

Exchange of good practices on gender equality

Equal Pay Days

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Comments Paper - Poland

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Gender Pay Gap in Poland: Analysis, Debate, and Policy

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1. Introduction

1.1. The gender pay gap in Poland

According to recent comparable Eurostat data, the unadjusted hourly gender pay gap in Poland in 2011 stood at 4.5% (compared with 8% in 2009 or 16.6% EU average). In the European context this aspect of gender inequality seems relatively unimportant. However, the interpretation of this indicator demands extreme caution on several levels. One is that the EU comparable data based on the EU harmonised source (Structure of Earnings Survey) is a relatively crude indicator, as it measures the 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 in enterprises with 10 employees or more. So, people in other employment situations are not included (e.g. in companies with 9 and fewer employees or in self-employment¹) and the full reality of the Polish labour market is not reflected. Second, the unadjusted gap does not take into account demographic and job related characteristics, such as level of education, experience, public or private sector, branch of the economy, etc. Taking these into account in wage decomposition analysis may show that the unadjusted gap either over- or under-estimates the difference; in a situation where women display desirable labour market characteristics (such as higher education levels) the unadjusted gap is likely to be underestimated. Furthermore, the gender pay gap indicator interacts with other labour market trends and the narrower gap may not necessarily be an expression of less labour market discrimination or absence of inequality. For example, a narrow gender pay often goes hand in hand with low participation of women in the labour market (see section 1.2. below) since it is the employment of highly skilled (and better paid) women that drives the trend, where women with low earning potential are under-represented in paid employment.

Because of these conceptual, data, and measurement difficulties, a range of gender pay gap indicators and studies should be considered. Among them is statistical research conducted by GUS² in 2010 showing that the differences between average wages of men and women reach 18% (or 22% if women's wages are taken as the reference category) with the gap widening to more than 38% at the highest occupational levels³. A different study (Domanski 2011)⁴ analysing data for the

¹ There is international empirical evidence that among the self-employed the gender-pay gap is larger than among employees (e.g. Hundley, G. (2001) Why women earn less than men in self-employment. *Journal of Labor Research* 22:817–829; Rybczynski, K. (2009) Are liquidity constraints holding women back? An analysis of gender in self-employment earnings. *Journal of Economic Asymmetries* 6:141–165; Lechmann, D. and Schnabel, C. (2012) why is there a gender earnings gap in self-employment? A decomposition analysis with German data. *IZA Journal of European Labor Studies* 2012, 1:6;

² Główny Urząd Statystyczny – Central Statistical Office

³ http://www.stat.gov.pl/cps/rde/xbcr/gus/RS_rocznik_statystyczny_rp_2012.pdf

⁴ Domanski, H. (2011) 'Rise of Meritocracy in Poland: 1982-2008', *European Sociological Review* 27 (3): 400-411.

period 1982 and 2008 suggests that the gender pay gap is even wider in comparable situations – controlling for education level, managerial role, the size of place of residence, age, and sector of the economy it was as wide as 34.9% in 2008. According to an analysis of GUS 1995-2011 data by Goraus (2012)⁵ the unadjusted hourly gender pay gap was nearly 10% of female average wage. It is important to note that observable demographic and job characteristics do not account for the existing gap – indeed based on demographic (education level, experience, age marital status...) and job characteristics (skilled occupation, more highly paid non-market services, or longer job tenure with the same company...) women's hourly wages should have been higher than those of men. Further, adjusting the pay gap doubles the difference to about 20%. While women are better endowed with the attributes that should be rewarded in the market than men, this does not translate into better pay. Yet another analysis, based on the annual internet earnings survey (*Ogólnopolskie Badanie Wynagrodzeń*)⁶ conducted in 2012 for the 10th time based on a sample of over 100 000 individuals collected through four major work and employment related portals, provides a different view. Although the survey is not representative of the Polish working population overall because younger and highly educated people are over-represented, it nevertheless is indicative of certain trends. Accordingly, men's earnings are higher than women's with respect to all characteristics used in the study: the median monthly male wage was 4 500 PLN and female 3 500 PLN; highest differences were registered among managerial positions; the differences also tended to rise with educational attainment – women with primary and lower secondary education earned on average 168 PLN less than their male counterparts, whereas women with tertiary education earned 1700 PLN less than men. And finally, the gender pay gap also is a feature in central administration, where data from 9 ministries show that women earn between 82% and 99% of men's earnings, with pay in lower positions being less unequal than at higher managerial posts⁷.

The above analyses demonstrate that conceptualising and measuring the gender pay gap is not straightforward, and that the interpretation of results without due attention to the contextual factors from which they emerge may be misleading. In the Polish context then, even if the 4.5% gap is taken at face value, the small gap to the detriment of women is highly problematic where female workers meet or exceed the criteria normally rewarded by the market. This paradox has significant policy implications as it points to the limits to which women can change their (labour market) behaviour – something that policies and policy makers continue to expect.

1.2. Institutional and legal background

Gender equality is enshrined in the Polish Constitution. Article 33 states that women and men have equal rights in family, political, social and economic spheres. In particular, women and men have equal rights to education, employment and promotion, equal pay for work of equal value, social security, holding of office, and fulfilling functions as well as receiving public recognition and honours. The chief national institution responsible for gender equality is the Government Plenipotentiary for Equal Treatment (*Pełnomocnik Rządu ds Równego Traktowania*) established in April 2008 and further regulated by the Equal Treatment Act (Dz.U. 254/ 1700,

⁵ Goraus, K. (2012) Gender Wage Gap in Poland – Can It Be Explained by Differences in Observable Characteristics? Uniwersytet Warszawski.

⁶ <http://www.wynagrodzenia.pl/artukul.php/wpis.2673>

⁷ Lisowska, E. (ed.) (2012) *Polityka różnorodności w administracji centralnej*. SGH: Warszawa.

2010). The remit includes equal treatment with respect to gender, race, ethnicity, nationality, religion, faith, worldview, disability, age or sexual orientation. The Act, in force since 1 January 2011, addresses Poland's transposition of EU equality directives. The Plenipotentiary is tasked with Equal Treatment issues in government's policy; comments on legislation; analysis of the legal framework and intervention; acting on unequal treatment; analysis and evaluation of the legal and social situation and coordinating tasks preventing discrimination; monitoring compliance; cooperating with NGOs, including trade unions and employers. The office of the Plenipotentiary is thus well placed to pursue or initiate government action of relevance to gender pay gap. As government agency, it is influenced by party politics of the governing administration as well as the priorities of the Minister in charge of the office - currently Agnieszka Kozłowska-Rajewicz. Aside from the Constitutional guarantee and Labour Code equality stipulations, there are no mechanisms in place to promote the narrowing of the gender pay gap, but there are new planned activities to address this issue (see policy debate section below).

1.3. Socio-economic conditions

With respect to socio-economic situation in Poland, one of the most relevant aspects of achieving gender equality is the attainment of economic independence for women, as the relationship between work and welfare is being tightened at the state level and as income from employment underpins well-being throughout the life course. Based on Eurostat⁸ data, while the overall employment rates tend to be lower than in the EU, this is particularly the case among women. In 2012 the average annual employment rate (20-64) was 72.0% among men (74.6% in the EU) and 57.5% among women (62.4% in the EU). The low employment rates are largely due to the low employment among older (55-64) women of 29.2%, which is low in comparison with men (49.3%) and with EU averages (41.9% among women and 56.4% among men).

The second aspect indicative of individuals' ability to attain economic independence is unemployment: in 2012 (population 15-74) it has worsened for both women and men (to 10.9% and 9.4%, respectively) and the higher proportion of women among the unemployed, and especially among the long-term unemployed, has been a constant feature. Unemployment is particularly acute among younger (15-24) workers, as the female rate increased to 30% and the male to 24.1%, both being higher than EU averages of 22.1% among women and 23.4% among men.

A relevant dimension is the at-risk-of-poverty rate which in 2011 was 26.6% among men and 27.7% among women. This too is higher than EU averages (23% for men and 25.2% for women). For people aged 65+, the 2011 at-risk-of-poverty rate in Poland is much more differentiated between men at 19% and women at 28.1%.

Some indication of social attitudes on the existence or prevalence of the gender pay gap or gender wage discrimination comes from attitudinal surveys. A recent one conducted by CBOS⁹ suggests that the vast majority of respondents share in the opinion that there is a disproportion in incomes between women and men where 69% think that women in Poland who work in the same occupation and possess the same level of education as men generally earn less. A survey conducted with public

⁸ <http://epp.eurostat.ec.europa.eu>

⁹ CBOS (2013) Kobieta Pracujaca. Raport z badan. BS/28/2013

administration employees¹⁰ shows that just under a half of respondents think that demographic characteristics play a role in the level of earnings, but women are more likely to agree (49%) than men (37%); and women are more likely (37%) than men (13%) to point to the importance of gender.

The underlying factors for gender gaps in the labour market, including the gender pay gap, are various and complex, and stem in part from the gender division of labour between paid and unpaid work with women primarily responsible for care work while men for employment. These interact with institutional and cultural patterns of development (including labour market conditions or the availability of accessible and good quality care facilities), the differential valuing of various activities, as well as individual characteristics intersecting with gender, such as age, education, occupational status or presence/ age / number of children.

In this context it is important to note that a gendered approach is key to addressing labour market inequalities, including the gender pay gap. This however is rarely evident and so discussions, perceptions, and measures for equality can have a narrow focus and result in an instrumental treatment aimed at women's integration in the labour market without sufficient attention to women's and men's positions and practices, to the institutional/policy environment, to the life-course as well as to an intersectional approach that takes into account differences among women and men.

2. Policy Debate

Recent national and sub-national level discussions on gender equality in Poland, whether labour market or other aspects, begin to approach this taking on a relational perspective. The policy debate centres on the possibility of implementing quotas in business to increase the proportion of women in economic decision making; and on the problem of gender-based violence with attention to awareness raising campaigns as well as legislative amendments. Attention to wage inequalities and the gender pay gap is relatively recent and less prominent, but it certainly is gaining visibility. The main source of debate at the policy level is the Government Plenipotentiary for Equal Treatment, with other government structures – such as the Ministry of Labour and Social Policy or the Chancellery of the Prime Minister (beyond the Equal Treatment office) participating to a lesser extent. The involvement of the social partners – workers and employers organisations – is limited to sporadic events or comments.

Over the recent period the Government Plenipotentiary for Equal Treatment has initiated and organised a number of activities. Among them a proposal to oblige companies to compile statistical reports showing proportions of men's and women's earnings. At present there is no such requirement. In July 2012 the minister announced¹¹ plans to develop and implement legal provisions for companies (initially large-sized firms only) to report on gender pay differentials. A range of regulatory options are considered because of employers' opposition to include this in the Labour Code. This is a significant announcement because it is a key element in the wider policy package towards attaining labour market gender equality goals, and because it has not been considered so explicitly in the past.

¹⁰ Lisowska, E. (ed.) (2012)

¹¹ www.rownetraktowanie.gov.pl

In January 2013 a Polish-German seminar on the 'Monitoring methods of pay differences between women and men' was organised by the Ministry of Labour and Social Policy (Section for Equality between Women and Men at the Department for Economic Analysis and Forecasting)¹². Participants in the seminar included representatives of the Ministry, Institute of Labour and Social Policy, Central Statistical Office, Chancellery of the Prime Minister, University of Warsaw, National Committee 'Solidarność', NGOs (Foundation Feminoteka, Responsible Business Forum), and Institute of Public Affairs. The main goal was to present a new tool for calculating wages and a system for auditing, developed to reduce pay differences for women and men performing work of equal value. The German approach highlights the importance of awareness raising and changing attitudes on the gender pay gap across the society, but especially at the level of firm and organisations with respect to differentiated wage structures.

In February 2013 the Government Plenipotentiary for Equal Treatment organised a seminar dedicated to dealing with the gap in Poland¹³. The main purpose was to bring academic and policy actors as well as personnel from the Central Statistical Office (GUS) and social partners together to discuss this issue and work out effective instruments to monitor and prevent wage discrimination. Given the existence of the gender pay gap (however conceptualised and measured) and that there is no effective monitoring system in place, the debate focused on gathering information on the extent to which employers abide by the legal framework. To this effect it has been decided that the Supreme Audit Office (NIK) will inspect men's and women's incomes in same positions in central, regional and local administration and state agencies this year across 5 regions. Such inspections are seen as an important step in constructing an effective monitoring system, beginning with the public sector.

3. Transferability

Currently there is no national Equal Pay Day in Poland, however several institutions and organisations refer to and provide links to EU sites¹⁴ in English and Polish. There are some recent localised initiatives at sub-national levels, such as an initiative of Business and Professional Women¹⁵ federation which implemented Equal Pay Day at an organisational level in April 2011, drawing attention to the gender pay gap and inviting other organisations and activist groups to take part in the action. Specifically, the federation launched an Equal Pay Week where women from business, academia, and culture participated in a debate on equal pay for equal work.

The Equal Pay Day practices of Belgium, Estonia, and Spain are thus highly relevant to the Polish context and, given the interest stemming from parts of the central administration as well as from non-governmental bodies, are transferable to a great extent. Because the causes of unequal pay are multiple and complex, and

¹² <http://www.mpips.gov.pl/aktualnosci-wszystkie/wynagrodzenia/art,6055,seminarium-polsko-niemieckie-sposoby-monitorowania-roznic-w-wynagrodzeniach-kobiet-i-mezczyzn.html>

¹³ <http://www.nik.gov.pl/en/news/nik-will-check-if-women-and-men-get-equal-pay-for-equal-work.html>

¹⁴ http://ec.europa.eu/news/employment/110304_pl.htm

<http://www.feminoteka.pl/news.php?readmore=7476>

<http://www.tvpparlament.pl/aktualnosci/europejski-dzien-rownej-placy/6654870>

<http://www.joannaskrzydlewska.pl/2012/03/europejski-dzien-rownej-placy/>

¹⁵ <http://www.bpw-poland.pl/index.php?n=170>

because its dimensions are nuanced and conceptually varied, addressing the problem calls for a comprehensive approach. The Equal Pay Day campaign could be one element in such a comprehensive method. The more established, wide-ranging, and multi-dimensional Belgian good practice seems the most capable from a needs perspective. It is also the most demanding in terms of resources required and securing broad political commitment across social groups and policy actors at central and self-government levels as well as in industrial sectors and organisations.

One useful element is the *studies and analysis* that accompany the Equal Pay Day campaigns, to help understand the nature and roots of the gender pay gap and assist in articulating the possible means of addressing them. Given the methodologically limited EU statistics for the Polish context, a complementary set of indicators and dissemination of those can be improved, and the studies referred to above elaborated upon and expanded.

A second part is *wide participation* of state and non-state actors in the events leading up to- and following the Equal Pay Day – including workers' and employer organisations, the academic community, and other NGOs. This secures ownership of the problem across a range of actors who can adapt their behaviour to create change, and the responsibility for attaining progress does not depend solely on women. Currently in Poland the Plenipotentiary for Equal Treatment is the main advocate of eradicating the gender pay gap, and collaborative effort with the academic community is evident. A broader coalition, especially bringing on board the trade unions and employers, is a key challenge. And, as the Belgian example shows, such broad participation does not necessarily have to be a unified action – having a shared goal, but acting independently, can be a viable alternative.

A third component is the use of *multiple forms and content* reaching a range of audiences. The Belgian case provides a good example of raising awareness among women and men, e.g. in linking lower wages from income to lower pension entitlements, showing the costs to women, families and society overall; demonstrating the short- and long- term implications of working arrangements and pay. The Estonian campaign poignantly shows how one factor (being male or adding dill to salmon) influences pay / price and has the potential to critically engage with the notion of the social construction of value. The Spanish example, through the use of lottery tickets and postal stamps, shows that even though some other dimensions of the labour market are deemed more pressing, such as the staggering unemployment rate, engaging with the problem of the gender pay gap is nevertheless important and should be pursued.

While useful for the Polish context, there are several challenges with transferring the Equal Pay Day good practice with the attainment of equal pay in mind:

- First, the range of factors referred to in the above examples support the view that the Equal Pay Day should be used as a tool or platform for eradicating the gender pay gap (rather than a goal in itself). So, it is important to note that pamphlets or poster campaigns on their own will not resolve the problem of the gender pay gap.
- Second, whether the problem of the gender pay gap is seen as a key/ integral or competitive issue to be resolved within society, and what kind of attention and resources can be dedicated to it. In this sense, while cost efficiency as well as other dimensions of gender (and other) inequality should not be disregarded,

neither should they be the over-riding criteria. In addressing the gender pay gap, the challenge lies in getting the balance right.

- Third, is the extent to which a truly gendered approach is pursued, rather than focusing on women alone. This should begin with a critical assessment of norms associated with different pay levels. While equal pay for equal work / work of equal value still has a place in the discussion, issues of power and privilege require attention as well because uneven gender power relations carry certain privileges for some groups and not others, and these processes are gendered. The problem is 'gender inequality' and 'the gender pay gap', however it is often represented as a 'women's problem' – for example in terms of quantity or quality of their education, working time patterns, occupation, negotiation of pay style, etc. Policies which focus on women's behaviour, but without accompanying changes in the institutional support and men's behaviour, are insufficient because there are limits in the feasibility and desirability of attaining gender equality through further adjustments of women's lives to fit typically male lifecourse patterns. Rather than asking women to become engineers, why are we not asking that nurses are paid better? Especially in the European context of demographic and labour market pressures, all nurses cannot be expected to re-train as engineers. Particularly because it is not the displaced (male) engineers who will take up the task of care for patients, children or the elderly, but the underpaid, exploited, and at the same time wanted / unwanted migrant labourers increasingly part of the European care landscape.

These challenges suggest that a gender approach is rarely evident in tackling the gender pay gap: discussions, perceptions, and measures can have a narrow focus and result in an instrumental treatment aimed at women's integration in the labour market without sufficient attention to:

- women's and men's positions and practices;
- workplace and other organisational cultures and practices;
- the institutional / policy environment;
- the life-course;
- intersectional approach that takes into account differences among women and among men.

What seems thus necessary is a combination of a short term approach with a long-term vision and in adopting a multi-pronged strategy. This can include Equal Pay Day campaigns, but it cannot stop there.