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## **The Positive Impact of the Restrictive Role of the Public Sector Wage on Gender Equality in the Czech Republic**

Since the major wage reform in 1992, when the law was redrafted and the concept of public sector wage, as opposed to private sector wage, was assigned an important regulatory function. The purpose of the public sector wage regulation is to express the state interest in the sound use of public resources and it should have a strictly regulatory character. At the same time, the regulatory role of the public sector wage has gotten positive results in the fight against sex discrimination. Data available from the Average Earnings Information System, for the 2<sup>nd</sup> quarter of 2019 show that in the Czech Republic there was an average difference of 17% between the gross public sector wage of employed women and men, whereas the average difference between the private sector wage of women and men was 23%.

The Czech gender gap in the public sector wage is not exceptional in EU comparison. It is basically the EU average. So, the Czech Republic is better than, for example, Cyprus (with a gender gap of 30%). However, we are far beyond Denmark (with a difference of 4%). It must be noted that the simple average gender gap in the public sector wage is a dubious indicator of the status of women on the labour market due to gender differences in hiring for low-income and high-income jobs. The methodology used for calculations on the international and Czech level also often differs.

The difference between public sector wages of men and women is difficult to explain. It seems that women, due to various reasons, have more often lower paid jobs. Lower differentiation in the case of public sector wage could be a key factor in explaining smaller differences in remuneration by the public sector wage between women and men. In the private sector there are clearly bigger differences in the income of individual employees, including a different amount of remuneration across various industries.

The secondary benefit of more stringent (less differentiated) regulation by the public sector wage is, at least according to valid law, the reduced wage discrimination of women. It seems that this is contributed to by lower differences between the lowest and the highest public sector wages rather than the manner of determination of the public sector wage. Women tend to work more often than men in lower paid positions due to various reasons. The strengthening of the possibility of individual (higher) remuneration of key specialists therefore will necessarily result in higher differentiation between the public sector wage of men and women. The best paid positions will on average be held by men rather than women.

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