THE GENDER PAY GAP IN MALTA

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Malta stands out as one of the countries in the European Union with the lowest percentage of women working. This is as a result of the long-standing role women have tended to occupy in society, primarily as homemakers, whilst males have been considered as the main breadwinners. To a certain extent this is still the case in the majority of households today, particularly in the older generations. Younger couples are more likely to be both working, not only because of the need of the woman to reach her potential (particularly in the case of professionals) but also because the demands of today’s society and the expectations raised by modern life, require more than one salary to sustain the needs of a family.

Recent years have seen an increase in the number of women in employment. However, it has also led to slow increases in the gender pay gap, where it stood at 7.8% in 2007 and rose to 11% by 2016. Malta is below the EU-28 average of 16.2%, but the fact that the gender pay gap is increasing implies that action needs to be taken to ensure that males and females have the same opportunities in the economy, and that women and men are treated equally in the labour market.

The unadjusted gender pay gap (GPG) shows the difference between the average gross hourly earnings of male paid employees and those of female paid employees, as a percentage of the average gross hourly earnings of male paid employees. The mean gender pay gap is,

\[
\frac{(X-Y)}{X} \times 100
\]

where X is the average gross hourly earnings of male paid employees, and Y is the average gross hourly earnings of female paid employees. This is the version utilized by the EU, where the population includes all paid employees of companies with ten employees or over, in NACE Rev 2 aggregate B to S (excluding O). This is applicable from 2008 onwards and the data is based on the Structure of Earnings Survey (Eurostat 2017). However, there are other ways to measure the gender pay gap, for example, in the UK, the median gender pay gap is also needed for reporting reasons.

This paper aims to discuss the issue of women in the Maltese labour market and the gender pay differences, and to analyse in what ways this is likely to develop in the coming years. It is divided into four sections. The first part provides the literature review of the gender pay gap. The second section presents the Malta context. The third section analyses the data and also the interviews conducted with various stakeholders. The last part concludes and provides several recommendations.

Explaining Pay Differences

In the 1970s and 1980s research showed that pay differentials were often explained within the human capital theory context (Fransen et al. 2012). Individual characteristics (education and experience) were seen as the culprits and thus increasing women’s educational level and their participation in the labour force were considered the solution. This was often further supported by legislation sustaining ‘equal pay for equal work’. However, whilst such policies were partially successful, the wage gap did not disappear.
Thus later research tried to find other reasons for this persistence. Amongst these are the wage structure and other institutional factors such as job segregation. The wage structure is in turn influenced by the level of innovation and technology, the wage-setting institutions and the structure of demand and supply (ibid. 2012). Therefore whilst progress has been evident in that the level of education of women in the EU is not only at par with men but in some cases even supersedes that of men, and the level of female labour market participation has also risen, there still persist structures in the economy which continue to punish women on the basis of gender. Furthermore, research shows that male-dominated sectors tend to pay more and women are still underrepresented in the higher echelons of entities. In different ways norms, values and discrimination continue to be present and further policies are needed to overcome these elements in society.

The human capital model sees differences in qualifications and experience, while later theories of labour market discrimination tend to focus more on the actual positions within the labour market. The former can account for the explained part of the gender pay gap. The latter are more useful to show the unexplained elements. Literature has thus focused on either one or both of these models. For example, Grybaite (2006) uses these two models to test out the situation for Lithuanian women, with the author concluding that the fate of these women is similar to other women in Europe, where different types of discriminations exist.

Bishu and Alkadry (2016) present a systemic review of past literature (mostly from the US and the UK) to gauge the drivers of the gender pay gap, drawing on 98 peer-reviewed articles. They have identified four themes which appear in the literature: the extent of the gap; disparities in access to workplace authority; access to hiring and promotion practices; and the relationship between gender representation (agency, occupation and position segregation) and the pay gap. The first group of papers analyses the persistence of the pay gap, distinctions over time and differences between public and private entities, with the latter faring worse (ibid, p.75). Access to workplace authority is deemed significant since not only are women often ‘denied access to positions of authority in the workplace…(but) even when women are granted positions of authority, compared with their male counterparts, the level of authority they exercise may significantly differ, hence also implying that the economic return from their job can be lower than their male counterparts (ibid, p.72). Powell and Butterfield (1994) quoted in Bishu and Alkadry (2016) argue that promotion decisions consist of ‘subjective appraisals’ and women are discriminated during the hiring and promotions phase, which then explains the pay gap. Such processes look at disparities through the concepts of the ‘glass ceiling, leaky pipeline and sticky floors’ (ibid, p.73). This discrimination denies women higher incomes and opportunities. Gender representation within companies and sectors also help explain the gender pay gap. Women tend to be concentrated in the lower echelons of companies and also are more prevalent in certain sectors, such as education and social services, thus leading to job segregation. Even in terms of agencies, women are likely to be found in redistributive ones while males are more likely to dominate the distributive and policy oriented areas (ibid, p. 74).

The work of Bishu and Alkadry put into perspective the literature on the gender pay gap which persists in every country. Different authors have either focused on one country or a group of countries to try to compare and contrast the gap in different developmental and economic settings. The following paragraphs look at some of these studies, which generally focus on European countries.

Fransen et al (2012) study the Dutch situation over a ten-year period. Their conclusions are that although there have been wage changes which have been beneficial to women, the wage structure still has an incorporated gender bias. But more than that,

*The larger part of wage increases is due to promotion. However, part-time workers have a smaller probability of promotion than full-time workers. As women tend to be more on part-time jobs than men, this will cause a gender wage gap amongst (especially) more mature workers.*

Fransen et al 2012, p.4345.
It would therefore appear that it is the promotion system which is in reality halting the advancement of women and thus creating the bigger portion of the gender pay gap. Furthermore, the fact that women are more likely than men to be in part-time or reduced hours employment (most likely due to family circumstances), continues to punish women in their career progression and thus lead to lower returns on their potential.

Arullampalam et al. (2007) studied gender pay gaps by sector across the wage distribution in eleven EU countries. They utilized the European Community Household Panel data for the years 1995-2001. They controlled for the effects of individual characteristics. Their results show that the magnitude of the gap varies across countries but also differed between those employed in the public and the private sector. It was found that the gap widened towards the top of the wage structure, as was expected, and thus confirming the ‘glass ceiling’ effect. However, it was also found to widen in some cases in the lower wage distribution. This is considered as the ‘sticky floor’ effect. The authors say that the differences may be partly explained by diverse wage setting institutions and also the provision of childcare facilities. The authors conclude that,

‘Gender-specific polices such as equal opportunity and anti-discrimination laws, parental leave provisions, and the availability of childcare are likely to affect gender wage gaps, including both mean gaps and gaps across the wage distribution...by wage-setting institutions, (and) promotion and appointment procedures’

(Arulampalam 2007, pp. 175-6, 181).

A similar study ten years earlier has also come to the conclusion that the ‘general wage determination system’ and not specific gender pay equity policies had the biggest impact on women’s pay position (Rubery et al. 1997). This study looked at the UK, Italy and Germany. These authors followed on earlier work by Blau and Khan (1992) who had sustained that for example Scandinavian countries have low gender pay gaps because of a ‘relatively narrow wage dispersion across all industries and occupations’. There are three characteristics of pay determination systems which tend to favour equity in gender pay: ‘centralized or universal minimum standards, narrow pay dispersion and transparency of pay structures’ (Rubery et al 1997, p. 145). However, the authors also warn that there exists no system which favours women, but it is rather the context which matters most. In fact one system may work for a group of women in one particular case but not in another. The authors conclude that different priorities are needed in the three countries under analysis. ‘Thus policies to promote equal pay need to reflect the overall system of pay and employment organization and to identify the appropriate areas for action within a specific national context’ (ibid. p. 146). Discrimination remains itself flexible and pervasive. And the more individualized and decentralized are pay systems, the more subjective and non-transparent they become, creating room for greater discrimination.

To this effect, Karamessini and Ioakimoglou (2007) see wage determination (in the sense of average earnings) as socially determined, in a true Marxian perspective. The value of labour power is determined by culture and the balance of power between labour on the one hand and capital on the other. These in turn depend on the context of the available institutions and the level of unemployment. However, gender has tended to be ignored in such analysis, even though the dominance of women in a particular sector results in lower average wages in that sector. The authors conclude that it is the structures, institutions and differences in experience, rather than discrimination by employers, which account more for the gender pay gap. Moreover, ‘gendered socialization processes’ (in part decided by the division of labour within homes), and discriminatory hiring policies lead to job segregation and therefore lower wages for women. Therefore, policies aimed at equal pay are unlikely to be as successful as policies aimed at increasing female participation in all spheres rather than in segregated sectors.

The segregation of women in certain job sectors was also the basis for the analysis of the gender wage gap in Australia (Pocock and Alexander 1999). Similar to other conclusions from different countries across the world, the authors find that a significant proportion of the gap is in fact unexplained. Studies suggest that between 60 and 85 percent of the gap remains unexplained. However, they do conclude that ‘feminised
jobs’ (segregation by industry, occupation and workplace) penalise women (and even the men who work alongside them) because such jobs are undervalued and thus lead to gender pay gaps.

There is empirical evidence which shows that women tend to be employed in the lower end of the pay structure, which again varies across regions. Therefore the introduction of the national minimum wage in the UK in 1999 was expected to narrow the overall gender wage gap. This happened only in cases where there were significantly larger proportions of women in the lower ranks and also where the difference between the minimum wage and earlier wages was bigger (Robinson 2005). Therefore the effect of this policy was evident in some cases but also varied across the different regions in the UK.

An interesting study by Tharenou (2013) extends an earlier discussion by Lips (2012) who suggests that social psychological influences can also explain the gender pay gap. The paper presents the notion that the gender pay gap continues to support and sustain the inferior status of women in society, thus retaining the ‘status quo’ of gender roles. To this end, policies can do little to narrow the gap unless there is a change in the mentality of all the stakeholders involved in a particular context.

Whilst certain studies suggest family-friendly policies are needed to encourage more female participation, other studies state that there may in reality be a trade-off between such policies and the wage rate and this is a negative story for females. In fact even where such policies are in place, such as the Scandinavian countries, women continue to face lower salaries and this is even stronger in the higher echelons of the economy. What then is the reason for this? In a study on Germany, Sweden and the UK, Gronlund and Magnusson (2016), look at the impact of education, workplace skill investments and occupational segregation on the wage structure. However, they find no support for the trade-off hypothesis. Whilst human capital theory can explain the gap amongst the highly-skilled in Germany, this is not the case for Sweden. They further compare high and low skilled employees. There remain unexplained phenomena on what sustains the gender pay gap, since the theoretical underpinnings so far are insufficient to elucidate on all the causes. It would appear therefore, not only that there may be underlying differences in the unexplained elements of the gap but also that mitigating policies cannot be transferable from one country to another.

Another fact which comes through the research is that countries with low gender gaps are also likely to have low female employment. A particular case in point is Italy. Countries which witness an increase in female employment also see an increase in the gender pay gap. An example of this is Malta, which started out with the lowest female participation rate and has since increased the employment rate but subsequently also increased the wage gap. This will be analysed in further detail in the following sections.

The Maltese Context

The principle of equal pay was included in the 1964 Constitution, in the Declaration of Principles, however these Principles are not legally binding. It was later in 1976 that the principle of equal pay for equal work saw legal changes which made the principle binding both in the private and public sector. The main legislation governing the labour market is Chapter 452, the Employment and Industrial Relations Act (2002) (EIRA). Article 27 states “employees in the same class of employment are entitled to the same rate of remuneration for work of equal value”. Furthermore, Chapter 456, presents the Equality for Women and Men Act (2003 which supplemented the EIRA on equal pay by prohibiting discrimination on the basis of sex and family responsibilities (in this sense focusing on women who tend to have such responsibilities). Moreover the Act shifts the burden of proof onto the employer (Prechal and Masselot 2006).

The role of women in Malta is slowly changing, even if the country remains in many ways patriarchal. However, the main role for a woman remains that of a housewife (Camilleri 1997, Sammut 2005, and Boissevain 2006). This has meant that in earlier decades only a small amount of women actually had paid jobs. The earliest available data on the female employment rate is of the year 1956 where it stood at 15.2%, almost doubling to 29.5% in 1973, but remaining practically stable for thirty years with the figure reaching 32.7% in 2004 (Azzopardi 2011, p. 55). By 2016, the figure had risen to
55.5% (Eurostat 2017). The countries in the EU with lower rates are Greece (43.3%), Italy (48.1%), and Croatia (52.4%). Up until 2011 Malta was at the bottom of the league with 41.5% of women working, yet efforts by government to increase the number of women in the labour market in the past few years, have led to substantial improvements. Graph 1 shows the upward trend during the past decade.

Graph 1. The Female Employment Rate 1956 -2016

There are certain characteristics of Maltese women in employment which need to be taken into consideration if one is to discuss the role of the gender pay gap. By April 2017, there were 71,075 women in full-time employment. In addition there were 8,213 women who had a part-time job whilst also holding a full-time one, and a further 20,280 who had a part-time job as their main means of employment. Table 1 gives an overview of the sectors these women worked in. Figures show job segregation in education, health and social work, and wholesale/retail sectors in the case of full-time employment. Where part-time work as the main job is concerned there is job segregation in wholesale/retail, accommodation/food and administrative/support jobs. Women who have a full-time job but also manage a part-time one tend to be in the education, wholesale/retail and accommodation/food sectors. These concentrations reflect a traditional role and in many instances low-paid jobs. Female entrepreneurship remains low at just 6.8%. The majority of women work full-time (73.4%) while 26.6% work part-time (NSO 2017b).

In analysing age groups, one finds that the older the woman the more unlikely she is to be working. In fact, it is the 25-34 age-group which has the biggest number of women working. At the lower age-group (15-24) the chances are that they are still in education or training. Whilst only 45.6% of those aged 15-24 are working, this figure rises to 67.2% for those aged 25-54, but decreases to 24% for those aged 55 and over (NSO 2017b).

According to the labour force survey of Q2 2017, there were 102,949 inactive women and a further 3,556 who were unemployed. The majority of those inactive (63%) were in fact over the age of 55 years, with 25.8% of inactive women sustaining this was due to family responsibilities (NSO 2017b).
Table 1. Women in Employment, by type and sector, April 2017

<table>
<thead>
<tr>
<th>Sector</th>
<th>Full-time</th>
<th>Part-time while also holding a full-time job</th>
<th>Part-time as a main job</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture/fishing</td>
<td>257</td>
<td>79</td>
<td>165</td>
</tr>
<tr>
<td>Mining/quarrying</td>
<td>35</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>5421</td>
<td>215</td>
<td>872</td>
</tr>
<tr>
<td>Electricity</td>
<td>13</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Water</td>
<td>210</td>
<td>16</td>
<td>44</td>
</tr>
<tr>
<td>Construction</td>
<td>590</td>
<td>94</td>
<td>162</td>
</tr>
<tr>
<td>Wholesale/retail</td>
<td><strong>9051</strong></td>
<td><strong>1334</strong></td>
<td><strong>4886</strong></td>
</tr>
<tr>
<td>Transportation/storage</td>
<td>1787</td>
<td>186</td>
<td>450</td>
</tr>
<tr>
<td>Accommodation/food</td>
<td>4039</td>
<td><strong>1064</strong></td>
<td><strong>3176</strong></td>
</tr>
<tr>
<td>Information/communications</td>
<td>2091</td>
<td>169</td>
<td>339</td>
</tr>
<tr>
<td>Financial/insurance</td>
<td>4797</td>
<td>136</td>
<td>431</td>
</tr>
<tr>
<td>Real estate</td>
<td>523</td>
<td>96</td>
<td>194</td>
</tr>
<tr>
<td>Professional/scientific</td>
<td>5021</td>
<td>778</td>
<td>1250</td>
</tr>
<tr>
<td>Administrative/support</td>
<td>6064</td>
<td>760</td>
<td><strong>1810</strong></td>
</tr>
<tr>
<td>Public administration</td>
<td>4790</td>
<td>483</td>
<td>1197</td>
</tr>
<tr>
<td>Education</td>
<td><strong>11681</strong></td>
<td><strong>1503</strong></td>
<td>1643</td>
</tr>
<tr>
<td>Health/social work</td>
<td><strong>9614</strong></td>
<td>641</td>
<td>1774</td>
</tr>
<tr>
<td>Arts/entertainment</td>
<td>2835</td>
<td>326</td>
<td>649</td>
</tr>
<tr>
<td>Other Service</td>
<td>2256</td>
<td>331</td>
<td>1231</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>71075</strong></td>
<td><strong>8213</strong></td>
<td><strong>20280</strong></td>
</tr>
</tbody>
</table>

Source: NSO Malta 2017a

Women in the older age-group would normally cater for family needs, such as disabled family members, older relatives and babysitting grandchildren (Azzopardi and Bezzina 2014). They are also more likely to be active in the voluntary sector (National Commission for the Promotion of Equality 2007), therefore active in society but not directly in the economy.

Table 2 presents men and women by occupation and shows their average annual basic salary. The figures show that there is a concentration of women as services/sales workers and also as clerical support workers, in both cases the figure is almost double the percentage for men. There is a bigger percentage of women as managers and professionals. However, more telling is the average annual basic salary where at every occupational level women receive less than men. Even in elementary occupations where in most cases low wages are offered, the average salary for a woman is significantly lower than that for a man. Since the data shows the annual salary this can be partly explained by part-time and reduced-hours work, which are often utilized by women due to family issues. However, this can also be explained through the concepts of the ‘glass ceiling, leaking pipeline and sticky floors’.

Table 2. Employed persons by occupation, sex and average annual basic salary, Q2 2017

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Females</th>
<th>Males</th>
<th>Female’s Salary €</th>
<th>Male’s Salary €</th>
</tr>
</thead>
<tbody>
<tr>
<td>Armed forces</td>
<td></td>
<td>1.3</td>
<td></td>
<td>16,357</td>
</tr>
<tr>
<td>Managers</td>
<td>7.6</td>
<td>10.8</td>
<td>25,715</td>
<td>31,215</td>
</tr>
<tr>
<td>Professionals</td>
<td>21.8</td>
<td>14.8</td>
<td>22,401</td>
<td>26,322</td>
</tr>
<tr>
<td>Technicians</td>
<td>14.4</td>
<td>15.6</td>
<td>18,481</td>
<td>19,780</td>
</tr>
<tr>
<td>Clerical support workers</td>
<td>14.0</td>
<td>6.9</td>
<td>13,437</td>
<td>16,172</td>
</tr>
</tbody>
</table>
There have been several policies which tried to encourage more women into the labour market. European Union reports suggested that Malta was losing out on an important economic resource and pushed for policies which would make it easier for women to enter the labour market. A study by Azzopardi and Bezzina (2014) discussing inactive homemakers found that respondents might be enticed to work if there were more supportive working environments, more equal opportunities in the workplace and in-work benefits. Recent policies included, tax incentives, free childcare centres, work-in benefits, the tapering of benefits, national insurance credits for time taken off to take care of children, flexi-hours, reduced hours, telework, four more weeks of paid maternity leave and more awareness about the benefits of family-friendly measures. The following section delves more deeply into the gender pay gap.

An Analysis of the Data and Interviews

Even though in recent years the gender pay gap has become one of the topics being debated in Malta, there is no peer-reviewed academic work. There is a 2006 report commissioned by the National Commission for the Promotion of Equality (NCPE) and a 2010 short factsheet on Eurofound (2010) which describes the NCPE report. There is a short article in a business magazine dating back to 1977. Moreover, prior to 2006 there is no official data on the gender pay gap. Not even the comparative study by Platenga and Remery (2006) covering 30 European countries has any data related to Malta. Furthermore, whilst the NSO in 2004 estimated that the gap was 3.6%, the NCPE report suggests that it is significantly higher at 23.25%, however the methodologies used are different and therefore not comparable.

<table>
<thead>
<tr>
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<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Services/sales workers</td>
<td>15.4</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Skilled agricultural workers</td>
<td>1.7</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Crafts trade workers</td>
<td>14.9</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Plant machine operators</td>
<td>8.3</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Elementary occupations</td>
<td>10.4</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>100%</td>
<td>100%</td>
<td>16,127</td>
<td>19,449</td>
<td>15,020</td>
<td>11,066</td>
<td>12,652</td>
<td>15,434</td>
<td>12,987</td>
<td>11,066</td>
<td>12,652</td>
</tr>
</tbody>
</table>

Source: NSO 2017b

Graph 2. The Gender Pay Gap in Malta and EU27

Source: Eurostat
The Gender Pay Gap in Malta

Data in Graph 2 feature the trends of the gap in Malta compared to the EU27 (excluding Croatia). Whilst that of the EU27 appears to be slowly decreasing, the gap in Malta is increasing. Research suggests that when the employment rate increases (particularly in cases when this is initially very low as in the case of Malta), the gender pay gap also starts to increase. This was increasing from 2006 to 2008. The crisis appears to have had an effect and the gap narrowed until 2010. However, since 2010 the gap has again continued to increase, reaching 11% by 2016. Although the figure is below the EU average of 16.3%, nonetheless the fact that the rate has continued to increase is a sign that an analysis of the causes for such an increase is needed in order to propose adequate policies to redress the situation.

Graph 3 confirms empirical evidence from other countries that an increase in female employment is likely to lead to a widening of the gender pay gap. This may be because women would be entering the labour market at lower levels and also possibly because part-time employment, where more women are found, the hourly pay is lower. Data confirm that women are more likely to utilize family-friendly measures such as flexi-hours, telework, reduced hours, parental leave, which all in the end inhibit women from being seen as dedicated to their jobs and are likely to lead to others getting promoted in their stead. Therefore, the introduction of family-friendly measures in the public sector may in fact be limiting women to access higher grades and thus higher income. The trend shown in graph 3 could indicate that the gap is likely to continue to increase with the increase in the female employment rate and that measures to ensure that family-friendly measures uptake are not gender biased, would prove more beneficial to women in the long run.

Data based on the Structure of Earnings Survey are used to derive the gender pay gap. The following graphs show the gender pay gap by sector, occupation, age-group, public/private entities and part-time/full-time jobs.

Graph 4 shows that the gender pay gap is worse in certain sectors, such as services of the business economy and in sectors where there is a predominance of women such as education, human health and social work. This concurs with the literature and studies conducted in other countries. In industry and construction, which are generally male-dominated, the gap is lower. The gap is lowest in transportation and storage and highest in financial and insurance services.
When one analyses the gap by occupation (shown in Graph 5), the concepts of glass ceiling and sticky floors are clearer. In fact the biggest gaps are for managers, non-manual workers and professionals. Elementary occupations at the lower end also witness a high gap. The gap is lower in the middle range occupations and even favouring women in the case of clerical support workers. The lowest gap is in fact for services and sales workers. These trends concur with other studies referred to above.

Source: Eurostat

**Graph 4. Gender Pay Gap by Sector (NACE Rev 2) 2014**

**Graph 5. Gender Pay Gap by Occupation (ISCO 08) 2014**
The gap is the largest for those aged between 40 and 49 (see Graph 6), a time in one’s career where promotions do make a distinction to the take-home package, a time when persons reach the peak of their career and should get to the top echelons. For those under the age of thirty, women seem to start out in a better position, particularly considering that there are in fact more female graduates than men. However, then over the course of their working life, the gap starts to widen. After the age of 50 the gap starts to decline and is lowest for those aged over 60. This does correspond with the conclusions reached by Fransen et al (2012) in that promotion and access to the higher echelons are mainly to blame for the worsening situation of women at higher ages and higher levels within organizations. The fact the women tend to take time off from work due to family responsibilities, particularly in their 30s, might also be the reason of why women then do not accumulate the same type of experience as their male colleagues. This causes a discrepancy between the sexes when openings to higher grades come on the market.

Human capital theory, focusing on education and experience, cannot fully explain why this happens since women are more qualified and in the early stages gain the same type of experience. However, later theories dealing with access to promotions can better explain the gender pay gap as a woman progresses in her career and starts finding obstacles to move on, even if she is more qualified than her male counterparts. One of the problems is possibly because the persons who decide on whether a woman progresses or not are men, who may feel threatened by the competition that women can offer. In fact Malta fails miserably in the number of women in decision making positions. Women only make up 12.7% of members of parliament, 5.9% of national government (that is senior ministers), and 7% of the largest quoted companies. Only 18.8% of those in top positions at the Central Bank are women. The judiciary situation is only somewhat better where 27.3% are women in the Supreme Court. The situation is best within national administration with 38.8% being women in decision-making positions. This brings out the distinction also between private entities and public ones. In fact, Graph 7 shows that the public sector fares better than the private sector with regard to the gender pay gap. Considering that almost 40% of top positions in the public sector are women, means that access to higher echelons seem to be relatively open. This favours women and in fact the gender gap is not negative. However, the situation in the private sector shows that women have less possibility of advancement in the business world (only 7% are women in top positions in the largest quoted companies) and therefore this creates a gender pay gap of 11.9% (with the national average being 11%). The problem thus appears to reside within the private sector, whereas the public sector is more balanced in its decisions regarding women.

![Graph 6. Gender Pay Gap by Age-Group (2014)](image)

Source: Eurostat
The last distinction with regards to the gender pay gap is between those working as part-timers and full-timers. Graph 8 shows that the gap exists for those working full-time, whereas those working part-time does not face a gap. Two points can be made in this regard. One is that this continues to confirm that it is access to the higher echelons which lead to the gap. The number of men and women in part-time employment is almost the same. In earlier years the distinction was much stronger with more women likely to be in part-time employment, however the numbers in April 2017 were 56,713 for men and 60,019 for women. The gap for part-timers favours women and this may be explained by the fact that qualified women may be choosing to work part-time for family reasons, which is not likely to be the case for men.
The above discussion has presented data to try to explain the gender pay gap in Malta, viewing it from different perspectives, by sector, occupation, age-group, ownership and type of work commitment. The data shows that the gender pay gap is found in all sectors, almost all occupations (except clerical support workers), all age-groups except those under 30 years of age, women working in the private sector and full-time workers. The gap favours women who are clerks, those under 30, those in the public sector and those in part-time employment.

Interviews were conducted with 43 women, a few had reached top positions (mainly in the public sector) and others were qualified but somehow found obstacles on the way to the top. Of these 35 were in the public sector and 8 in the private sector. All those interviewed had at least a first degree, were married and were between the ages of 35 and 55. I asked three open-ended questions: did they feel their job aspirations had been fulfilled; did they feel that the gender pay gap existed in Malta and what in their opinion were the causes for this; and had they in some way found obstacles to their advancement.

To the first question, younger women replied that they hoped they would advance more. The majority of the older women still had hopes that they could reach a higher step in their career. Many suggested that it got tougher the higher up one aimed. They did not feel inadequate for higher positions, but terms like ‘it is a man’s world’, ‘it remains an old boys’ club’, ‘men take care of their own’, ‘women need to fight more’, ‘women need to work harder’, ‘women need to prove themselves more than men’, were some of the phrases that this question evoked. Overall they felt that their tertiary education gave them confidence and advantage over other less qualified women but not over less qualified men. In fact, they pointed out specific men who had reached top positions without even possessing any degrees. Experience instead of degrees seemed to apply more for men than women. Something else that helped someone to move on in one’s career were the connections one had in the political world. Overall many women were however happy in their jobs and only hoped that things would change in the coming years and they could advance more in their careers. Some were happy even if they only retained their present position. These women said they satisfied their potential and expectations in other spheres of their life. It was almost as if the knowledge that women find obstacles men do not face, was something to be accepted, as it was hard to change.

All women agreed that the gender pay gap in varying degrees was a reality in Malta. Those in the public sector agreed that it was not the pay itself which differed, since for example a female economist and a male economist earned the same salary, but moving on and becoming a head of department appeared to favour more men. Women often lost out because they were seen not as committed to their jobs as men, particularly if they were in the child-bearing age (mid-20s to mid-30s were the most critical), already had children, had spent some time off from work taking care of the family, or were on telework or on reduced hours. However, they also agreed that things had changed in recent years and more women were becoming Directors or Heads of Department. Those in the private sector, differed more in their answers. Two women had reached a top managerial position, but one had been working with the same company for thirty years and another was working in a family business. The others felt that if they really worked hard they would eventually advance in the organizational structure. Some thought they would probably change their jobs in the future if they felt ‘stuck’ in their job position. However, they admitted that it could mean that they would need to start from the bottom again. The private sector offered higher salaries but less opportunities since there were few large companies. The business environment in Malta remains very much male-dominated.

The third question elicited interesting responses. Many admitted they could have advanced more in their career had they been single and not married, but more so if they had been men and not women. Those in the private sector said that men often worked beyond normal hours and a woman could not afford to do so because of the family. Many said that they had found obstacles in their career path, but not something you could actually put a finger on. They said that while things seemed fine on the surface somehow one knew that there were subtle manoeuvres behind one’s back. When one attended an interview, the type of questions asked already suggested the interviewers were trying to find something to disqualify you with. Men were able to network more and women could not penetrate that web. Men appeared more confident even if they were less qualified. Women demanded more of themselves than
men seemed to do. Equality legislation was not sufficient to ensure that access to opportunities were the same for men and women. It would take a good number of years before women felt they were on the same level playing field as men. Children remain associated with the mother more than the father, and many women were delaying having children and also having less children because they knew children limited their dedication to their careers. Balancing a career and a family was a myth, both could not be first on the list. Women were trying to do everything and that was not possible. Men needed to take more responsibilities in the home. Women had to be super-people to survive, they had no choice if they wanted both a career and a family. The same was not demanded of men.

Nonetheless the women in general appeared confident that they themselves were coping with the different spheres of their lives, felt accomplished and happy they had both a family and a career, even if it was not an easy task in this modern and fast life. The women felt that things were slowly changing and that the next generation of women would not find as many obstacles as they themselves had done. However, they were sure that the structure of the family might change in the process, including more single women and less children for those who did get married. Furthermore, just as long as family-friendly measures were taken up by women and not by men as well, the onus of the work-life balancing act would remain on women.

Conclusion

This preliminary article on the gender pay gap in Malta has provided an analysis of the gap taking into consideration different aspects. The data presented has shown that Malta is very similar to other countries in that the gender pay gap impacts on the majority of women in the labour market. Whilst more women than men continue with their education and therefore men and women begin their career on the same footing, over the years, men reach higher echelons which are somehow denied to women.

Recent years have seen several initiatives not only to encourage more women to enter the labour market but also to create an environment for families to balance better their life between work and home. However, whilst such policies are supposed to target both the wife and the husband, in reality women are more likely to utilize these family-friendly measures. From information issued by the government, in the public sector it is generally women who work reduced hours, apply for telework, take parental leave or career breaks, and work flexi-hours in order to accommodate home and children’s needs. There is no information on the availability of measures or their uptake in the private sector. However, as the data in the previous section show, the problem of the gender pay gap is actually in the private sector. Whether this is because of the limited family-friendly measures or because the business environment in Malta continues to be dominated by men, needs to be investigated further. The majority of women would agree that Malta remains an old boy’s club.

It would appear therefore that it is the context more than the policies which are creating situations which continue to inhibit Maltese women from reaching higher echelons and therefore higher remuneration. This concurs with results by Rubery et al. (1997). As Tharenou (2013) suggests, what is needed is a whole change in the mentality that continues to see women as mainly homemakers, and not as main decision-makers in top positions, a role which appears to be mostly reserved for males, even those less qualified than women. Family-family measures have helped women increase their participation in the labour market but some would argue that these measures have meant that women now do two jobs and get paid for one (and less than men at that).

At a time when Malta’s economic growth is high and unemployment is low, women are being lured into the labour market as they are an exploited resource. However, it is also time that women’s returns are the same as men’s and this needs not only enforcement of existing equal pay legislation, but also easier recourse to decisions affecting unfair treatment in the case of promotions and access to higher-paid jobs. Above all it needs a change in how families share responsibilities and how children are groomed in their future roles. This put significant onus on the educational system and the socialization process. It needs societal intervention on a large scale.
Bibliography


