thus, while certainly not uniform across the region, the withdrawal of the state from the provision of care services in several countries certainly played a role in changing the relative position of women on the labour market. The implications of these developments may have been further corroborated by the fact that it is in these countries where social norms have been strongly skewed towards the home and family rather than professional life as the key responsibilities of women.

With regard to the relative dynamics of wages in Figure 1B we show a long-term series of averages of the female-male wage ratio for a subset of “old” EU members and some “new” post-transition EU countries. These are set against the ratios from the US, Russia and Ukraine. One clearly needs to be cautious concerning the possible effect of labour market selection which can affect these averages, but the overall picture for the years available is rather positive for the group of the Soviet-block countries which joined the EU.

Figure 1A. Female-male labour force participation

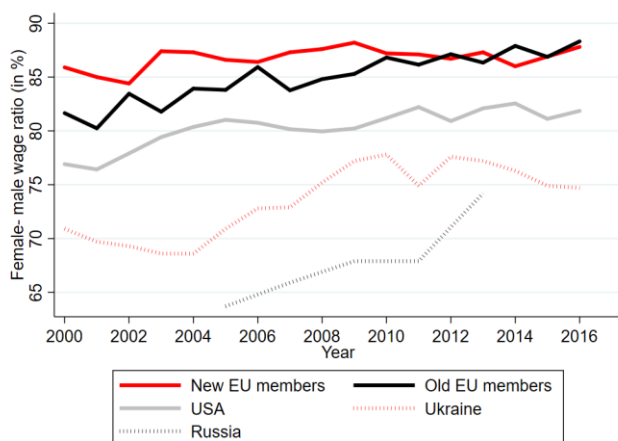




Source: OECD database, 2019.

Notes: Czech Republic (CZ), Estonia (EE), Hungary (HU), Latvia (LV), Lithuania (LT), Poland (PL), Slovak Republic (SK), Slovenia (SI), Russian Federation (RU). "Old EU" includes the following countries: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, United Kingdom.

Figure 1B. Female-male wage ratios



Source: OECD database, 2019.

Notes: Due to data availability grouped countries include: "New EU" members: Estonia, Hungary, Lithuania, Slovak Republic, Slovenia, Poland (even years only), Czech Republic (except for 2000); "Old EU" members: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, United Kingdom.

The EU group averages show a generally growing trend in relative wages, but for a significant part of the analysed period the "new" EU countries have outperformed the "old" EU average, while both groups have had significantly higher rates than the US. In the years after 2010 it looks like the ratio

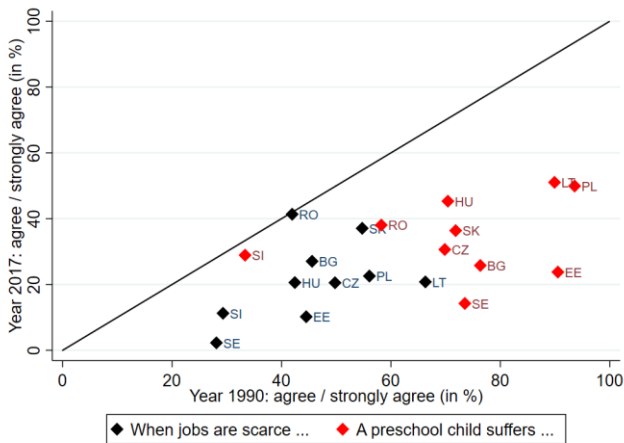
in the "old" and "new" EU countries have converged. The figures show, however, that in countries further to the East, such as Russia and Ukraine, significant challenges remain with regard to wage inequality despite the very high participation of women.

The changing context of social norms

While labour demand conditions as well as the available pay offer and labour market constraints are crucial determinants of relative labour market participation rates and the gender pay gap, the prevailing social norms create the context for all of these forces, determine the supply of labour and play a significant role in determining the relative importance of constraints such as childcare for men and women. As data from the European Values Survey suggests, social norms in the region have been changing along many dimensions, and by 2017 attitudes regarding female labour market participation have become significantly less traditional. For example (see Figure 2A) while in Hungary, Czech Republic, Poland and Lithuania the range of people agreeing with the statement that "When jobs are scarce men should be given priority" was between 42.4% and 66.3% in 1990, by 2017 it dropped to less than 23% in all four countries. In 1990, in Estonia, Lithuania and Poland over 90% of individuals believed that "A preschool child suffers if his/her mother works". By 2017 this ratio fell to around 50% in Lithuania and Poland and to ca. 24% in Estonia. The numbers are still very high in comparison to Sweden - considered as one of the champions of gender equality - where in 2017 only 14.2% of individuals agreed with the first statement and only 2.3% agreed with the second, yet changes towards a less traditional division of responsibilities regarding home and market are evident across nearly the entire region.



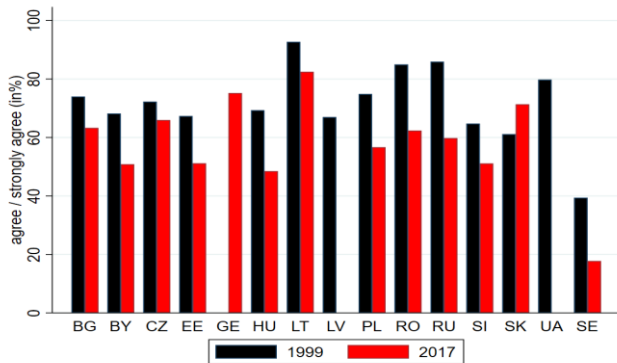
Figure 2A. Social norms: women at work, 1990-2017



Source: European Values Survey.

Notes: Full statements were: “When jobs are scarce men should be given priority”; “A preschool child is likely to suffer if his/her mother works”.

Figure 2B. Social norms: what most women really want: 1999-2017



Source: European Values Survey.

Notes: Full statement was: “A job is alright but what most women really want is a home and children.”

Social norms have also been changing with regard to the perception of women’s aspirations. In this dimension, again, the countries of Central and Eastern Europe still remain behind Sweden, but recognition of women’s professional aspirations is apparent in nearly all countries. While in 1999 85.9% of Russians believed that “A job is alright but what most women really want is a home and children”, the number dropped to 59.8% by 2017. In Poland, the proportions dropped from 74.9% to 56.7% while in Lithuania, which appears to be the

most conservative country along this dimension, from 92.7% to 82.5%. Taking Sweden as the yardstick – with only 17.8% agreeing with this statement in 2017 – the countries of the region are still some distance away from recognizing the role of female professional aspirations, but the direction of changes in social norms is clearly towards a more balanced perception of women’s role on the labour market.

Prospects for the future and the role for policy

At the onset of transition many of the countries in the region were doing relatively well in terms of gender gaps in a number of dimensions. The developments thereafter show great diversity, with some front-runners as well as some laggards. This is true both in terms of overall economic development, as well as for the relative developments on the labour market for men and women. Gender gaps in employment and wages in the countries of Central Europe which have joined the European Union have generally been low, and conditions for women in many of these countries did not worsen to a greater extent than they did for men, and they have been improving for both in recent years. The situation seems much more challenging in the republics of the former Soviet Union which remain outside of the EU. Despite high female employment levels in countries such as Russia or Ukraine, female wages continue to be much lower than those of men, and labour market constraints tend to concern women much more than men. Social norms with regard to female labour market participation and women’s aspirations may hamper the continued progress of women on the labour market in many countries of the region.

Several broad policy areas could be helpful in assisting the change towards more inclusive and equal labour markets. Governments should take a more active role in reducing constraints related to



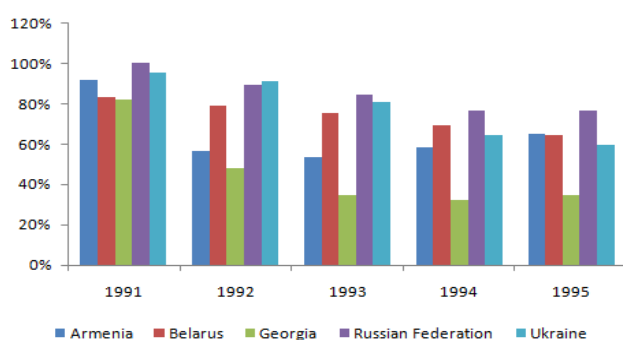
care – both for the youngest children and for older people, and policies should put further emphasis on enforcing equal pay between men and women. Rebalancing of family responsibilities through care policies can directly influence female employment and can have an indirect effect through changes in social norms (Unterhofer and Wrohlich 2017). Governments could also support dual-earner families through tax and benefit policies. As countries in the region prepare to address the challenges of the COVID-19 pandemic and its aftermath, the implemented policies should seriously consider their relative implications for men and women in order to use the expected wave of reforms to support greater equality of opportunities as well as of social and economic outcomes.

Women on the Labor Market: Belarus

The developments of the gender wage gap in Belarus

The collapse of the USSR led to a substantial economic downturn in Belarus with GDP dropping by more than one third (35%) and inflation growing to 10.4% in 1994 (Figure 1).

Figure 1. Variation of GDP in % of GDP in 1990



Source: World Bank.

Belarus' path differs from the rest of post-Soviet transitional countries. The country is still transforming from a planned to a market economy. The macroeconomic and financial sector reforms in the country have been limited. This has translated into a near absence of structural reforms, a very slow and invisible privatization process, as well as a very weak level of market liberalization.

The Belarusian labor market preserves its heritage of the soviet past with state dominance that results in the implementation of a full employment policy. That is reflected in the low labor market mobility (lack of motivation in search for a new workplace or occupation) and relatively low level of unemployment (according to BELSTAT the official level of unemployment in 2Q2019 – 0.3%, while the actual – 4.4%).

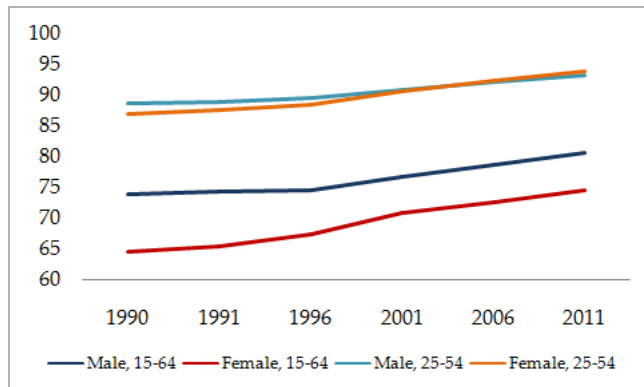
The rate of active economic participation in the labor market during the last decades slightly changed and nowadays remains almost equal for men and women. The labor force participation rate for women (aged 15-64) was 64.5% in 1991 and increased to 74.7% in 2018 (Figure 2). The same measures for men stood at 73.9% in 1991 and 80.4% in 2018, respectively. At the same time, the current numbers for the 25-54 age group look much closer and the share of actively involved women is even higher (93.5% for men and 94.5% for women in 2018). Unfortunately, a lack of official data on the numbers for the 55-64 age group does not allow for comparing the level of activity of those who are in or close to retirement age.

According to official statistics, the average gender wage gap (GWG) in terms of monthly wages was 20.9% in 1995, it slightly decreased to 19% in 2000, increased up to 26.3% in 2011, and reached the historical maximum of 27.4% in 2018 (Figure 3).



The difference between male and female wages is increasing and the gender pay gap has grown by more than 30% during the last 20 years.

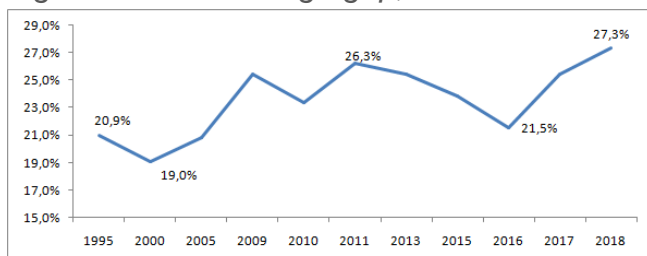
Figure 2. Labour force participation rate by sex and age in Belarus (%)



Source: ILO-estimate.

There are certain potential reasons of the growing GWG: the fact that men tend to earn more than women, and that women are more likely than men to take care of children, which also impacts on their earnings, working schedule and competitiveness. These result in the sectoral segregation of women into low-wage industries in order to be more flexible or work part-time and leads to a decrease in female rewards. This partly occurred because of a generous childcare policy which offers a 3-year paid maternity leave period provided by the state accompanied by a reduction in budget spending on support and provision of the childcare infrastructure.

Figure 3. Gender wage gap, 1995-2018



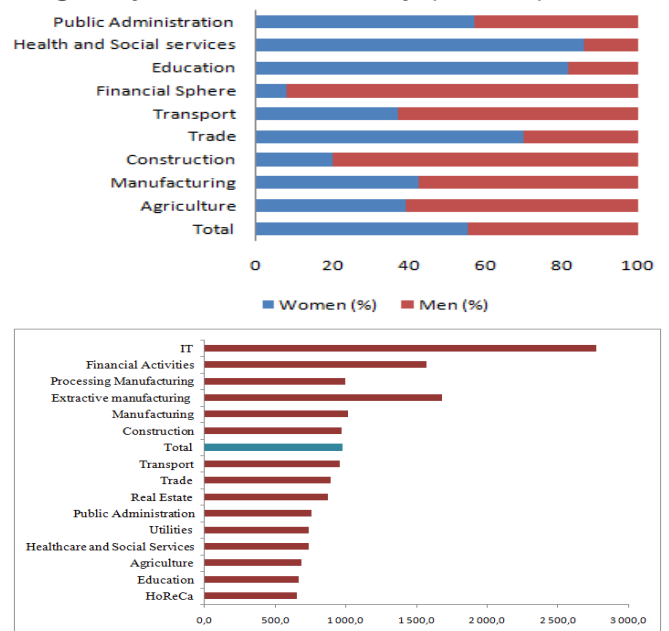
Source: BELSTAT.

Completed tertiary education is among the few limited sources for a decent income level. Around 36.7% of Belarusian working women have a

bachelor's degree or higher, and among working men this figure equals to just 26.1% (Belstat, 2018a). There is however still substantial divergence in discipline specialization by gender. Women are more likely to study humanities (77% of students are female), social science (90.3%) and healthcare (74%), while men are more oriented towards technical specialization (e.g. engineering and technologies - 72% are male).

The gender structure of different industries looks similar to the picture in education (Figure 4). Women are concentrated in industries related to the public sector with substantially lower wages (healthcare and social services - 85.7% of all employed are women, education - 81.7%), while men are concentrated in construction (80.2%), transport (62.8%) and manufacturing (57.4%) (BELSTAT, 2018b).

Figure 4. Gender structure and average wages by sector of economy (in BYN), 2018



Source: BELSTAT.

Such a difference can partly be explained by the existing list of occupations prohibited for women due to harmful or dangerous working conditions (there are 181 positions in the current list of



arduous work and jobs entailing harmful and (or) dangerous working conditions, that are not allowed for women, newsby.org). The initial list included 252 occupations forbidden for women, but it was reduced to 181 in 2013. For example, women are not allowed to work as long-haul truckers, glass blowers, firefighters, frogmen, miners, etc. Presence of such a ban narrows women's choices of potential career paths and works in favor of existing industrial segregation.

Traditional division of social roles also might have an impact on the level of remuneration by gender. Women are considered as the main childcare and household duty holders in the families and are the "double-burden" bearers (Bergmann, 1981). The official statistics show that Belarusian women spend about 2 hours more per day on various types of house work compared to men. Such pattern in society also results in the presence of the motherhood penalty. Being the primary responsible person for raising kids has a negative impact on female earnings. On average, being a mother reduces wages by 14.4% which, combined with the overall gender bias in wages, and lack of a "fatherhood penalty" implies a total wage penalty for mothers relative to men of 28.7% (Akulava, 2016). The motherhood penalty is even bigger for highly-educated women as it reaches approximately 20% when compared with childless highly-educated women.

Conclusions

Even though the overall educational attainment and professional experience of women look the same to men's, there is a sizeable gender wage gap in Belarus.

One of the possible reasons relevant not only to Belarus, but globally (ILO, 2019) is the industrial segregation of genders. The propensity of choosing a technical discipline at university is

much lower for women than men. Science, technology, engineering and mathematics (STEM) increase the chances for a better professional path accompanied by higher levels of remuneration. In this regard, popularization of STEM education and more active development of STEM programs for girls and young women should be beneficial in terms of contraction of the existing GWG and diversification of women's professional paths.

The preserved list of occupations forbidden for women also narrows the occupational opportunities of women and strengthens the existing occupational segregation in the labor market. The reconsideration of a number of male-only professions should improve the situation with equality in access to gender-dominated jobs and reduce the level of segregation. Lately, the discussion about its abolition is often raised. However, the current position of authorities and trade unions is to preserve at least a part of that list with the argument that it is a form of protection for women.

Examples from the international literature suggest that alongside these reforms, more equal divisions of domestic responsibilities, as well as development of childcare infrastructure and daycare services would be beneficial for women and should increase the level of women's effectiveness, professional advancement and job involvement (Hegewisch & Williams-Baron, 2017). The COVID-19 pandemic has reinforced the need for action on greater gender equality in Belarus, and hopefully will provide a powerful nudge towards reforms.

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