

II. Gender wage gaps

A. Persistence of the gender wage gap

The gender wage gap refers to the difference in pay between women and men. The wage gap may be explained by the differences in the level of education, work experience, sector, type of occupation, location (urban or rural), and the numbers of hours spent in paid and unpaid work. Although the gender wage gap can be explained by these factors, the gap is also due to the undervaluation of women's work, the concentration of women in lower paid jobs, the perception that women are economic dependents and the lack of women's representation in unions (Goldin, 2014; Chen et al., 2013; Grimshaw, 2011, cited in ILO, 2015d).

Differentials in earnings between women and men are a policy concern, as many of the factors that cause the gender wage gap are consequences of broader gender inequalities in the labour market. As discussed, across the world, the education levels of women are rising, yet women are still concentrated in a narrow range of occupations. Because of family responsibilities, women are more likely to work part-time, to work fewer hours than men or to opt for jobs that will not require the regular working of long hours (defined as more than 48 hours per week) and that provide other benefits, such as long leave periods, that accommodate family responsibilities. These aspects all have a direct impact on overall earnings. Even if these factors are taken into account, however, a sizeable portion of the gender wage gap remains unexplained (ibid.).

In this section, some of the underpinnings of the gender wage gap are assessed: the relationship between occupational segregation, low pay and the gender wage gap, and also the impact of gender-dependent patterns of working hours on the wage gap. This chapter will also look at the “unexplained” factors leading to the gender wage gap, including differences in behavioural characteristics of workers that are not easily measured (such as presenteeism and risk-taking behaviour) and direct and indirect discrimination (such as the motherhood wage gap and fatherhood premium).

Although the gender gap in income is also an issue for women entrepreneurs and some discussions in this chapter are also relevant to the realities of the self-employed, this chapter mainly focuses on wages and defines them according to the ILO definition of earnings set out in the 12th International Conference of Labour Statisticians. Earnings, relates to remuneration in cash and in-kind paid to employees, and includes direct wages and salaries for time worked or work done, remuneration for time not worked, bonuses and gratuities, and housing and family allowances which are paid by the employer directly to their employee (ILO, 1973).³⁸

B. How sectoral and occupational segregation perpetuates the gender wage gap

As discussed in the previous section, women and men are concentrated in specific occupations. Occupational segregation may contribute to the gender wage gap, as average earnings differ depending on the given occupation. Figure 25 ranks the occupational groupings based on the average pay levels, with the grouping “Legislators, senior officials and managers” receiving the highest average pay and “Elementary occupations” the lowest average pay. Women are underrepresented in the highest paying occupational grouping. Women are concentrated, however, in the second highest paying grouping of “Professionals”.

Within the occupational groupings that are clustered in the middle of the pay ranking (ranks 3–7), workers in the category of “Clerks”, an occupation in which women tend to be concentrated, receive the second highest average wages. By contrast, “Service workers and shop and market sales workers” receive lower average wages than the two male-dominated occupations of “Plant and machine operators and assemblers” and “Craft and related trade workers”.

Differences in average wages by occupational groupings indicate that some occupations in which women are more likely to work receive lower wages on average. This is partially explained by the undervaluation of predominately female sectors and occupations. In a study on the United States, there is a wage penalty

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38. Direct wages and salary include pay for time-rated work, incentive pay for time-rated workers, earnings of pieceworkers (excluding overtime premiums), premiums for overtime, shift, night and holiday work, commissions for sales or other personnel, premiums for seniority or special skills, geographical zone differentials, responsibility premiums, dirt, danger and discomfort allowances, payment under guaranteed wage systems and cost-of-living and other allowances. Remuneration for time not worked encompasses direct payments to employees for public holidays, annual vacations and other time off with guaranteed pay. Bonuses and gratuities include seasonal and end-of-year bonuses, along with additional payments during vacation periods (supplementary to normal pay) and profit-sharing bonuses.