

**SOCIOECONOMIC AND ENVIRONMENTAL
ASPECTS OF SUSTAINABLE DEVELOPMENT
DURING THE FOURTH INDUSTRIAL
REVOLUTION**

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SOCIO - ECONOMIC IMPACT OF GENDER WAGE GAP ON SUSTAINABLE DEVELOPMENT

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Abstract

The aim of the study is to briefly present gender wage gap and its socio-economic impact on sustainable development with the particular emphasis on the Western Balkan countries. Those countries are in the stage of economic transition striving to become members of the European Union (EU). Reduction of gender wage gap and improvement of equal economic opportunities of women in the labour market is an important determinant of economic and social progress of each country. The presence of earnings discrimination towards women for the work of same complexity and in identical circumstances has been confirmed in many researches related to the Western Balkan states and in the EU. According to a report by the Council of Europe Committee on Equal Opportunities for Women and Men on Discrimination against Women in the Labour Market and at the Workplace in 2005, two of the three dominant forms of discrimination against women in the labour market are lower wages than wages of men for work of equal values (the so-called wage gap) and the obstacles to career move, which is facing women with the problem of the so-called glass ceiling. Therefore, the most important trends and measures of gender discrimination prevention in this area are presented, focusing on the EU and the Western Balkan countries. Concluding remarks point to the phenomenon of intertwining impact of negative gender stereotypes on persistence of gender wage gap in society. Furthermore, the relatively low gender wage gap in Western Balkan countries is important, but is not the only indicator of women's equal status in the labour market, since there are many obstacles for women in relation to an access to employment, vocational training, promotion and working conditions as well. Bearing

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in mind growing global awareness of the role of women in social and economic development, as well as strategic aspirations of Western Balkan states to become the EU members, which is committed to the principle of gender equality, those countries will increase national competitiveness and sustainable growth significantly through empowerment of women to realize their full potential in political, economic and social participation in sustainable development of each country of the region.

Key words: Gender equality, gender wage gap, sustainable development, Western Balkans, European Union

Introduction

Phenomenon of gender wage gap is based on the absence of gender equality, which is of multidimensional profile. One of the essential dimension of gender equality is economic one. According to a report by the Council of Europe Committee on Equal Opportunities for Women and Men on Discrimination against Women in the Labour Market and at the Workplace in 2005, two of the three dominant forms of discrimination against women in the labour market are lower wages than wages of men for work of equal values (the so-called wage gap) and the obstacles to career move, which is facing women with the problem of the so-called glass ceiling.³

Even in developed countries the deficit of economic gender equality in various manners is present. Exempli causa, the percentage of women at the top of American corporate structures has remained almost unchanged over the past decade. (Catalyst, 2010) An analysis of more than 8,600 companies in 49 countries of the USA showed women held 16.9% of all global board seats in 2018, up from 15.0% in 2016. (Deloitte, 09-05-2020) Of the CEOs of the companies listed in the Fortune 500, only 20 are women. (Catalist July 2012) Women make up only 14 percent of all CEOs and 17 percent of corporate Board members.(Catalist December 2012)

In Switzerland, for example, the average salary of women is 20 percent lower than the average salary of men. Differences in the level of pensions are even more pronounced,

³Discrimination against women in the workforce and the workplace, Doc. 10484 (2005), Report, Council of Europe Committee on Equal Opportunities for Women and Men, Rapporteur: Mrs Anna, Czech Republic, Socialist Group.
assembly.coe.int/documents/workingdocs/doc05/edoc10484.htm

as much as 37 percent to the detriment of women, which is explained to be largely a consequence of absence from work, i.e. termination of employment due to raising children. (Imogen, 09-05-2020)

In the European Union (EU), women are paid on average 16 percent less than men who do the same job (European Commission, 2012). In the USA, gender pay gap is on average 18 percent to the detriment of women. According to "Eurostat" data, the pay gap between women and men in the EU for 2014 was 16.7 percent. The largest pay gap between women and men was in Estonia, where women were paid on average 28.1 percent less than men. The smallest payment gap was recorded in Romania of 10.1 percent. When it comes to the Balkans region, the differences in earnings between women and men also exist. Results of empirical research in Serbia indicate the same phenomenon (Avlijas et al. 2013, p. 7; Babović, 2009, p. 21). The data obtained show that women face lower incomes compared to their male counterparts for work of equal value, which is particularly present in the private sector (10,7% compared to 4, 2% in state owned sector)⁴. On the other hand, it is also difficult for women in Serbia, as well as in other countries, to advance, when working in male-conducted organizations, women are facing this form of discrimination in particular. In addition, this type of discrimination is especially faced by women who have a high / higher level of education, i.e. highly educated women, who quite logically expect an advancement in a working place.

The root of gender economic inequality and a gender wage gap is placed in gender negative stereotypes about the female and male roles in social development. Therefore, the concept of gender equality is essential in combating gender wage gap.

⁴“Bearing in mind that the average salary of women in Serbia is lower than the average salary of men, we were interested in the experiences of the respondents in this regard. They are thus asked whether they receive the same salary as their male colleague who works in the same or similar jobs as them (according to the complexity of the job and the degree of responsibility), in the same or similar working conditions and has the same professional qualifications. In 49 cases (8.2%) the respondents said that their income was lower than the income of male colleagues who work in the same or similar jobs in the same or similar conditions and have the same professional qualifications”. Nikolić-Ristanović V., Čopić S., Jasmina Nikolić J., Šaćiri B., “Diskriminacija žena na tržištu rada u Srbiji,” Beograd, 2012

Gender equality – strategic conceptual framework for combating gender wage gap

Women and girls represent half of the world's population and, therefore, also half of its potential. Gender equality, besides being a fundamental human right, is essential to achieve peaceful societies, with full human potential and sustainable development. Moreover, it has been shown that empowering women spurs productivity and economic growth. The UN Secretary-General, Mr. António Guterres has stated that achieving gender equality and empowering women and girls is the unfinished business of our time, and the greatest human rights challenge in our world (UN 10-05-2020).

Women's human rights are an integral part of universal human rights. However, women are de facto and de jure very often subjected to unequal treatment, wherefore there is a constant need to improve gender equality. Women defend their human rights by every small act defying patriarchy or inequality, whether by asking to go to school or refusing to marry the man their father chooses. Therefore, in addition to the usual approach to universal human rights, inherent to every human being, the definition of "women's human rights" includes also the enforcement of specific affirmative actions aimed at achieving real equality for women (Gasmi G. 2016, p. 24). Gender inequality is the most pressing contemporary human rights issue, including disparities in education, employment, healthcare, power and decision-making, violence, and poverty that impact billions of women and girls from every part of the world throughout their lifetime

The Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), which is often described as an International Bill of Rights for Women was adopted in 1979 by the UN General Assembly. In its 30 articles, the Convention explicitly defines discrimination against women and sets up an agenda for national action to end such discrimination. The Convention targets culture and tradition as influential forces shaping gender roles and family relations. The Fourth World Conference on Women, held in Beijing in 1995 established the Beijing Platform for Action, which asserted women's rights as human rights and committed to specific actions to ensure respect for those rights. On 2 July 2010, the UN General Assembly unanimously voted to create a single UN body tasked with accelerating progress in achieving gender equality and women's empowerment – UN Women. The

UN focuses its global development work on the seventeen (17) Sustainable Development Goals (SDGs). Women have a critical role to play in all of the SDGs, with many targets specifically recognizing women's equality and empowerment as both the objective, and as part of the solution. Goal five: "Achieve gender equality and empower all women and girls" is known as the stand-alone gender goal, because it is dedicated to achieving these ends. Deep legal and legislative changes are needed to ensure women's rights around the world. While a record 143 countries guaranteed equality between men and women in their Constitutions by 2014, another 52 had not taken this step. Stark gender disparities remain in economic and political realms. While there has been some progress over the decades, on average women in the labour market still earn 20 per cent less than men globally. (UN, 2020).

At European level, Article 2 and Article 3(3) of the Lisbon Treaty on European Union (EU) enshrine the right to equality between women and men as one of the essential values and tasks of the Union. Articles 8 and 10 of the Treaty on the Functioning of the European Union (TFEU) provide that the Union shall aim to eliminate inequalities, to promote equality between men and women and to combat discrimination based on sex in all its activities.

Despite the existence of normative framework on equal opportunities for men and women, in many countries there is a disparity between de iure and de facto gender equality. Since most leadership positions are traditionally held by men, women do not expect to reach them and so this becomes one of the reasons why they do not come to these positions, or why they do not fight more vigorously to "win" them. The same goes for salary. People expect women to earn less, just as they earn. The problem is further complicated by the so-called. "threat of stereotype". Sociologists and psychologists remind that when members of a group are aware of a stereotype, the probability that they will act exactly in accordance with that stereotype increases (Danaher K. & Crandall Ch. S. 2008, pp. 1655-1739).

The position of women will improve when there are more of them at top management positions, provided that they then provide strong and unequivocal support to their needs and interests. It is likewise significant to have more positive examples, both in terms of individual achievements⁵ and in terms of legal framework. In Iceland, back 5Johan Lundgren, director of the low-budget British airline "Easy Jet", voluntarily decided to reduce his salary by 34,000 pounds so that his monthly salary would be the same as the salary of his predecessor Carolyn McCall.

in 1961, the law regulated that the gender gap must not exist, but the disparity in the income of men and women remained. The new law, which was adopted on January 1, 2018 and which should be implemented in 2021, will treat unequal salaries as an illegal phenomenon. (Politika daily p. 1, 13)

During empirical research in Serbia, respondents were asked if they thought it was fair for a man to receive a higher salary than a woman for doing the same job (Nikolić-Ristanović V. et al. 2012, p. 28). The aim of the research was to determine how women perceive discrimination in the labour market, as this kind of perception is important being driving force in women's endeavours to achieve gender equality and their permanent fight for substantial and not only formal policy of equal opportunities. The majority of respondents (692 or 98.0%) think that it is wrong for a man to receive a higher salary than a woman for doing the same job. Respondents who think so explained that it would be discrimination, that women are equal, that gender should not be a criterion and that it would not be according to the law. Some respondents also stated that only in hard physical work, men may need to be paid more, and there are also those who said that women should be paid more, because they are more capable and work better.

However, some of the respondents (2 or 0.3%) answered that it is fine if the employer thinks so, because "the employer has the right to give a man a higher salary than a woman for the same job". In addition, 8 respondents (1.1%) answered that they were not sure about it, with one of them saying that it might be okay "because it is up to the men to support the family, and for the woman the child is still a priority".

This attitude, as well as, although rare, the answers of the respondents who did not explicitly state that it is wrong for a man to receive a higher salary for the same work, reminds that patriarchal stereotypes about earning of men and women exist among women. It should be borne in mind when creating measures to prevent the discrimination of women at work.

In order to achieve substantial gender equality and complete emancipation of women, it is necessary to remove numerous obstacles, from hidden sexism, discrimination and sexual harassment to the reconciling business and family roles for women. A report by the consulting company McKinsey (McKinsey Global Institute 2015) states that men receive promotions based on potential, while women receive them based on previous achievements. In addition to the barriers set by society,

barriers also exist within women themselves. Lack of self-confidence (excess of knowledge - lack of self-confidence) is followed by a reduction of their own expectations regarding what they are able to achieve and by a lack of ambition for top managerial positions. When a position is said to be influential, challenging, and implies a high degree of responsibility, there are more men than women who want it. According to some research, there are few women who label "powerful position" as an important career goal (Hewlett S.A. and Buck L.C. 2005, p.48). Women tend to prefer jobs that are characterized as a job that helps others, allows them to develop their knowledge and skills, and to spend more time with family (Weisgram, S.E. et al 2011, pp. 243-258). In the context of patriarchal stereotypes, professional ambition is expected from men, but for women it is a matter of option or, what is worse, it is perceived negatively. Socio-historical origins of gender inequality are present at global level.

Although women gained basic social and political rights and increasingly became part of the public professional sphere, they did not achieve public and economic positions of power with the same dynamics. In the context of achieving visible economic positions, increased participation of women actually corresponds to a real decrease in privileges, i.e. the power of professions (Blagojevic – Hughson M., 2015, p. 96). Diminishing of the socio-economic importance of the profession for sustainable development of society is followed by increase of women's professional participation and thus hampers the economic gender equality. Women find themselves again on the margins of social and economic development.

Gender wage gap - trends in the Western Balkans and the EU

Reduction of gender wage gap and improvement of equal economic opportunities of women in the labour market is an important determinant of economic and social progress of each country. The presence of earnings discrimination towards women for the work of same complexity and in identical circumstances has been confirmed in many researches related to the Western Balkan states and in the European Union (Apostolova B. 2010; Avlijas S. et al. 2013; Babovic M., 2009; Blau F. D. & Kahn L. M. 2017; Bloj R. & Benallaoua M. 2020; Blunch N. H. 2010; Dakic S. & Savic M. 2017; Dokmanovic M. 2016; European Commission 2018; European Parliament 2019;

Gasmi G. et al 2017; Meulders D. et al. 2014; Mysíková M. 2012, Nikolić-Ristanović V. et al. 2012; Vladisavljevic M. et al. 2017; Vlahovic B. & Nikač Dj. 2010).

Women in Serbia, like women in other post-socialist Western Balkans countries, are losers in transition, especially if they are older, low-educated, live in rural areas or belong to marginalized groups. Statistics, as well as relevant research results, indicate their unfavourable social and economic position in those countries, i.e. the high share of women without regular personal income, lower wages of those who are employed, their longer waiting time for work, high unemployment, low activity rate and high risk of poverty. These groups relate to particularly vulnerable categories of women, such as rural women, single mothers, housewives, Roma women, refugees, uneducated and unemployed women, the disabled and women victims of violence. They require special strategy and planning measures within the social policy program.

The average salaries of employed women in the Republic of Serbia for each level of education are lower than the salaries of men. The same is applied likewise to other Western Balkans countries, such as North Macedonia and Montenegro: in Serbia 11%, 17,9% in Macedonia and 16.1% in Montenegro (Avlijas S. et al. 2013, p. 44). Employed women in these countries have better labour market characteristics than employed men (levels of education and work experience), although they are working at the same job positions. Women face high barriers at the point of entry into the labour market, so they need to be better qualified than men on average to be able to access employment in the first place. It is common feature for the whole region of the Western Balkans labour market.

The true gender wage gap in those countries is interpreted in economic literature as the effect of discrimination, i.e. it is not based on economic reasons, but is due to differences in female and male labour market behaviour patterns, which employers reward or punish within the same occupations and sectors of the economy, e.g. that women may be less flexible in terms of working hours or business trips, due to home and reproductive responsibilities (Avlijas S. et al. 2013, p. 45).

The sources of the gender pay gap may differ across the wage distribution due to a “glass ceiling” effect, i.e. a number of factors spanning from employers’ unwillingness to promote women due to personal prejudice, differences in econometrically unobservable characteristics of women and men, such as attitudes towards risk

taking and competition, and/or self-selection of women away from positions of greater responsibility, due to their private / family responsibilities.

Consequently, gender stereotypes being uncritical opinions about the place of women and men in economy and society are significant source of gender wage gap, so it is necessary to work on raising awareness of both the public and employers that discrimination against women actually means violating one of the basic principles - the principle of equal opportunities for women and men, which is guaranteed by the Constitutions of all Western Balkans countries.

Women's obligations regarding the raising of children, in which employers recognize the reason for more frequent absences from work, have consequences that employers invest less in women's training and professional development in the workplace, considering it less profitable.

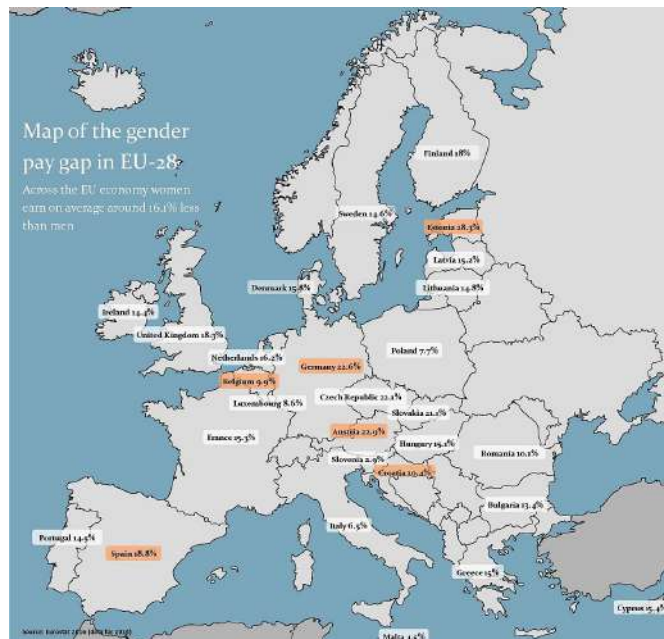
Thus, there is a phenomenon of gender segregation from higher to lower ranked positions at work, due to the absence of professional development and those positions are therefore lower paid.

In relation to the situation in the European union (EU), an equal pay principle is enshrined in the European Treaties since 1957 (today Article 157 TFEU) and recognized in Article 23 of the Charter of Fundamental Rights of the EU. Lisbon Treaty on the Functioning of the European Union (Art.8, TFEU, 2009) requires the Union, in all its activities, to aim to eliminate inequalities, and to promote equality, between women and men. In 2006, a number of existing directives on gender equality in matters of employment and occupation were 'recast' and consolidated into a single Directive 2006/54/EC (the Recast Directive) that also incorporated relevant case-law of the Court of Justice of the EU. In 2014, the Directive was complemented by Commission Recommendation 2014/124/EU on pay transparency (European Commission, 2014).

Despite the legislation, there is still a significant gap between men's and women's gross hourly earnings (known as the 'gender pay gap') of around 16% on average, ranging from 10% in Romania to 28% in Estonia.⁶ Nine out of ten citizens in the EU – women and men - think that it is unacceptable that women are paid less than men for the same job. Concept of same job is based on the work of equal value, as defined in

⁶Figures are based on 28 Member States, see Eurostat (2019), Gender pay gap statistics, available at: https://ec.europa.eu/eurostat/statisticsexplained/index.php/Gender_pay_gap_statistics

the Commission Recommendation 2014/124/EU on pay transparency: „The value of work should be assessed and compared based on objective criteria, such as educational, professional and training requirements, skills, effort and responsibility, work undertaken and the nature of tasks involved.“ (European Commission 2014). Despite the adoption of the Recommendation, only Eleven Member States have legislation on pay transparency in place (European Commission 2017).



Source: genderpaygap.eu

A study of the European Institute for Gender Equality (EIGE) highlights that unequal pay does not just hurt women but is a cost for society in general. There is a negative impact of the gender pay gap to a child poverty and skills shortages. In addition, underusing the skills of women’s in a society also involves a cost to the economy in general. (EIGE 2017)

Comparatively seen, the gender wage gap trend is the opposite of that observed in the Western Balkans economies. In the EU Member States employed women are on average less qualified than employed men, so that the unadjusted wage gap that exists in every country (the EU average is 16.2%) is partially explained by the male advantage in labour market regarding education and working experience. In other words, after controlling for men’s and women’s differences in labour characteristics, it is usually significantly narrowed (Avlijas S, et al. 2013, p. 36).

In the EU Member States, such as Sweden, Germany and others, a “glass ceiling” effect is likewise present as in the Western Balkans countries. Employers can be prejudiced and perceive women with children as less productive or less ‘devoted’ to work than men and women without children, which can also influence their decisions to promote women (Avlijas S. et al. 2013, p. 37). Such discrimination often takes place in an informal manner. This type of discrimination also includes harassment and mobbing at work, which can affect an employee’s performance, and consequently carrier opportunities and earnings. Thus, discriminatory behaviour of employers produce the source of gender wage gap in favour of men.

Gender wage gap – factors, relevant policy measures and impact

At global level, according to Sustainable Development Goal (SDG) 5.4 of the United Nations (UN) 2030 Agenda for Sustainable Development, unpaid care and domestic work should be recognized and valued through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate. In addition, SDG 8.5 of the UN 2030 Agenda for Sustainable Development includes a reference to the principle of equal pay for work of equal value. The UN Convention on the Elimination of all Forms of Discrimination against Women (CEDAW) in the Art. 11 identifies the right to work as “an unalienable right of all human beings”.⁷

The International Labour Organisation (ILO) Equal Remuneration Convention of 1951 in the Art. 2 provides that each Member shall promote and ensure "the application to all workers of the principle of equal remuneration for men and women workers for work of equal value", so referring to the establishment of rates of remuneration without discrimination based on sex.

⁷It requires States Parties to "take all appropriate measures to eliminate discrimination against women in the field of employment in order to ensure, on a basis of equality of women and men, the same rights," including the right to equal remuneration, the right to social security and the right to paid leave. This Article also requires States Parties "to introduce maternity leave with pay or with comparable social benefits without loss of former employment, seniority or social allowances.

At European level, the European Social Charter (revised) of the Council of Europe of 1996 requires the Parties to undertake certain actions to ensure the effective exercise of, inter alia, the right to work and the right to a fair remuneration. In this context, the recognition of "the right of men and women workers to equal pay for work of equal value" is stated in Article 4(3).

Policy measures for combating gender pay gap have been also recently identified at the EU level. That can serve as a role model for the Western Balkans countries. Furthermore, gender equality and work-life balance are recognized in Principles 2 and 9 of the European Pillar of Social Rights proclaimed by the European Parliament, the Council and the Commission on 17 November 2017. "Reducing the gender pay, earnings and pension gaps and thus fighting poverty among women" is also one of the priority areas identified by the European Commission in its Strategic Engagement for Gender Equality 2016-2019 (Council of the EU 2019; European Commission 2014).

The EU Action Plan 2017-2019 on tackling the gender pay gap, adopted by the European Commission, lists specific measures to combat the root causes, such as: occupational gender segregation, both horizontal and vertical; the lack of pay transparency and the unequal sharing of care responsibilities between women and men. The Action Plan also sets out awareness-raising measures and measures to unveil inequalities and to fight stereotypes.

To tackle the gender pay differential, it is crucial to take into account its structural characteristics in order to assess its impact on sustainable development. The fact that it exists in developed countries of the EU as well as in the transition economies of the Western Balkans (Blunch N. H. 2010, p. 24), indicates that decisive factors for gender pay gap are not economic in their nature, such as: the overall pay structure, the presence of regulated minimum wage at national level (Gasmi G. et al. 2016), an industrial organization and a corporate management organization.

Key factors of gender wage gap are not econometrically measurable, such as, inter alia: 1) discriminatory practices of employers, 2) differences in human capital; 3) sectoral and occupational segregation and/or concentration, 4) working time, 5) education and the access to internal and public training schemes, 6) the organization of training time, 7) women's representation in trade unions in bargaining or in corporate representative bodies (Meulders et al. 2014, p. 5) and 8) social security

schemes and fiscal regulations being incentives for women to interrupt career. Those key factors and more precisely, each of them, have immense impact on socio - economic development, bearing in mind that women constitute half of the population in each country. Consequently, when analysing relevant policy measures, it is very important to have key factors of gender wage gap identified.

Combating the gender pay gap requires complex set of actions on a policy agenda, primarily starting from the strategic framework of gender equality concept and the policy of equal opportunities across different levels of policy-making. Adequate normative context has to be followed by specific policy measures in order to be effective. Therefore, data collection strategy has important place in targeted policy measures implementation. Statistics on wages with gender dimension often lacks in many countries of the Western Balkans. There are also other data categories to be analysed for the sake of efficient policy measures, such as: employment on full time basis or part-time, the household situation (e.g. marital status, number and age of children, labour performance features (education, experience, tenure, career breaks, training programs, occupation, etc).

Human capital theory suggests that education and potential experience directly affect earnings through the impact on individuals' productivity in the labour market and also suggest additional factors that are potentially important determinants of earnings, such as: sector of employment, part-time status, type of contract, social security contributions, and location of residence (Blunch N. H. 2010, 23). Those data categories are essential if one wants to compare wages of women and men who perform equal work and work of equal value and to establish optimal policy measures.

Relevant policy measures that are thoroughly defined at the EU level in March 2020 (European Commission, 2020). It is likewise important for the Western Balkans countries being in the process of their EU accession, are the following:

Pay transparency - Binding measures could improve pay transparency, encouraging organisations to review their pay structures to provide for equal pay for women and men for the same work and work of equal value, and enabling victims of discrimination to bring claims. National equality bodies, labour inspectorates and trade unions can play an important role in this context.

Burden of proof - Enabling workers to provide evidence which allows discrimination to be presumed would swiftly trigger the reverse burden of proof for the employer.

Victim support - The fact that victims are unlikely to bring claims reduces the deterrent effect of the legislation. National equality bodies could be better equipped to assist victims of discrimination, either by bringing claims on their behalf or by being empowered to investigate cases and take decisions. Better legal aid could also be made available to victims.

Compensation and other sanctions - Compensation awards are not high enough to have a deterrent effect on employers. Sanctions could be improved to increase their deterrent effect.

Gender-neutral job evaluation and classification systems - Such systems help detecting indirect pay discrimination related to the undervaluation of jobs by measuring and comparing jobs whose content is different, but of equal value. In this way, they support a transparent pay system and enhance clarity on what is considered work of equal value, thus contributing to reducing the gender pay gap. Nevertheless, this is limited in the private sector.

Awareness raising - Lack of awareness about equal pay rights, and the right not to be victimized for bringing a claim, means that injustices are more likely to continue. Therefore, awareness raising is to be primarily directed to the employers aimed at elimination of unconscious gender bias, but also to workers in order to spread awareness of the equal pay rights.

Measures to promote a gender-balanced representation in managerial positions in business – Those measures are to ensure that the selection of candidates, in particular for management positions in the private and public sectors is based on unambiguous, objective and gender-neutral assessment and on the merits and qualifications of the candidates.

Measures in order to facilitate the reconciliation of work, family and private life for both women and men, thereby encouraging the equal sharing of care and household responsibilities between women and men. – Those measures are to address the need to professionalize and regularize family care and domestic work, which mainly remains an unpaid women's task.

To the extent of implementation of those policy measures, positive impacts on reducing gender wage gap and furthering of socio – economic sustainable development is to be achieved. Those measures are to ensure equal opportunities between women and men in terms of access to the relevant rights and arrangements.

Council of the EU has called the Member States (June 2019), in accordance with their competences and taking into account national circumstances and respecting the role and autonomy of the social partners, to encourage dialogue with relevant stakeholders, including the social partners, businesses, national equality bodies and organizations working for gender equality, on the fight against pay discrimination, gender bias and stereotypes in education and the labour market, thus promoting mutual learning (Council of the EU, 2019). Council of the EU also called the Member States and European Commission to take measures to eliminate gender stereotypes and to challenge stereotypical assumptions about gender roles with a view to closing the gender pay gap, to reducing horizontal and vertical gender segregation on the labour market and to promoting a more equal sharing of care responsibilities by men and women.

According to relevant research results (Blunch N. H. 2010, p. 24), among other factors, the education system is a potentially important vehicle for decreasing the gender earnings gap in the formally gender-neutral economies of the Western Balkans. It is important to take effective measures to promote equality in education and employment in order to address labour market segregation and close the gender pay gap, including the measures to ensure unbiased education and training at all levels, including higher education, vocational education and training, lifelong learning and career guidance and equal access to them for everyone.

Direct socio – economic negative impact is that the continued presence of a gender earnings gap is likely to keep out females from the labour force who would otherwise be part of this and add to the economy. Increased economic activity of the whole population has been important during the transition from a planned to a market economy in Western Balkans countries, with the current financial crisis and especially after the pandemic, such efforts are more vital than ever. Parallel, with narrowing the gender wage gap there are also improvements of the regulatory environment of those economies, which represents direct positive impact on sustainable development in the Western Balkans countries.

Positive socio – economic impacts of decreasing gender wage gap are also gender equality policies that are drivers of smart, sustainable and inclusive growth and a precondition to promoting prosperity, competitiveness and employment, as well as inclusiveness and social cohesion (Council of the EU, 2019), Globalization is inevitable phenomenon and therefore the question arises what is its influence on gender wage gap. In line with the study performed under the auspices of the World Bank (Oostendorp, R. H. 2004, p. 8), a cross-country study of the impact of globalization on the occupational gender wage gap was done, based on the rarely used but most far-ranging survey of wages around the world, the International Labour Organization's (ILO) October Inquiry. This ILO annual survey was started in 1924 and contains a wealth of information on wages and the gender wage gap. For the period 1983–99, there is information on the gender wage gap in 161 narrowly defined occupations in more than 80 countries around the world. On that basis Oostendorp finds that the occupational gender wage gap appears to be narrowing with increases in GDP per capita, i.e. with improvement of economic development.

Conclusions

Women's economic empowerment and gender equality are some of the key preconditions for sustainable economic development. However, women were always given a less prominent function at job and thus prevented them from showing their talents in the business world, which caused negative social and economic consequences. One of the most obvious phenomenon of this discrimination is a gender wage gap. UN statistics indicate that: women do 67% of the world's work, but they earn 10% of the world's income, women are owners of 1% of the world's wealth and women make up 70% of the world's illiterate. Women around the world earn 15-50% less for equal work than men and of the 1.3 billion people who live in complete poverty, 70% are women. Closing the global gender gap could give the world economy a substantial boost – potentially doubling the growth in global GDP contributed by women in the next decade (McKinsey Global Institute, 2016, p. 2). However, government measures are needed in the form of public policy activities, which include not only legislation, but also its implementation together with integrated government approaches to labour market – incentives for narrowing gender pay gap, health protection and social protection issues (Gasmi et al. 2016, p. 18).

The issue of equality is not a women's issue, but a state issue and an issue of sustainable social development and economy. Many countries have signed numerous conventions on gender equality, adopted national strategies and developed action plans, but the position of women in real life is not fully equated with the position of men. Convention no. 100, adopted in 1951 by the International Labour Organization (ILO) strictly stipulates the prohibition of all forms of discriminatory behaviour in the provision of remuneration for work in terms of gender. This Convention has been ratified in 2006 by more than 160 countries worldwide. It established the obligation of every state to establish such system (through legislation and / or collective agreements) to prevent any attempt of different remuneration of women and men for work of equal value. This principle is in the literature considered as one of the most important international principles in the effort to establish gender equality worldwide (Dakic S. et al. 2011, p. 4).

In reality, women are still paid less than men for the same job, women find it harder to get a job, get fired more easily and there are not many of them at top corporate positions. Gender discrimination is most often perpetrated against women. Its key causes are firmly rooted, negative traditional, patriarchal stereotypes about the gender roles of women and men in the family and at the working place. Available data confirm that women are at a disadvantage compared to men in all areas of social life and especially in economic domain. The negative consequences of structural and indirect discrimination against women are visible in both the public and private spheres, but particularly in a gender wage gap. There is the phenomenon of intertwining impact of negative gender stereotypes on persistence of the gender wage gap in society.

Situation in the Western Balkans region indicates that an important determinant of economic and social progress is a good economic status of women in the labour market and the reduction or complete closing of the gender gap in earnings. EU Member States are also trying to diminish gender pay gap through coordinated policy measures.

Gender wage gap in favour of men can be the result of direct discrimination, where a woman is paid less for exactly the same position as a man (within an establishment), or the result of more covert practices, such as reduced opportunities for job promotion of women equally qualified as their male counterparts. Furthermore,

discrimination of women at the point of career promotion or selection for top managerial positions, which is in literature referred to as the “glass ceiling effect”, i.e. unofficial barriers to advancement in a profession, results in larger wage differentials between the two genders. Female entrepreneurship can be a solution for those women who want control over their career and want to oppose “the glass ceiling effect” (Gasmi et al. 2017, p. 17).

Special importance is attributed to awareness raising measures in combating gender pay gap, since reforms of negative cultural patterns and gender stereotypes that are one of key causes of gender wage gap, cannot be achieved solely by legislation. Consequently, permanent transformation of socio and cultural norms in society directly results in positive impact on socio – economic sustainable development. Final objective of the awareness raising campaigns is to eliminate situation that enable men and boys to be trapped in oppressive masculinities and within such campaign to spread importance of economic equality between men and women.

Finally, notion of average gender wage gap includes separate models for private and public sector workers because institutions differ greatly across the two sectors. Among the Western Balkan countries wage differences between the public and private sector are the lowest in Montenegro. The wages in the public sector in the Western Balkan countries are, as in the majority of the EU countries (European Commission, 2014) higher, than in the private sector. Furthermore, in all Western Balkan countries, similarly to the majority of the EU countries, public sector attracts higher share of high-skilled workers (Vladisavljevic et al. 2017, p. 11). The public sector is less exposed to competitive pressures and in almost all countries, gender wage gap is less present due to the fact that the public sector is more adjusted to government regulations and objectives, which promote gender equality.

Bearing in mind growing global awareness of the role of women in social and economic development, as well as strategic aspirations of the Western Balkan states to become the EU members, which is committed to the principle of gender equality, those countries will increase national competitiveness and sustainable growth significantly through empowerment of women to realize their full potential in political, economic and social participation in sustainable development of each country of the region. However, pronounced negative impact of the economic crisis after pandemic in 2020 is to be further observed in the forthcoming period.

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