



Country Fact Sheet Estonia

## Some Facts about the Gender Pay Gap in Estonia

Liina Osila

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“Gender Pay Gap: New Solutions for an Old Problem. Developing Transnational Strategies Together with Trade Unions and Gender Equality Units to Tackle the Gender Pay Gap“

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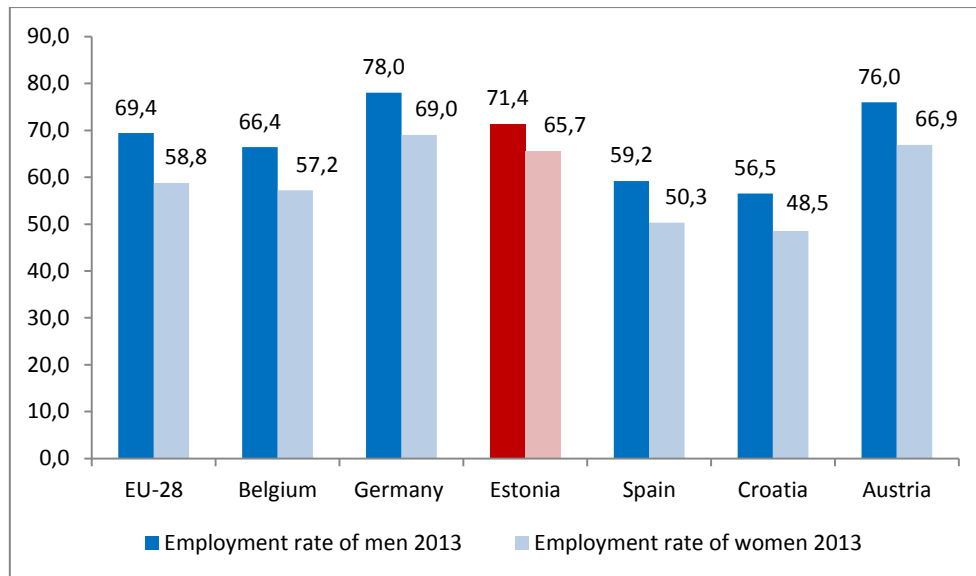


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## GPG in Estonia: Brief Data Overview

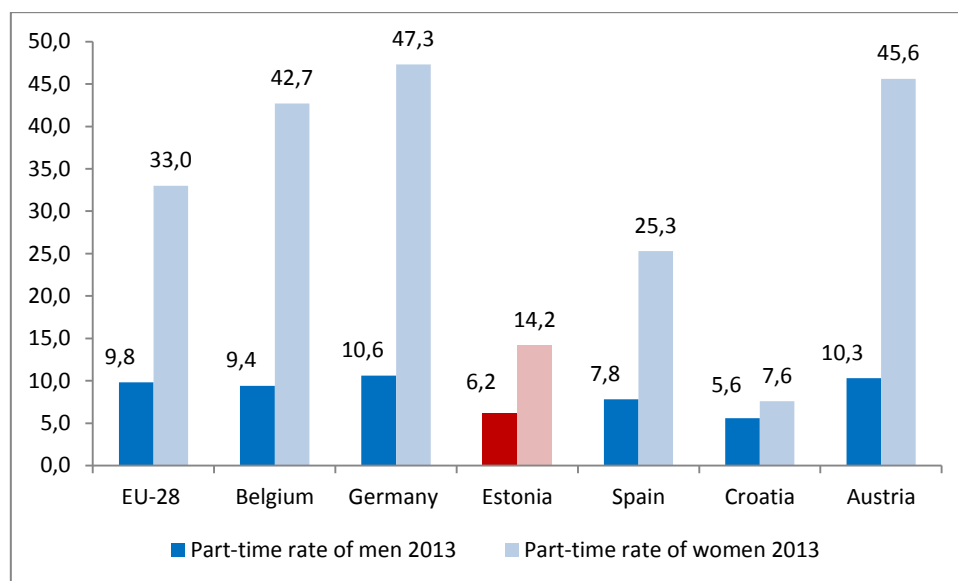
In Estonia, **womens' total employment rate** is one of the highest in Europe, reaching way above EU average (see Figure 1). At the same time, **part-time work** is not widely used in Estonia among both men and women, however, its prevalence is more than twice as high among women compared to men (see Figure 2).

**Figure 1: Women's and men's employment rate 2013**



Source: Eurostat, LFS (online data code: lfsi\_emp\_a)

**Figure 2: Women's and men's part-time rate 2013**

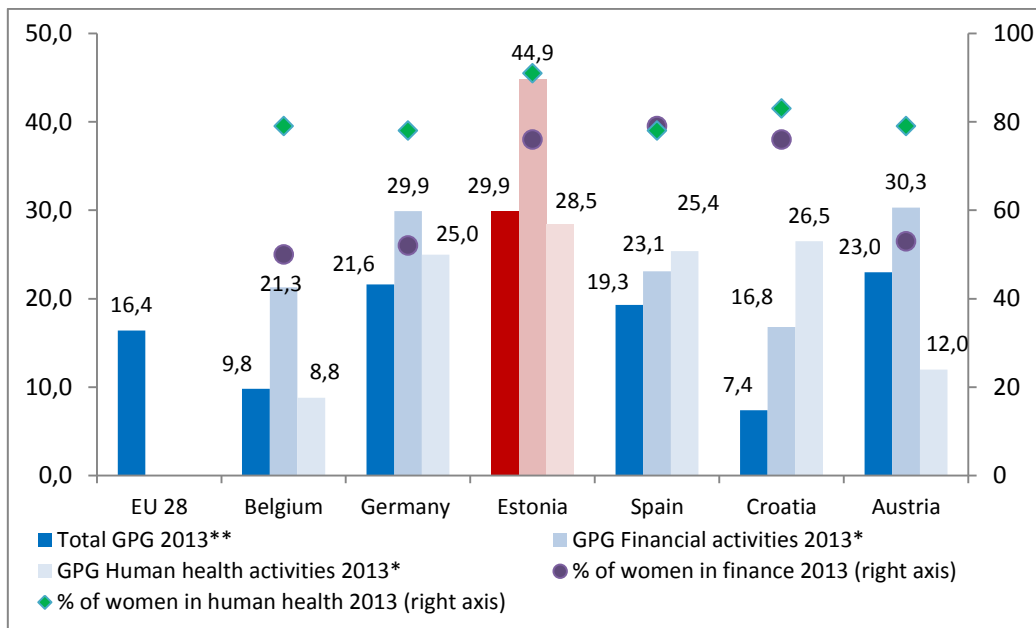


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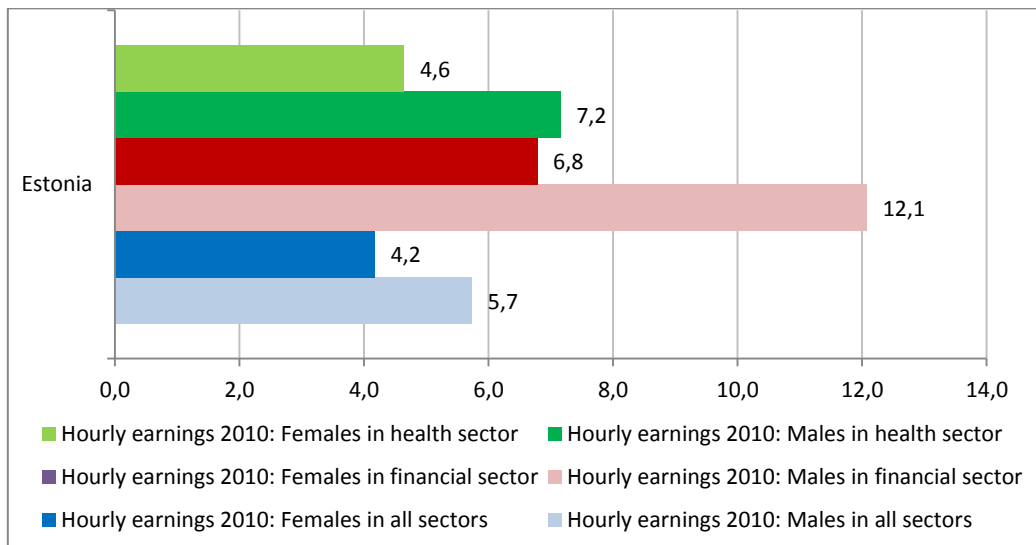
Estonia has the **highest gender pay gap in EU-28** (29.9%) which reaches almost twice as high as the EU average (see Figure 3). While the GPG in female-dominated (91% are women) human health activities sector is similar to the total GPG in Estonia, the GPG in financial activities sector, where also most of the employees are women (77%) is the highest in Europe with its 44.9%. The **income level** in the financial sector and among men in human health activities sector is above Estonian average, however the difference between men and women hourly earnings in financial sector are almost twofold (see Figure 4).

**Figure 3: Total GPG\*\*, the GPG in the financial and health sectors and women's share in these sectors 2013**



Source: Eurostat, LFS (online data code: earn\_gr\_gpgr2 and lfsa\_egan2); \*\* total GPG except public administration, defence, compulsory social security; NACE Rev. 2 (structure of earnings survey methodology); 2015; \* latest year available for Austria: 2010

**Figure 4: Mean hourly earnings by sex in Estonia 2010**



Source: Eurostat, LFS, Structure of earnings survey (online data code: earn\_ses10\_13), hourly earnings include industry, construction and services (except public administration, defence, compulsory social security)

## Facts and Findings about the GPG in Estonia

### Wage-setting mechanisms in Estonia

Most employees working conditions are set by bipartite negotiations between the employer and employee meaning that collective bargaining is not very common in Estonia.

### Important characteristics of the GPG in Estonia

- Vertical and horizontal labour market segregation and significant income differences between sectors
- Working conditions (especially pay) are fixed in bipartite negotiations between the employer and the individual employee
- Long career breaks for women due to the combined effect of lack of kindergarden places and inflexible parental leave benefit system

### Specific initiatives to reduce the GPG in Estonia

- In 2012, the government approved the **Action Plan for the reduction of gender pay gap** that contained of actions such as (1) Improving the implementation of the existing gender equality act 2) Improving the policies for family, work and private life reconciliation 3) Gender mainstreaming, especially in the fields of education and employment 4) Reducing the gender segregation in the labour market and education 5) Analysing the organisational practices and pay systems
- **Equal Pay Day**. Since 2010 The Estonian Association of Business and Professional Women (BPW Estonia) has organized the Equal Pay Day campaign with an aim to raise public awareness and initiate public discussions about the gender pay gap.
- Project by Statistics Estonia **“Increased availability of gender pay gap statistics”** to have timely statistics together with relevant data that would describe the reasons of the GPG and help decision makers to develop necessary measures based on knowledge-based analysis.

## GPG in the Financial and Insurance Sector in Estonia

### Important characteristics of the financial and insurance sector in relation to its GPG

- GPG in financial and insurance sector in Estonia, is **the highest in Europe – 44.9%** in 2013. The sector is **vertically segregated** – 77% of employees in the sector are women however most top jobs are fulfilled by men.
- Working conditions (especially pay) are determined via **individual negotiations between the employer and employee**, salaries are not public information making it difficult to determine GPG and in case if it exists whether it is justified
- As of 2013, **sectoral level trade union was created**, but their focus has not been on GPG

### Initiatives (or lack of those) in the financial and insurance sector to reduce the GPG

Although the GPG is the biggest in the financial services and insurance sector (44.9% in 2013), no specific measures and initiatives to tackle gender pay gap have been launched so far in the financial services and insurance sector. The reasons for this:

- The awareness of the GPG in the sector is low as the common understanding is that the average wage in the sector is much higher compared to national average wage and working conditions in the sector are considered to be one of the best compared to other sectors
- Trade unions' focus is on problematic and questionable termination of employment contracts, redundancies and other labour law violations that have happened in the sector and that also concern parents returning to work from parental leave.

## **GPG in the Human Health Sector in Estonia**

### **Important characteristics of the human health sector in relation to its GPG**

- The most female-dominated sector in Estonia (91%). The sector is **vertically and occupationally segregated**, men being on top positions.
- GPG in the sector is and average wage in the sector **is comparable** to the national GPG and national average wage level.
- Sector is one of two sectors in Estonia that is covered by a **sectoral collective agreement**, however GPG has not been discussed between social partners.

### **Initiatives (or lack of those) in the human health sector to reduce the GPG**

The sector has several trade unions, professional associations and employer associations, however no specific measures and initiatives to tackle gender pay gap have been launched so far by any of them. The reasons for this:

- Low awareness of the concept, reasons and consequences of gender wage gap among trade union and employer association representatives and their members. In addition, since the majority of the workforce in the sector – 75% of all doctors and 98% of all nurses are women, the issue of gender wage gap and also gender segregation has not been raised by trade unions or employer associations or by their members.
- Since the sector is covered by sectoral collective agreement, there is a perception that the salary system in the sector is transparent and excludes the possibility for gender wage gap within occupations.
- Information on salaries is not public information, it is currently not possible to determine whether gender pay gap in specific organisation exists and whether it can be justified by objective characteristics.