

The Gender Gap in Incomes and Poverty Feminization in Ukraine

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The economic changes during the transition have caused increased gender inequality not only in the labor market but also in the private life of the household. The loss of employment, which has affected women to a greater extent, has had consequences for gender balance in the formation and distribution of household income, which tilts in favor of men. Gender imbalances in living standards are apparent in significantly lower levels of personal incomes for women than for men, and in variations in the formation of personal income according to gender traits. Unfortunately, at present, neither the state statistical services nor tax bodies track the income levels of the population broken down by gender. The only source of statistical data making it possible to assess gender variations in household incomes is the quarterly household living standards survey (HHS) conducted by the State Statistics Committee of Ukraine. The databases characterizing household living standards in Ukraine make it possible to track personal income trends by gender. According to 2008 data, women's average aggregate income was 64 percent that of men, and this average amount was less from all sources except stipends.

According to the Human Development Report in 2009 [1], the average women's earned income was USD PPP 5,249 a year, while the average earned male income was USD PPP 8,854 a year. Thus, the average income of men almost 2 times exceeded the average income of women. Obviously, such large income disparities are unfair and non-grounded with regard to the same educational attainment and skills of men and women, as well as high economic activity of women.

The gender disparities in the population well-being are seen not only in lower personal incomes of women, but also in disparities in the income sources structure. The aggregate incomes of women are more provided by non-labour incomes (pensions, stipends, benefits and assistances), while a share of the labour incomes is larger in the aggregate incomes of men (such as wages, incomes of business activity and self-employment). Moreover, the last income source makes a particular contribution to the gender gap, as the average women's incomes of business activity make only 34.3% of the corresponding income source of men, while the average women's incomes of self-employment – respectively only 39.5% of the men's analogue.

On the other hand, the proportionate share of pensions (10.8 versus 9.4 percent)¹ and stipends (2.5 versus 1.6 percent) is higher in the structure of women's income, testifying to their less active position on the labor market. And even though the share of income from entrepreneurial and independent labor activities is higher for women, the principal contribution is made by employment in such nonprestigious areas of activity as supplementary farming (on private and garden plots). This source of income provides 47 percent of women's aggregate income, versus 43 percent of men's income. A "spilling over" of labor into the household, family production, and self-employment thus occurs, which pertains more to women since they predominate among workers who have lost formal full time employment. Women's increased engagement in supplementary farming fosters the expansion of "dual" burdens, and increases discrimination in the family and society.

The positive trend of declining gender differences at total incomes in recent years must be noted. However, trends in the correlation of income levels and sources show that these changes by and large reflect increasing shares of pensions, stipends, and unemployment assistance, and the like, which already make up a larger share of women's income than men's. These trends testify to the importance of paternalistic expectations among women, and their greater dependence on the social protection system, as opposed to active labor market engagement.

Furthermore, gender inequality in incomes outside the labor market could be worsened by the influence of such sociodemographic factors as age, family status, educational level, and socioeconomic status.

Gender gaps in income levels depending on age. Significant gender discrepancies in income levels are seen in all age groups of the population except for the young (under twenty years old), since most of them are students. Selective household living standard surveys show that growth in overall personal income levels for older age groups is accompanied by an increased gender gap (Figure 1).

The largest discrepancies are seen in the personal incomes of women and men age twenty-five to thirty-five: the average personal income of women in this age group is just 63-64 percent of that for men. The average personal income of women of this age is only 53.9% of that of men. Since not only the foundations of professional activity are being laid but also career achievements are starting to be realized at this level, women's lower incomes testify to their less favorable labor market position because of their limited access to suitable work. Moreover, this significant gender gap obviously occurs in women's most active reproductive age—that is, as a consequence of the fact that

women often halt their professional development in order to bear and raise children. A substantial decline in gender discrepancies in income levels is observed only at age fifty-five and older, by and large due to opportunities to receive both a pension and wages simultaneously due to women's lower retirement age. While "peak" personal incomes for men are seen at ages thirty-one to thirty-five, and average personal income declines somewhat later, for women it increases throughout their active working life, and declines only at ages older than sixty.

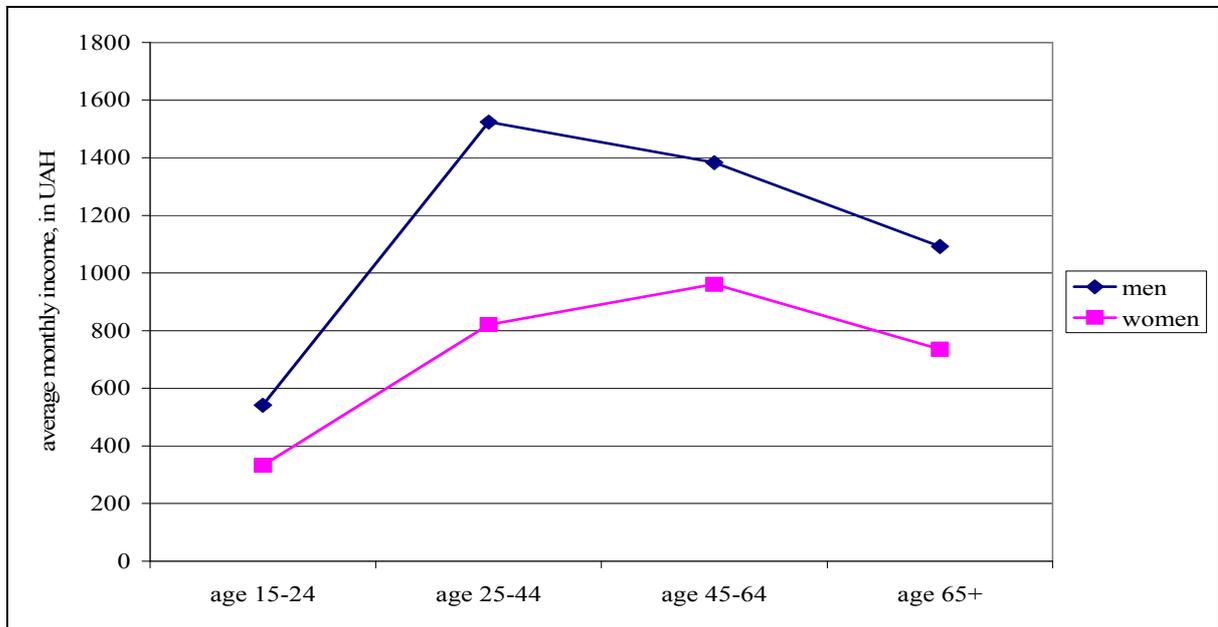


Figure 1. Gender disparities in the average incomes by age, 2008.

Source: HHS in Ukraine.

Gender gaps in income levels depending on family status. Although men's personal incomes exceed those of women as a whole regardless of family status, significant variations can be traced. The largest income gap is seen among married women and men (Figure 2). While this may reflect the greater incentives for men with families to earn money, it can also be seen as a proof of the dependent status of women in marriage. The gender gap is declining among unmarried people, while the average income of divorced women is practically equal to the corresponding category of men.

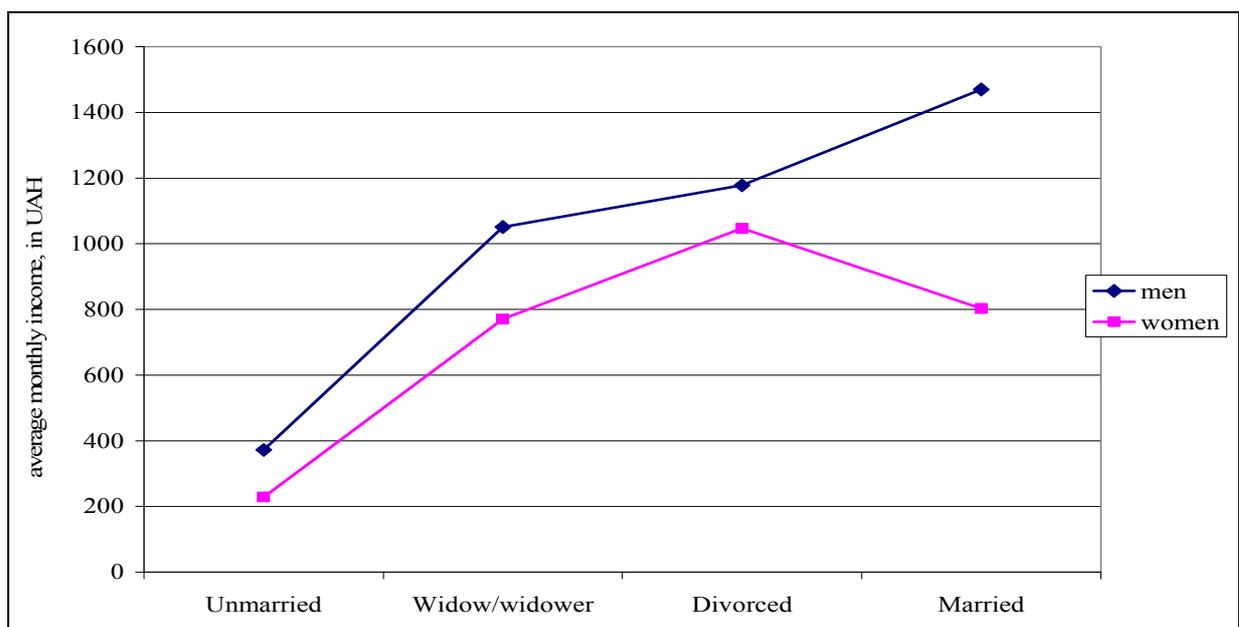


Figure 2. Gender disparities in the average incomes by family status, 2008.

Source: HHS in Ukraine.

The highest income levels among women are seen for divorcees: it was 11% higher than the income of married women, and almost 50% more than that of unmarried women. The highest individual incomes among men are found among married men, the incomes of other categories are significantly lower. Unmarried people have the lowest incomes among both women and men.

These correlations suggest that men act as breadwinners for their families, so married men are forced to earn as much money as possible. In contrast, responsibilities for caring after children and housework are mostly laid on married women, preventing them from efficient participation at the labour market and have larger incomes. On the other hand, the relatively higher incomes of divorced women suggest both a certain “liberation premium” from the household sphere after the dissolution of a marriage (and larger possibilities of self-realization) and also a lack of protection for divorced women, who are forced to work more intensively to provide the decent living standards for themselves and their children.

Gender gaps in income levels depending on educational levels. Men's personal incomes are higher than women's for all educational groups (Figure 3); however, a certain variation in the gender gap depending on educational level is seen. A higher level of aggregate income is characteristic of individuals who have higher education as a whole, but this is more clear for men. These variations are very slight among the least educated population groups (in which retirees and individuals who are still in school predominate)—within the range of 5-10 percent. That is, the gender factor has virtually no effect on pensions, stipends, social assistance, and wages for unskilled labor. A substantial gender differentiation is characteristic for these population groups whose income is associated first and foremost with labor activity.

In contrast, the problem of gender income exclusion is particularly urgent for the well-educated and skilled population group¹, while the gender equality in incomes is possible only “in the poverty” in Ukraine, e.g. among the vulnerable population and the least competitive groups in terms of their economic activity.

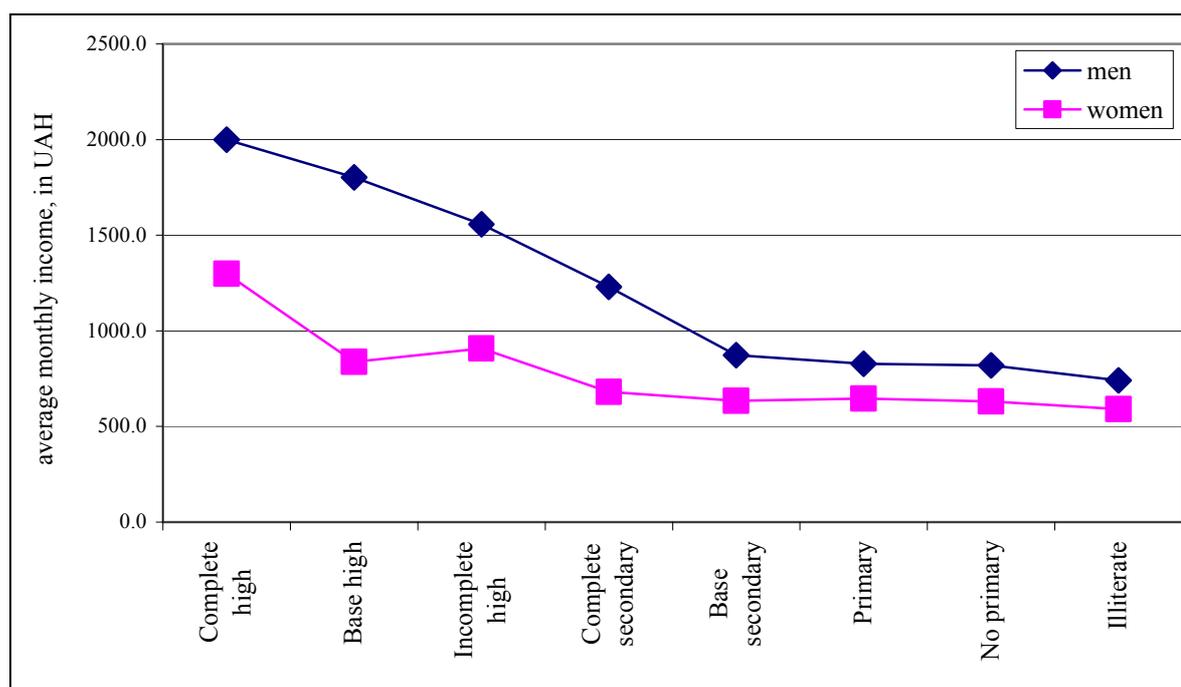


Figure 3. Gender disparities in the average incomes by educational attainment, 2008.

Source: HHS in Ukraine.

An assumption on the gender equality “in poverty” in Ukraine is supported by analysis of statistics on incomes by settlement types and the regions of Ukraine (Table 1). Prominently, the larger gender inequality in incomes is common for large cities and regions with larger average wages; at the same time, the minimum gender inequality in incomes is observed in rural area and in the regions with low average wages. Thus, the largest gender gap in incomes is observed in the industrially developed eastern regions.

¹ 47.5% of the economically active women have complete or incomplete high education, while only 38.5% of the economically active men have these educational attainments.

Table 1. Gender disparities in population income by type of settlements in Ukraine, 2008.

Type of settlement	Average income, in UAH		Women's income as % of men's income
	men	women	
Large city	1,333	832	62
Small town	1,023	666	65
Rural area	641	453	70
Ukraine as a whole	1,025	668	65

The official labour market statistics reveals a smaller gender gap in average wages, as compared with sampling population surveys. In spite slight fluctuations, the gender gap was about 30% during the last decade (Figure 4). In particular, the average wage of women was 75.2% of the average of men in 2008.

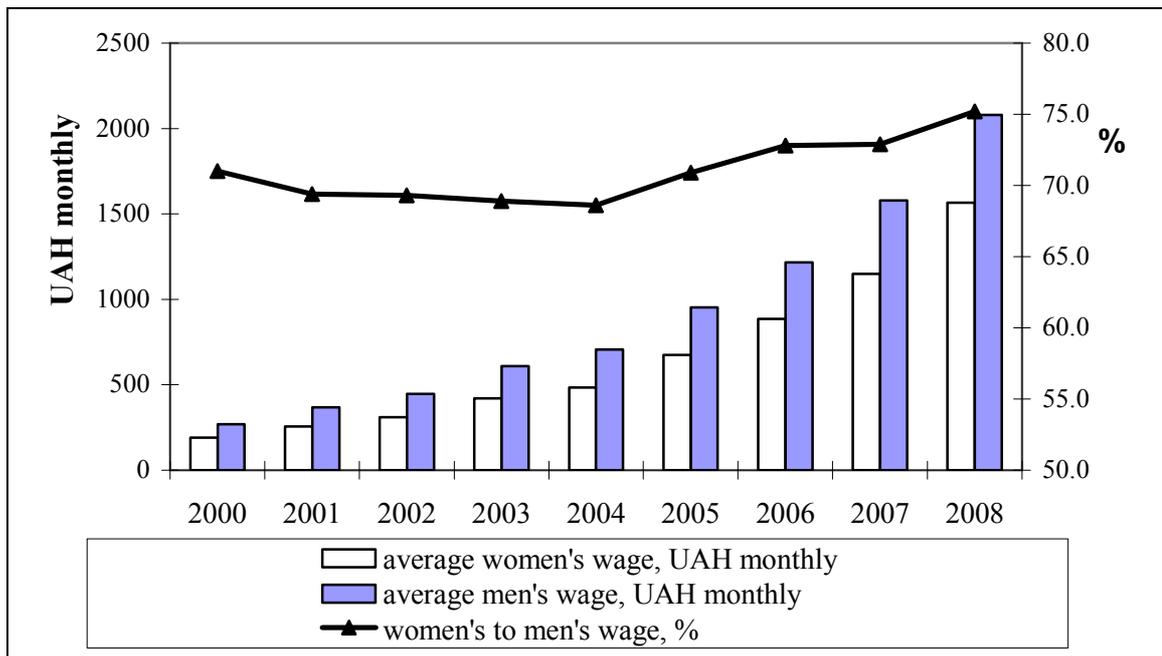


Figure 4. Dynamics of women's average wage to men's average wage in Ukraine, 2000-2008.

Source: State Statistics Committee of Ukraine.

Obviously, such large gap results from several objective factors, among them: inter-sectoral and inter-occupational wage differentials, peculiarities of educational attainment and qualifying level, conditions of labour, total labour contribution in the results of work, length of service and regime of working hours. Thus, women are employed part-time more often; they also prevail among employed in industries with lower wages (in particular, in the public sector); they have shorter length of working stage; they do not work in hazardous works and do not get the appropriate compensations, etc.

However, as the studies reveal [2], even given elimination of all mentioned impact, there are still „unexplained” factors, causing the gender wage differentials. These factors are predefined by the discriminatory practice at the labour market, e.g. by practices, when women get smaller income, than men, although they have the same characteristics regarding their skills and labour productivity. The displays of such practice can be found in providing larger bonuses and extra changes to wages for men employees in the framework of the “masculine” corporate practice, as well as in different approaches to wage-setting for men and women at equivalent positions at private enterprises.

At the same time, the “vertical” form of occupation segregation is still the main display of the gender discrimination in Ukraine: women are mostly concentrated in positions with lower wages. Thus, a correlation between the gender wage differentials and representation of women at the prestigious positions is proved by HHS data. A larger income gap is observed among employers (the average incomes of women make only 50.7% of the average income of men), while this proportion is increasing to 79.3% among employed population and up to 97.5% - among self-employed.

Feminization of poverty. As wages provide the main income source for the overwhelming majority of the Ukrainian population, the gender gap in this area results in a high risk of the poverty feminization, while social risks are particularly urgent for non-protected population groups, among them women dominating (incomplete families with children, single elderly persons). Feminization of poverty as the extreme form of the gender inequality in access to economic resources is observed in many regions of the world. According to international studies, women form up to 3/5 of the global poor population; moreover, possibilities of their transition to more well-to-do population are declining, resulting in a steady group of the chronically poor population, which is permanently excluded from the labour market and the system of social protection [3].

It is rather difficult to assess the phenomenon of poverty feminization. The national statistics system does not provide complete and reliable information on aggregate income distribution by gender. Except wages, incomes of employment in subsidiary farming should be considered (in particular, in the transition countries), as well as social transfers, incomes of property and financial assets; distribution of incomes within a household makes a particular problem. The national statistics system is based on the household surveys, which provide information on a whole household. Thus, the poverty rates cannot be disaggregated by household members, in particular in the complex households, with several generations. So, the most reliable results can be obtained for single households. Naturally, the largest gender disparities are shown for such households (Table 2).

Table 2. Poverty rates by gender in Ukraine in 2008.

Household types	Poverty rate, %	Extreme poverty rate, %
Households with male heads:	23.4	11.1
of them: households of 1 person:	17.8	7.8
of them: households of single pensioners	17.5	6.6
Households with female heads:	24.0	11.5
of them: households of 1 person:	19.1	8.1
of them: households of single pensioners	21.3	8.6
Ukraine as a whole	23.7	11.3

Source: estimated based on the HHS in Ukraine.

In the context of gender approach, two population groups face the largest poverty risk in Ukraine: incomplete families, headed by single women, and single elderly women. According to scientific estimations [4, p. 346], 89 of each 100 incomplete families are headed by women, while their average wage is traditionally 70% of the average male wage. Thus, given other equal conditions, this income source is smaller in the overwhelming majority of incomplete families as compared with complete families. An exception is made by those incomplete families, which are headed by women with high professional status and, respectively, high incomes; many such families are originally incomplete, as a woman consciously decided to have a child without a man.

Single women of the pension age face the highest poverty rate. According to the Household Survey in Ukraine in 2008, the poverty rate among single male pensioners (17.5%) was much lower than that of single female pensioners (21.3%). The extreme poverty rates are characterized by the similar trends.

Though household incomes are important for the living standards of the whole family, members of the same household are not always automatically provided with the identical living standards. Numerous social and cultural factors affect the distribution of resources within a household, including social norms related to gender and family relations, comparative economic authority of different household members, a form, in which a family receives incomes (e.g., wages in cash, remittances to bank accounts, in-kind payments).

As a whole, decile distribution of personal incomes of the population aged 15 and over proves a larger inequality in incomes of men, as compared with incomes of women. But, this gap is mostly provided by large disparities in the upper decile groups, while there are practically no gender disparities in incomes of lower population deciles. In other words, men possess the largest incomes and economic resources, while women face large probability to join the poor population groups. At the same time, men are more represented as among the richest population, as among the poorest, marginal population groups. That is why social policies, aimed on alleviation of gender inequality, should be based on the target approach; it cannot be targeted only on overcoming of negative social-economic consequences, faced by women.

Distribution of resources within the households. Although household income is important for family living standards, members of the same family are not always automatically provided with identical living standards. Social and cultural factors affect the distribution of resources within a family, among them social norms associated with gender and family relations, the form in which the family receives the income (e.g., wages in cash, remittances to

bank accounts, in-kind payments), and the comparative economic status of certain family members. Numerous international studies have shown that income generation by women increases their economic weight in the family. This has an impact on the structure of family consumption, including the share of family income spent on the needs of children. An increase in women's economic independence can therefore raise their influence in the family. The resources that women and children receive do not depend on the family's income alone: gender roles and other social norms play an important role in the intra-family distribution of those resources, regardless of who brings in the income. Various approaches to the use of family income, which are captured in basic gender models of household budget management developed by international experts, may be particularly useful in this respect (Table 1). Patriarchal and matriarchal families differ depending on the distribution of power; when there is no clearly pronounced head of the household, obligations are distributed on an ad hoc basis and decisions are made collegially or entrusted to whomever is the most competent in solving a particular problem. Such families are considered egalitarian. In Western countries, the combination of incomes and independent management most often exists where both the man and the woman have paid work. A high percentage of women's participation in the labor force makes it possible to assume that these models can also predominate in transition economies, but cultural stereotypes foster the preservation of more traditional family roles.

Table 3. Gender Models of Household Budget Management

Managed by wife	The husband receives higher income and gives the greater portion of it to the wife, who disposes of the family's principal income
Managed by husband	The husband receives greater income and gives a certain amount to the wife for some family expenditures, for example, to buy food
Combined management	All income is combined, and both partners utilize the resources to the extent necessary
Independent management	Both partners receive income, but neither has automatic access to all family resources
Management in expanded	Members with larger family ties (e.g., the oldest family members of an extended family) take part in decision making

Sociological research indicates that more than half of Ukrainian families (almost 70 percent) can be deemed egalitarian and democratic, based on the participation of the husband and wife in decision making regarding important problems of family life and the distribution of family incomes. According to data from the State Institute of Family and Youth Problems [5], decision making in Ukrainian families takes place most often with the participation of both wives and husbands, especially if they pertain to the important family issues (e.g., decisions regarding the number of children in the family, where to live, choice of educational institution for the children, etc.). At the same time, wives more often monitor the resolution of everyday household demands (acquiring everyday necessities, food, clothing). The distribution of family obligations in contemporary Ukrainian families more often remains traditional and envisions that the wives are occupied with the household and raising the children, while the husbands provide materially for the family. Caring for children before they reach age three and during periods of illness seems almost unnatural and unacceptable to the man. These duties are considered insufficiently prestigious and thus unsuited to men.

Doing household work is traditionally associated with the problem of unpaid labor for women, which creates goods or services but is not remunerated. Such work includes housework, in-kind production for family needs, and the unpaid production of goods for sale. The product of this labor is not paid for by the economy, even though it is lucrative for individual families and for the economy as a whole. According to A. Giddens, 25-40 percent of national wealth in developed countries is created in the household. Household labor is a foundation of the national and international economies; the existence of a significant portion of active labor resources depends on the unpaid services of the household [6]. The Beijing Platform for Action [7] notes, "The contribution of women to development is significantly undervalued, and so its social recognition is limited. A clear-cut idea of the type, amount, and distribution of that unpaid work would also promote the equal distribution of duties." Researching the time budget, scholars have valued the duration and types of work that men and women perform in various countries. United Nations Development Programme experts [8] estimate that women all over the world spend an average two-thirds of their work time on unpaid domestic work and on caring for their relatives—children, the sick, the elderly (for men it is one quarter of their work time).

In Ukraine, the total labor activity of women reaches 73 hours a week (34 at work and 39 at home), and men 60 hours (41 at work, and 19 at home),² with women spending an average 6 hours per day on the household and childrearing,

and men from 2.7 to 3.6 hours. That is, the role spectrum of women is much broader than for men, encompassing the domestic sphere and raising children as well as professional activity, while for men professional activity remains dominant. Moreover, this work often requires more time expenditure and physical effort than paid work, and limits opportunities for women's life choices and prospects. With rare exceptions, household labor is done by women regardless of their labor market status. In this sense, there is an unfair distribution of duties by gender, since with two working members of a marriage, the household burden lies first and foremost on the woman. At the same time, women themselves have differing assessments of their roles in work at home: some feel that it is the sphere where they can realize themselves, their power, skills, and abilities, while others consider it boring, monotonous, and tedious. Economists made an effort as far back as the 1970s to enhance the prestige of household work by calculating the value of these activities (e.g., laundry, dishwashing, budget planning, gardening, etc.). However, despite its high economic value, housework still has a low social status.

One explanation maintains that housework belongs to the female sphere because men have greater opportunities to receive higher income in the labor market, and the family gains if the woman works at home while the man is employed outside the home. But this theory does not pose the questions of how the family comes to that decision and why the market values the woman's work less than the man's. The most authoritative explanation for female domestic work is tradition. Even with technological progress, the time spent on housework has not decreased. The number of technical assignments could be reduced, but the new focus on the quality of services demands more time. Furthermore, regardless of the fact that technological changes have transformed the structure of domestic work, they have not affected the division of household duties by gender. The new technologies make it possible to raise living standards and reduce the time spent on domestic work, but they do not reduce the domestic "power" of men. If women are indeed spending less time and effort on housework, it is for quite different reasons: the pressure of inflation and the participation of women in the labor market are rising, household sizes are declining, and ideas of egalitarianism are spreading.

Most researchers agree that the principal impediment to the realization of women's professional aspirations today remains their reproductive activity and duties of caring for small children. Under Ukrainian legislation, every father has an equal right to take leave for child care, but virtually none of them exercise that right. Regardless of the fact that most respondents³ (58 percent of women and 54 percent of men) feel that men can care for a child younger than age three, no such instance was revealed in the survey. This is not so much because of the personal preferences of fathers as because of gender stereotypes regarding the division of family duties between men and women. It is impossible to achieve gender equality in society without destroying those stereotypes, and destroying the stereotypes in human consciousness first and foremost is an urgent necessity.

The negative consequences of the limited involvement of men in performing family duties and the uneven division of family roles can be:

- the excessive overburdening of women, which affects their health;
 - the impossibility of the complete professional self-realization of women;
- and
- the phenomenon of the "absent father," which has a negative impact on raising children and limits the opportunities for men to realize the feeling of fatherhood, often reproduced from generation to generation.

Unfortunately there is no national program or strategy in Ukraine today in which the creation of equal opportunities for men and women would equalize family duties. At the same time, for quite some time now Western social policy has closely linked the creation of equal rights and opportunities in the employment sphere with achieving equal opportunities in all spheres of life, and first of all with nearly equal division of parental duties. According to the European Statistical Commission, 15 percent of fathers in the European Union took advantage of time off to care for a child in 2006 [9]. There is a long tradition in the East European countries by which all services in the sphere of household labor have state recognition and are paid. A reorientation away from equality in the rights of men and women to the equal treatment of men and women in the labor market by providing them with equal opportunities is occurring in the social policy of the European Union as a whole. It is essential to gradually influence social awareness regarding the necessity and prestige of redistributing equalizing family roles, in order to involve men in the process of raising children and increase their participation in family duties.

The status of women in the family affects virtually all aspects of social development. The number of families that are headed by a woman is rising today, responsibilities for providing for the family thus lies with them. However, women's work is not properly valued, due to unequal pay for equal work or as a result of limited access of women to better-paying sectors of the labor market. As a result, the problem of the feminization of poverty is thus worsening against a background of increased property differentiation.

Conclusions and recommendations.

Although most intentional experts confirm that Ukraine succeeds in creating a gender-friendly national legislative environment brought into accord with the international conventions ratified by Ukraine, a double-standard as to the

gender roles still exists. Thus, the problems of gender exclusion from the economic resources are obvious in Ukraine, including many components. Gender inequality is traced in the decision-making, resulting in exclusion of women from the state governing, political life and top management of corporations. The direct or indirect exclusion at the labour market is shown in unequal employment opportunities for men and women, women's limited access to some "men's" sectors and occupations, which are more prestigious and are characterized by higher wages. The gender wage differentials are also important, as well as smaller opportunities of the career promotion of women. These factors in combination with wide-spread gender stereotypes on the gender roles in the society contribute to the income gap by gender; as a result, women prevail in composition of the vulnerable population groups. The negative features of the gender inequality are facilitated by inefficient system of social protection, small size of social transfers, insufficient development of the social infrastructure (in particular, household services and preschool children's establishments), which is mostly consumed by women. Thus, to support principles of gender equality and facilitate gender sensitive national policies, gender mainstreaming with multi sectoral and multi institutional impact should be achieved through partnership of the government, international agencies and CSOs.

Notes

1. Despite the smaller average size of women's pensions (reflecting their smaller prior earnings and shorter job tenure), the share of this source of income for women is higher than for men, and is predicated on the gender differences in retirement age and average lifespan.
2. According to the Gender-Ukraine-95 selective sociological study conducted by the Institute of Sociology of the Academy of Sciences of Ukraine in 1995.
3. According to survey data of the Ukraine Institute of Social Research conducted in 2002 in the context of the project Formation of Gender Parity in the Context of Contemporary Socioeconomic Transformations.

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