

## OCCUPATIONAL SEGREGATION BY GENDER – WHERE DOES ROMANIA STAND?

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**Abstract:** *The issue of occupational segregation is a topic discussed in the foreign economic literature, but on which documents written by Romanian authors are not so numerous. Still, during the last decades, this problem gained attention and began to preoccupy more individuals, especially on the basis of female emancipation process. In the past, various occupations were destined to be developed only by male employees. Women represent more than half of the overall population of the world. Even if prejudices on women are no longer as intense as they were in the past, and the access to education is widely open even in less-developed countries, consequently increasing the number of female workers, there are still several issues regarding occupational segregation and gender inequality that need to be solved. Today, many prejudices are lost, and female employees are more appreciated and manage to occupy traditional positions, as well as the ones that in the past were allocated only for the opposite gender. An assumption met in literature is that a rich country is able to confront more efficiently its problems and that the level of development should lower the gender gaps also. The purpose of this paper is to illustrate the situation of occupational segregation in Romania, through both theoretical and empirical methods. Still, the research is a qualitative one, considering that the available data is limited, at the present moment. The first part illustrates the concept of gender equality and occupational segregation, followed by an interpretation of the official data provided by the reports elaborated by the institutes in the field. The last part consist in a brief analysis of the relationship between the gender equality index and the economic growth, illustrated by the values of GDP.*

**Keywords:** female employees, occupational segregation, labor market, GDP, gender equality

**JEL classification:** J24

### 1. Theoretical input

Women represent more than half of the overall population of the world. Even if prejudices on women are no longer as intense as they were in the past, and the access to education is widely open even in less-developed countries, consequently increasing the number of female workers, there are still several issues regarding occupational segregation and gender inequality, that need to be solved.

According to Lofstrom (2012), "gender equality is a multidimensional term embracing economic, cultural and social dimensions alike".

The problem regarding discrimination by gender, equality of chances and the wage differences between men and women were analyzed in several articles in literature. Equality is promoted by the European Union, still it is not a secret than in many cases, women earn less than men in terms of wage (Webb). The main goal is to harness the true potential at optimal level of female employees, the more as they are, according to Forbes studies, "half of the workforce, although so far have been concentrated in areas less paid,

practicing professions as commercial workers, waiters, administrative assistants" (Forbes).

According to Akerloff and Kranton (2010) there are still various differences between male and female employees, differences which underlie the concept of occupational segregation. Among them, we may identify reasons as: the fact that women devote a part of life to motherhood and implicit assumption that they are less attached to employment or invest less in their careers, are listed as the main determinants of the allocation of lower wages for women, based on the perception of weaker skills (Akerloff, Kranton, 2010).

At the same time, the wage differences between the two genders can be explained through the following aspects (Dobre, 2011):

- The difference regarding productivity and human capital (Edgeworth, 1992, Mincer, 1974);
- The choices of women regarding the workplace;
- The mobility differences between men and women.

According to the European Commission, nowadays the highest percentages in terms of segregation criteria are identified in the case of Estonia (32.2%) and Slovakia (30.2%), while the lowest rates are Greece (22.4%) and Romania (23.3%) (Eurostat).

During the last decades, the European Union has promoted the issue of equality between men and women, not only theoretically, but also in practice, the main directions of action being:

- Nondiscrimination regarding work independence;
- Equal wages;
- Equal right in decision making;
- Gender equality, integrity and dignity preservation;

Many times, literature speaks of segregation in the same terms as about discrimination, as we consider the case of limitation of rights (Sanduleasa, 2010). We can therefore speak of segregation on the grounds of gender, which requires employees of a particular gender to focus in specific different sectors, resulting at the same time several wage differences. This is also called the horizontal segregation (Dobre, 2010), but we can identify a vertical segregation (Akerloff, Kranton, 2010), consisting of gender differences in the hierarchy of an organization, still frequent in organizations belonging to all sectors of the economy.

Vertical segregation was noticeable in the past through a smaller number of women in leadership positions, but last thirty years have contributed heavily to the "empowerment of women and their implicitly acceptance by society and collectively as an equal of men, while continuing to carry out, in addition to the latter, unpaid work in the household" (Dobre, 2011).

Lofstrom states that "it is a generally known fact that women have lower pay levels than men in all member states, which directly reflects the differing conditions and circumstances under which men and women live".

Authors like Bergmann (Bergman, 1974) state that male employers "are against the employment of women in certain professions and can conspire to not allow women to occupy positions well paid, reserving the gains for other men", case in which we may notice a sharp discrimination on grounds of gender. Anker, on the other hand, (Anker, 1998) speaks, moreover, of a mismatch index, defined as "an amount between the minimum proportion of women and the minimum proportion of men who should change their profession so that the proportion of women to be identical in every profession", indicator which is used in order to carry out the comparisons in the different regions or countries.

## **2. The Gender Equality Index and its contribution to measuring the rate of segregation on the labor market**

The European Commission, through the reports elaborated by Eurostat, lists a series of causal factors/elements that bring their contribution to the occupational segregation issue. The analysis made through official reports state the following:

- The size of responsibilities, both professional and especially ones regarding family;
- Labor market segmentation;
- The mentality;
- Stereotypes place in society;
- The level of investment;
- Quality of work;
- Subjective preferences;
- Organizational culture.

Following the conclusions of studies that promote equality between the two genders, the occupations predominantly carried by women represent about 11% of all occupations. Forbes publication describe the long journey that women have crossed during time in order to evolve in their careers, promoting alongside the phenomenon of gender empowerment, occupying management positions and others that require a higher level of training (according to Forbes), currently reaching to predominate also in some professions that were previously distributed only to male employees. Thus, nowadays financial and accounting jobs are mostly obtained by women. According to Eurostat statistics, women receive fewer hours of professional development than their peers of the opposite gender, although in terms of appearance rendering tasks over ordinary working hours is found in both sexes.

Regarding the propensity of individuals to a particular profession or to a specific category of work, this is manifested as early as during studies (Rosen, 1986).

The present employment rate in Europe is 63% for women and 75% for men. The constant tendency is the maintenance of the female employment rate under the one belonging to the opposite gender, the researches revealing the fact that women are more willing to develop part-time jobs, while the reports of Eurostat indicate a much higher level of the daily work load.

The European Institute for Gender Equality developed “a unique measuring tool”, which “synthesises the complexity of gender equality as a multi-dimensional concept into a user-friendly and easily interpretable measure. It is formed by combining gender indicators, according to a conceptual framework, into a single summary measure”. This measurement tool is named the Gender Equality Index and consists of components like work, money, knowledge, time, power, health s.a. This index is calculated both individually, for each country in the European Union, and globally, for the purpose of determining the overall value for the Union. It also “provides a measure of how far or close each member state was from achieving gender equality”.

According to the Gender Equality Index Country Profile Report (2013), considering all domains mentioned earlier, the Gender Equality Index state the following:

- “Relates to the position of men and women in the European labor market”, by calculating the gender gaps, work quality or sectorial segregation;
- Measures the dimension of political involvement of women and their representation in the political and economic fields;
- Measures the equality of income distribution and the “access to financial resources”, considering that “an analysis of gender gaps in the domain of money shows that women are, with few exceptions, disadvantaged compared to men”;
- Measures the differences between genders in terms of knowledge, education training and lifelong learning;
- Measures the amount of time spent by women and men in the EU on activities

other than economic, considering the fact that a major gender gap regarding this aspect is being identified in the time that a woman spends taking care and educating children, or developing other housework, at the expense of taking part in leisure or cultural activities;

- Measures the balance in terms of health, life expectancy at birth.

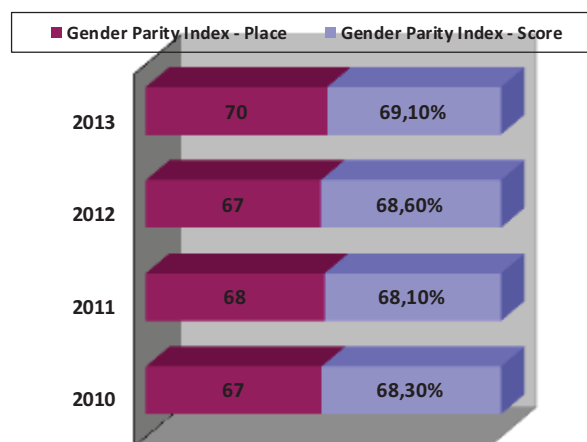
### 3. The case of Romania – a view from the top

The European Institute for the Equality of Chances developed an Index of Gender Equality which shows the overall scores achieved by countries in the European Union. According to the reports elaborated by this Institute, the general score of the Union is 54, which represents a medium level, according to the scale on which 1 represents a total lack of equality and 100 resembles to total equality.

The case of Romania is presented both by the report mentioned above, and by the one published by the World Economic Forum. The main difference between the two is that while the first one developed an analysis based only on the EU-27 countries, the second one takes into consideration 136 countries worldwide, conducting a research based on information regarding the level of opportunities, education, health and political emancipation (GGPI Report, 2013).

The WEF report indicated that Romania is places on the 70<sup>th</sup> position from 136 countries (according to the Global Gender Parity Index). It is however necessary to consider the fact that a gender difference of 15-20% is found also in countries with strong economies, while this gap is higher in the less developed countries, with a poor economy.

The data regarding the situation of Romania during the last four years may be illustrated as follows:



**Figure 1** – The Gender Parity Index

Source: World Economic Forum Report (2014)

The detailed situation, according to the World Economic Forum Report concerning the Gender Parity Index is presented in the table below:

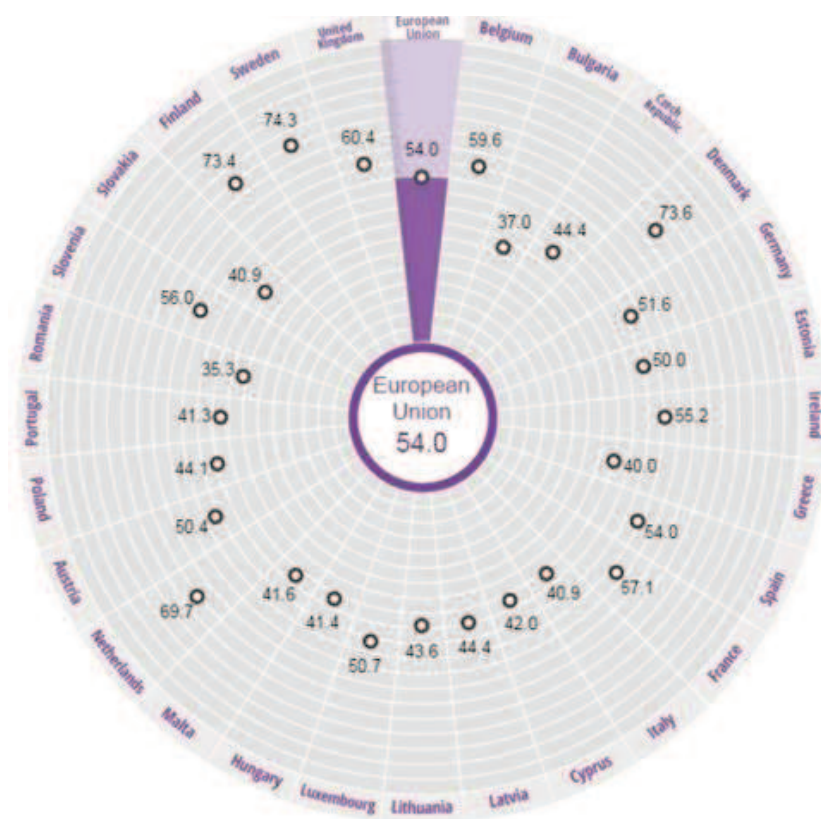
**Table 1:** The Gender Parity Index

Source: The World Economic Forum Report, 2014

ROMANIA	General		Economical aspect		Level of education		Health		Political participation	
	Place	Score	Place	Score	Place	Score	Place	Score	Place	Score
Gender Parity Index - 2013	70	0,691	55	0,693	50	0,994	34	0,979	91	0,097
Gender Parity Index - 2012	67	0,686	54	0,681	52	0,994	34	0,979	97	0,089
Gender Parity Index - 2011	68	0,681	46	0,694	45	0,995	41	0,979	112	0,056
Gender Parity Index - 2010	67	0,683	41	0,708	73	0,989	50	0,977	109	0,056

The European Institute for Gender Equality states the following situation regarding the GE Index in the EU. The overall value corresponding to the European Union is 54%, indicating a general score of 54, while the situation of the component countries is represented in the figure below, where we can identify a maximum score of 74,3 in the case of Sweden, and a minimum score of 35,3 in the case of Romania.

If 1 represents a total lack of equality and 100 resembles to total equality, we find that Romania faces a situation still difficult from this point of view, being situated on the last place among the other member countries of the European Union. The 27<sup>th</sup> place is not a very honorable one, the main cause for this unsatisfactory position being both of economical, social, political and cultural nature.



## Figure 2 – The Gender Equality Index

Source: <http://eige.europa.eu/content/gender-equality-index>

The first four positions are occupied by Sweden – 74,3, Denmark – 73,6, Finland – 73,4, the Netherlands – 69,7. Almost all of them are Nordic countries, which are mainly recognized for the very efficient educational systems. However, from the fourth position – Netherlands, which records a high score – almost 70, and to the fifth place – United Kingdom – 60,4, there is large gap.

As we find in the figure above, Romania is being exceeded by other Balcanic countries, like Bulgaria – with a score of 37 or Greece – 40.

Still, if we analyze the second situation, regarding the Global Gender Parity Index, in which Romania is placed on the 70<sup>th</sup> position from 136, we find that, even if, among the member states of the European Union we occupy the last position, there are, on a global level, more disadvantaged countries.

Lofstrom states a relationship between GDP and the level of gender equality, explaining that “when gender equality increases, growth will also increase, since more people’s work is marketed and thus counts towards GDP”, in terms of favorable impact of both the GDP level and growth rates.

If we consider the Gender Equality Index as recording the following values for the period 2010-2013: 67, 68, 67, 70, and the GDP of Romania expressed in billion Euros:

- 2010 – 124,1 billion
- 2011 – 131,5 billion
- 2012 – 132,6 billion
- 2013 – 139,8 billion

We can state the following relationship:

**Table 2**

Dependent Variable: GDP

Method: Least Squares

Date: 04/10/15 Time: 21:22

Sample: 1 10

Included observations: 10

GDP=C(1)+C(2)\*GEI

	Coefficient	Std. Error	t-Statistic	Prob.
C(1)	-1275.333	1185.461	-1.075812	0.3946
C(2)	38.16667	17.43042	2.189659	0.1600
R-squared	0.705649	Mean dependent var		1320.000
Adjusted R-squared	0.558473	S.D. dependent var		64.25470
S.E. of regression	42.69563	Akaike info criterion		10.65292
Sum squared resid	3645.833	Schwarz criterion		10.34607
Log likelihood	-19.30585	Hannan-Quinn criter.		9.979557
F-statistic	4.794606	Durbin-Watson stat		1.510667
Prob(F-statistic)	0.159971			

Source: author’s interpretation

We find that there is a direct relationship between the Gender Equality Index and the GDP of the country, assertion proved by the value of the C(2) : 38,1(6), which indicated a strong relationship, the conclusion being that the GEI manifests a strong and direct influence over the GDP evolution. Also, we identify a value of 0,70 for the R-squared test, which



indicated a direct and strong relationship, which tends to +1.

According to data provided by the National Statistics Institute (Romanian Statistical Yearbook, 2013), the active population in Romania registered a downward trend over the years, ranging from 10.041 million people in 2006 to 9,868,000 in 2011. This is due primarily to the large volume of migrant phenomenon that Romania is facing at a growing level. The situation reflected in the following table presents the same trend both in terms of gender criterion and that of the residence - urban or rural.

**Table 3** – Structure of active population

	2009	2010	2011
<b>Active population</b>			
<b>Total</b>	<b>9924</b>	<b>9965</b>	<b>9868</b>
By gender			
Male	5524	5549	5457
Female	4400	4416	4411
By residence			
Urban	5475	5538	5563
Rural	4449	4427	4305
<b>Occupied population</b>			
<b>Total</b>	<b>9243</b>	<b>9240</b>	<b>9138</b>
By gender			
Male	5100	5112	5026
Female	4143	4128	4112
By residence			
Urban	5032	5032	5072
Rural	4211	4208	4066

Source: National Statistics Institute

#### 4. Conclusions

According to studies that promote equality between women and men, female occupations represent about 11% of all occupations. However, women began to evolve in their careers, promoted alongside the phenomenon of gender empowerment, occupying management positions and others that require a higher level of training (according to Forbes), currently reaching to predominate also in some professions that were previously distributed only to male employees. Today, in financial and accounting jobs we mostly find women, statistical studies showing that "women acquire three bachelor's degrees at every two obtained by men," thus surpassing them at the chapter education. They also represent more than half of the existing financial managers at this time (54.7% according to Forbes), nearly 60% of budget analysts or agents insurers. Women are also prevalent, particularly in areas categorized from the beginning as being more "soft", such as human resource management (where the proportion of women managers reaches almost 70%), managers of communication, negotiation, event-planners.

Medical field is no longer a barrier for the development of women, although the occupation was listed as rather dedicated to men employees. We therefore witness, in the context of globalization, a reversal of the situation of the initial allocation of professions, an idea reinforced in terms of recent sociological studies in the field and the distribution of income in the family.

The biological differences, perhaps the most striking and conspicuous, caused by differences over time in the distribution of tasks, gradually leading to a gender division of labor, with the evolution of technology differences began to decrease but women began to be employed in more demanding jobs or which thereto were distributed to men.

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