

## Exploring the Wage Gap in the Republic of Moldova: A Vital Issue of Elderly System

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### Abstract

*Gender wage gap remains a crucial issue in many countries around the world, including the Republic of Moldova. The purpose of this article is to explore the wage gap and its impact on the elderly population. The research aims to identify the factors that contribute to the wage gap and assess the extent to which the wage gap affects the economic security and well-being of the elderly population. We will analyze the policies and interventions that have been implemented in other countries to address the wage gap and identify good practices to recommend potential strategies that can be adopted in the Republic of Moldova. This paper represents a comprehensive synthesis of existing literature examining the wage gap and its impact on the elderly population. By analyzing areas of research that have been more fully explored and those that require further investigation, this study suggests avenues for future research.*

**Key words:** gender wage gap, factors contributing to wage gap, elderly population, impact, poverty alleviation.

**J.E.L. classification:** G38

### 1. Introduction

Gender wage gap refers to the difference in earnings between men and women in the same occupation or job. Despite significant efforts to close the gender wage gap, it remains a persistent and pervasive problem in many countries, including the Republic of Moldova. Women continue to earn lower salaries than men for comparable work, which impacts their lifetime earnings and economic security. This phenomenon has far-reaching implications, particularly on the elderly population, who are often disproportionately affected by the wage gap.

The elderly population in Moldova is a vulnerable group that faces severe economic challenges. According to the National Bureau of Statistics of Moldova, the poverty rate among the elderly was 29.8% in 2019, a rate that is higher than the national average 25.2% (NBS, 2019). The economic vulnerability of the elderly population in Moldova is exacerbated by factors such as limited access to healthcare, social services, and food security. In addition, elderly women face specific challenges due to gender inequalities, such as a lack of access to education and fewer employment opportunities.

This article will examine the gender wage gap in Moldova and its impact on the economic security and well-being of the elderly population. The objectives of the research are to identify the factors that contribute to the wage gap in Moldova and evaluate the extent to which the wage gap affects the economic security and well-being of the elderly population. The article will begin by examining the current state of the gender wage gap in Moldova, followed by a discussion of its causes. Finally, the article will explore the impact of the gender wage gap on the elderly population and offer recommendations to address this issue.

Overall, the study aims to raise awareness of the gender wage gap in Moldova and the importance of reducing it for the benefit of the elderly population. By exploring the economic challenges faced by elderly women and the factors contributing to the gender wage gap in Moldova, policymakers and stakeholders can develop effective strategies to address this issue and improve economic security for all.

Furthermore, the objectives of this study are to investigate the extent to which the wage gap affects the economic security and well-being of the elderly population. Elderly individuals often experience a decline in income due to reduced earning potentials and increased healthcare costs. The wage gap worsens their financial situation, which can lead to a decrease in quality of life, poverty, and low social status. Therefore, by understanding the impact of the wage gap on the elderly population, we can make significant contributions to addressing the urgent needs of this vulnerable population.

Moreover, the study seeks to identify the best practices and policies that have been implemented in other countries and assess their potential for adoption in the Republic of Moldova. The Republic of Moldova has made progress in addressing gender inequality over the past few decades. However, the wage gap remains a key issue that needs to be addressed to ensure economic security and well-being for all populations in Moldova.

The analysis presented in this study uses both primary and secondary sources of data to achieve the research objectives. Primary data will be collected through interviews with elderly individuals, policymakers, and representatives of organizations serving the elderly population. Secondary data will be obtained from published literature, surveys, and statistical databases. By using a mixed-methods approach, this study aims to provide a comprehensive account of the wage gap and its impact on the elderly population in the Republic of Moldova.

In conclusion, the gender wage gap continues to pose challenges to the economic security and well-being of the elderly population in Moldova. This study will contribute to the existing literature by identifying the factors that contribute to the wage gap, assessing its impact on elderly individuals, and proposing potential strategies that can be adopted by policymakers to address this issue. By doing so, we hope to make significant strides towards eliminating the wage gap and promoting equality and economic security for all individuals, regardless of gender or age.

## **2. Literature review**

Although this subject is little studied nationally and internationally, in order to propose solutions for the Republic of Moldova, a concise and focused analysis of the literature covering the key aspects of the gender wage gap and its impact on the elderly population was made. The gender wage gap has been a topic of interest in many countries for decades. Women have historically been paid less than men for doing the same job, and this has been documented in various studies. Research suggests that factors such as education level, occupation, industry, and work experience all contribute to the gender wage gap (Budig, 2021). In addition, the persistent gender wage gap is attributed to discrimination and implicit bias against women in the workplace (Blau, 2017).

The impact of the gender wage gap on the elderly population is significant. Women typically earn less than men throughout their lifetime, which affects their ability to save for retirement. This, in turn, translates into lower pension benefits and social security payments in their later years (England, 2001). Women are also more likely than men to live in poverty in their old age due to the gender pay gap, caregiving responsibilities and longer life expectancy (Ferrant, 2014).

Various policies and interventions have been implemented in countries around the world to address the gender wage gap. These include affirmative action policies, pay transparency, and gender-neutral job evaluation systems. Some countries have also introduced laws that require employers to report on gender pay gaps (Holmes, 2017). Research suggests that these policies can be effective in reducing the gender wage gap, although their impact varies depending on the context and implementation (Manger, 2012).

In Moldova, the gender wage gap is reported to be significant. According to the Moldovan National Bureau of Statistics, women in Moldova earn 68.6% of what men earn per hour (NBS, 2021). This gap is particularly relevant for the elderly population, who are more likely to rely on pension benefits and social security. Policies and interventions that address the gender wage gap could have a significant impact on the economic security and well-being of Moldovan women in their later years.

In summary, the gender wage gap is a significant issue that affects women throughout their lifetime, including in their old age. The factors that contribute to the wage gap are complex, and multiple interventions are required to address it. Policy interventions such as affirmative action, pay transparency, and gender-neutral job evaluation systems have been introduced in several countries

to combat the gender wage gap. The impact of these policies and interventions varies depending on the context and implementation. Future research is needed to explore the effectiveness of these interventions in the Moldovan context and to identify additional strategies that could be effective in reducing the gender wage gap.

### **3. Research methodology**

A comprehensive review of existing literature on the wage gap in Republic of Moldova it is conducted. This involves a thorough search of academic journals, government reports, and other relevant sources to gather information on the causes and consequences of the wage gap in the country.

Primary data are collected through desk review and statistical analysis of data on employees and employers in different sectors of the economy. The paper is designed to gather information on factors such as education, experience, job type, and gender, which are known to influence wages. Results will be published for employees to understand their perspectives on the wage gap and their efforts to address it.

The collected data will be analyzed using statistical methods to identify patterns and trends in the wage gap. Desk review analysis will be used to determine the extent to which factors such as education, experience, and job type contribute to the wage gap. Qualitative data will be analyzed using content analysis to identify themes and patterns in employer perspectives on the wage gap.

The research will also involve an analysis of existing policies and initiatives aimed at addressing the wage gap in republic of Moldova. This will involve a review of government policies, labor laws, and other relevant documents to identify gaps and areas for improvement.

Based on the findings of the research, recommendations will be made for policies and initiatives that can help reduce the wage gap in Republic of Moldova. These recommendations will be based on evidence from the data analysis and will be aimed at addressing the root causes of the wage gap in the country.

### **4. Findings**

Based on the literature review, several key findings emerge regarding the gender wage gap and its impact on the elderly population.

Firstly, the gender wage gap persists globally, and Moldova is no exception. Women in Moldova earn significantly less than men, which affects their ability to save for retirement and leads to lower pension benefits and social security payments in their later years. This, in turn, leads to economic insecurity and poverty among elderly women in Moldova.

Secondly, multiple factors contribute to the gender wage gap. These include education level, occupation, industry, and work experience. Discrimination and implicit bias against women in the workplace also play a significant role in perpetuating the gender wage gap.

Thirdly, policies and interventions have been implemented in several countries to address the gender wage gap. These policies range from affirmative action to pay transparency and gender-neutral job evaluation systems. While these policies have been effective in reducing the gender wage gap in some contexts, their impact varies depending on the implementation and context.

Fourthly, elderly women are particularly vulnerable to the effects of the gender wage gap. Due to their lower earnings throughout their working lives, they are more likely to rely on pension benefits and social security payments in their later years. This, combined with longer life expectancies and caregiving responsibilities, puts elderly women at a higher risk of poverty and economic insecurity.

Based on these findings, several recommendations emerge for addressing the gender wage gap in Moldova and its impact on the elderly population. Firstly, policies and interventions that have been successful in other countries should be examined to identify potential solutions for Moldova. This could include measures such as affirmative action, pay transparency, and gender-neutral job evaluation systems. Secondly, more research is needed to identify the factors that contribute to the gender wage gap in Moldova and the effectiveness of different policy interventions. Thirdly, measures should be taken to ensure that elderly women in Moldova are adequately supported and protected, such as increasing pension benefits and addressing caregiving responsibilities. Overall, the literature review highlights the urgency of addressing the gender wage gap in Moldova and its

impact on the elderly population. Addressing this issue requires a multi-faceted approach that involves policy interventions, research, and support for elderly women. By taking action to reduce the gender wage gap and support elderly women, Moldova can work towards creating a more equitable and just society for all.

Furthermore, it is essential for policymakers to recognize the intersectionality of gender and other social identities, such as race, ethnicity, class, and sexuality, in addressing the gender wage gap. For example, women who belong to the Roma minority in Moldova face multiple forms of discrimination, with significantly lower levels of access to education and employment opportunities. Therefore, policies should be designed with an intersectional lens to ensure that women from all backgrounds in Moldova receive equitable treatment in the workplace. In addition, addressing the gender wage gap requires a cultural shift towards valuing women's labor and equally recognizing their contributions in the economy. Education and awareness programs can play a crucial role in promoting gender equality and challenging implicit biases against women in the workplace. It is also important to acknowledge the critical role of civil society organizations, labor unions, and women's rights advocates in advocating for gender equality and holding the government accountable for policies and interventions. Therefore, these actors should be actively engaged in the policy-making process to ensure that their perspectives and experiences are reflected in policy decisions.

In conclusion, addressing the gender wage gap and its impact on the elderly population in Moldova is a complex and ongoing process that requires a comprehensive approach. While many challenges remain, addressing this issue can lead to significant progress in promoting gender equality, reducing poverty and economic insecurity among elderly women, and creating a more just and equitable society for all.

There are several factors that contribute to the gender wage gap in Moldova, which in turn impact the economic security and well-being of the elderly population. These factors include:

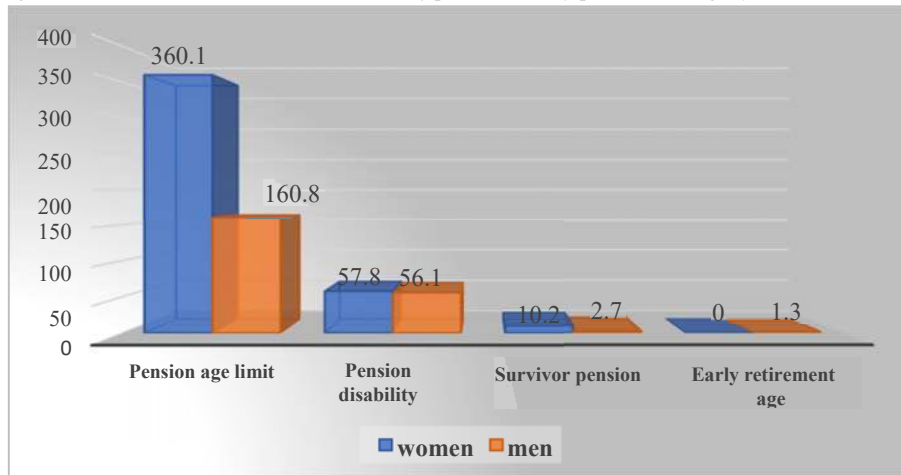
- **Occupational segregation:** Women tend to be concentrated in lower-paying industries and occupations, such as education, healthcare, and social services, while men are more likely to work in higher-paying sectors such as finance and technology.
- **Discrimination:** Women often face discrimination in the workplace, including bias in hiring, promotion, and pay decisions. This is compounded by cultural attitudes that undervalue women's work and prioritize men's employment opportunities.
- **Caregiving responsibilities:** Women are disproportionately responsible for caregiving and household duties, which can limit their availability for paid work and result in lower earnings over time.
- **Lack of access to education and training:** Women in Moldova face barriers to accessing education and training opportunities, which limit their ability to enter high-paying industries and occupations.
- **Informal work arrangements:** Women are more likely to work in informal and precarious work arrangements, such as part-time or temporary work, with fewer benefits and lower pay.

First of all, it should be mentioned that in the Republic of Moldova there is a redistributive system, based on the principle of solidarity between generations, according to the fact that the collected contributions are based immediately for the payment of pensions ("Pay-as-you-go"). When calculating the pension, this system takes into account the following elements: contribution period, average insured monthly income and retirement age. In Moldova, there is not exist Pylon II or III of pensions, which would link a person's direct contributions over the same lifetime to the size of the pension at retirement age. At the moment, in the Republic of Moldova for the year 2019, there is a gap of approximately 21% between the average pension of men and that of women. We will analyze this gap in detail a little below.

According to the estimates of the National Bureau of Statistics, 2021 (NBS), there are 92 men for every 100 women aged 35-64. ratio differs significantly according to these age groups. Males predominate in the 0-14 age group, with a ratio of 105 males to 100 females. In the 15-34 age group, the number of men and women is roughly equal. The differences are more pronounced in the case of the population aged 35-64 years and 65 years and over, with 91 men and 61 men respectively for 100 women. The most important form of income for people over 65 is the old-age pension. Of the total number of pensioners, 64.2% are women. Depending on the category of pensioners, the share of women in the category of beneficiaries of survivors' pensions is 3,8 times higher than that of men,

for pensioners for the age limit women are 2.2 times more, and for disability beneficiaries the share of women and men is approximately equal. Fig. 1 below the share of women in relation to men of pensionable age.

Figure no. 1. Women in the total number of pensioners by pension category, 2022



Source: Developed by the author after <http://statbank.statistica.md/>

As women get older, wage differences deepen, and as economic activity slows down, their position gradually decreases to a lower level. According to data from the National Bureau of Statistics (NBS), the average life expectancy in the Republic of Moldova in 2020 was 65.9 years for men and 73.9 years for women, respectively women live on average 8 years longer than men. This gap is due to the higher level of premature mortality among men, especially those of working age.

Women being less present on the labor market, working fewer hours and in lower paid fields, in the end they have lower pensions because their social contributions were lower, respectively when they reach retirement age they have a lower age pension than men and because they have a longer life expectancy, they end up being exposed to a higher risk of poverty compared to men. Thus, women end up living alone and financially unsecured in their old age. In rural areas, the situation of the elderly registers the greatest risks of poverty, women over 75, regardless of where they live, are the poorest. Differences in salary remuneration during the period of contribution to the state social insurance fund also determine differences in the average size of the pension for the age limit for men and women. Women receive only 82% of the pension value of men. As a result, occupational segregation continues and the over-representation of women in the lowest paid sectors ultimately leads to lower pensions for women.

Figure no. 2. Pension age limit, 2022



Source: Developed by the author after <http://statbank.statistica.md/>

All of these factors contribute to the gender wage gap, which in turn has significant implications for the economic security and well-being of the elderly population. When women earn less than men, they have fewer resources to save for retirement, pay for healthcare, and cover basic needs such as food and housing. This can lead to higher poverty rates among elderly women, who are more likely to rely on social security and pensions for income. Addressing the gender wage gap is therefore essential to ensuring the economic security and well-being of the elderly population in Moldova.

After analyzing policies and interventions adopted in other countries to address the wage gap, we can recommend several good practices that could be implemented in the Republic of Moldova. These include:

- **Pay transparency:** Encouraging employers to disclose information about pay scales and benefits can help to identify and address pay disparities based on gender or other factors.
- **Pay equity legislation:** Implementing laws that require employers to provide equal pay for equal work can help to eliminate gender-based pay discrimination and ensure that employees are paid fairly.
- **Strengthening labor laws:** Moldova could introduce or strengthen laws that prohibit gender-based discrimination in the workplace, including in hiring, promotion, and pay. This could include implementing penalties for employers who engage in discriminatory practices.
- **Family-friendly policies:** Implementing policies that support work-life balance, such as parental leave, flexible schedules, and teleworking opportunities, can help to reduce the impact of caregiving responsibilities on women and promote gender equality in the workplace.
- **Investment in education and training:** Providing access to education and skill-building programs for women can help to increase their earning potential and enable them to enter higher-paying Occupations.
- **Gender-sensitive recruitment practices:** Encouraging employers to use gender-sensitive recruitment practices can help to eliminate bias in hiring and ensure that women have equal opportunities for employment and advancement.
- **Support for women entrepreneurs:** Providing support for women entrepreneurs, such as access to funding, business training, and networking opportunities, can help to increase women's participation in higher-paying sectors of the economy.
- **Monitoring and evaluation:** Regularly monitoring and evaluating the effectiveness of policies and interventions can help to identify areas for improvement and ensure that progress is being made towards reducing the wage gap.
- **Increasing public sector representation:** Women in Moldova are underrepresented in public sector jobs, which typically offer better wages and benefits. Increasing representation of women in the public sector through affirmative action policies could help narrow the wage gap.

By adopting these good practices, the Republic of Moldova can take concrete steps towards addressing the gender wage gap, promoting gender equality in the workplace, and improving the economic security and well-being of the elderly population.

It is important to note that these strategies are not mutually exclusive and should be implemented in tandem for maximum impact. Additionally, it is crucial to engage and collaborate with stakeholders such as employers, trade unions, civil society organizations, and government agencies to ensure their buy-in and support for these interventions.

Furthermore, it is essential to spread awareness about the issue of the wage gap and its impact on women and society to create a sense of urgency to address it. This can be done through public campaigns, media, and educational programs.

Finally, sustaining these interventions requires political will, financial resources, and commitment from stakeholders. Therefore, it is vital to ensure that the necessary resources are allocated and the momentum of these interventions is sustained over the long term.

In summary, the best practices identified from other countries show promise in addressing the wage gap and can be adapted to suit the context of the Republic of Moldova. Adopting these practices, alongside other measures, can contribute significantly towards increasing gender equality and promoting inclusive social and economic development.

## 5. Conclusions

After conducting thorough research on the wage gap in the Republic of Moldova, it is clear that it remains a pressing issue for the elder system. Despite the progress made towards gender equality, disparities in pay still exist between genders, with women receiving lower salaries than their male colleagues. The Government of Moldova has taken steps to reduce the gender wage gap, including implementing various laws and regulations, as well as investing in education and awareness campaigns. In addition, some businesses have adopted measures such as introducing salary negotiation tools and compensation structures that are more equitable for employees of all genders. However, more needs to be done to ensure that the wage gap is addressed in a meaningful way. Further research should be conducted to fully understand the underlying factors contributing to the gender pay gap such as job segregation and discrimination, in order to devise effective solutions. Additionally, policymakers need to continue to provide support and resources to employers in order to create a workplace environment where gender pay gaps are less likely to exist. Ultimately, reducing the gender wage gap in the Republic of Moldova is essential for promoting social equality and justice, as it will provide both genders with equal access to economic opportunities.

Following the analysis it is recommended some measures that decision-makers can take to address the wage gap and its impact on retirement age.

- **Conduct pay equity analysis:** Organizations should conduct a thorough pay equity analysis to identify disparities in pay that effect employee's ability to save for retirement. This analysis should consider various factors such as gender, ethnicity, and job title. This understanding will help to inform policy changes.
- **Implement fair pay policies:** Decision-makers should ensure that their organizations have fair pay policies that guarantee employees are given equal pay for equal work. This can help address the pay gap and enable employees to save enough for retirement.
- **Encourage salary transparency:** Decision-makers should encourage transparency around salaries. This practice can help employees better understand their earnings and ensure open discussions around compensation.
- **Provide retirement education:** Decision-makers should provide education and resources to employees, highlighting the importance of retirement planning and ways to save for retirement. This can help close the retirement savings gap and ensure that all employees are prepared for life after work.
- **Expand benefits:** Organizations can provide employees with additional retirement benefits such as matching contributions, retirement savings plans, and pensions. These benefits can help make up for the pay gap and assist employees in saving for their future.
- **Promote diversity and inclusion:** Decision-makers should promote diversity and inclusion in the workplace, which can lead to increased opportunities for employees from marginalized groups and improved pay equity. This can help address the pay gap and decrease its impact on retirement age.
- **Encourage flexible work arrangements:** Many individuals, especially women, may have to leave the workforce or reduce work hours to attend to caregiving responsibilities. Offering flexible work arrangements such as part-time work, job sharing, telecommuting, and sabbaticals can help ensure these workers can make meaningful contributions to their retirement savings. Another advantage would be that this can encourage more women to enter and remain in the field and help to achieve gender parity.
- **Address ageism:** Ageism, or discrimination based on age, can impact workers' ability to earn a fair wage, receive promotions, and contribute to their retirement saving. Decision-makers must take steps to address ageism in the workplace by creating a culture of respect and valuing the experience of older workers.
- **Monitor and evaluate progress:** Organizations should monitor and evaluate progress on pay equity and its impact on retirement savings. Evaluation can help identify areas for improvement and ensure that the initiatives put in place are effective.

- **Advocate for policy changes:** In addition to internal measures, decision-makers can advocate for policy changes that support pay equity and retirement savings. This includes supporting legislative efforts to increase the minimum wage, strengthen equal pay laws, and establish retirement savings programs for workers without access to an employer-sponsored plan.

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