

## VII. Gender wage gap

### A. Substantial gender wage gap but signs of moderate reduction

The gender wage gap may still be substantial but is showing signs of narrowing. Income from employment may take two forms: first, wages or earnings, for those who are in wage and salaried employment; and, second, income from self-employment, for those who are self-employed. Lack of comparable data precludes a proper analysis of gender income gaps from self-employment, even though the share of wage and salaried workers in total employment varies considerably across the globe, ranging from as little as some 30 per cent in Africa to nearly 90 per cent in developed economies (ILO, 2015d).

Among wage and salaried workers, gender wage gaps can be substantial but appear to be showing signs of a moderate reduction over time (see figure 18). Globally, the gender wage gap is estimated to be 23 per cent; in other words, women earn 77 per cent of what men earn (ILO, 2011a). Indeed, among 37 countries and territories with data for two periods, the gender wage gap has generally shown a reduction; this can be seen from the simple average of the gap in these countries, which has declined from 21.7 to 19.8 per cent. The ILO has noted that, without targeted action, at the current rate, pay equity between women and men will not be achieved before 2086.<sup>23</sup>

The magnitude of the gap presented in figure 18 is partly attributable to differences in employment trends between women and men. The data in figure 18 capture all wage and salaried workers (full and part-time). Some countries, however, only report a gender wage gap for full-time wage and salaried workers. The comparison between the two is problematic since women tend to work fewer hours in the workplace, on average, because of family responsibilities at home (see above). This may be seen from figure 19, which presents the gender wage gap for a small selection of countries for which monthly, weekly or annual and hourly wage gaps for all wage and salaried workers are available. Since the data presented are from two different data sources (but from the same year), the wage gaps are not directly comparable. Nonetheless, they provide a general indication that weekly, monthly, or annual wage gap measures tend to be larger than those based on hourly wages. In other words, part of the gender wage gap stems from differences between men and women in their hours worked.

The effect of greater household and family responsibilities – which in part explains the fewer hours worked by women in the labour market – is further manifested in the additional gap in wages observed between mothers and female non-mothers, known as the “motherhood wage gap”, which is the wage penalty incurred by working mothers. By contrast, working fathers usually earn more than their childless peers (Grimshaw and Rubery, 2015). The difference in wages between working fathers and working childless men is referred to as the “fatherhood wage premium” (see Chapter II, Part Two).

### B. Economic growth alone will not ensure a gender equitable distribution of the gains

Economic growth alone will not ensure an equitable distribution of the gains between men and women. Comparing the gender wage gap for the latest year with living standards (as measured by GDP per capita levels in 2015 purchasing power parity in US dollars), there does not seem to be any correlation between the size of the gender wage gap and the level of a country's development. This may be seen from figure 18, in which countries are ranked according to their per capita income. A country's gender wage gap can be large or small irrespective of the level of development. In other words, while the gender wage gap has generally decreased over time, economic development alone is insufficient to ensure an equitable distribution of the gains from growth between men and women; there are other factors at play – namely, policies – which explain the heterogeneity in outcomes across countries.

23. According to the 2011 report by the ILO Director General to the International Labour Conference, the gender pay gap is expected to close in 75 years or by 2086. Of course, progress toward closing wage gaps by 2086 depends on several factors and hence cannot be guaranteed and can be reversed (ILO, 2011a).