

The Gender Gap

A comparative analysis of wages in times of recession

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March 2011

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About Wage Indicator

The independent non-profit Wage Indicator Foundation aims for transparency of the labour market by sharing and comparing data through its network of national websites.

By the end of 2010 Wage Indicator has operations in 55 countries world wide. See for the full list www.wageindicator.org or at any national wageindicator website, the drop down menu at the bottom of the home page.

Wage Indicator Foundation was established in the Netherlands in 2003. It is based in Amsterdam. It has regional offices in Ahmedabad, Bratislava, Buenos Aires, Cape Town/Maputo and Minsk. See for its headquarters and postal address the bottom of the page.

This quarterly Wage Indicator report is based on the international dataset of Wage Indicator. Next to scientific reports the data is made available in the shape of free salary checks for individual occupations at its national websites. In addition, Wage Indicator websites feature sections on Minimum Wages and labour law in relation to the Decent Work Agenda of the United Nations. Also the information needs of special groups at the labour market are catered for, like women, youth, and the elderly.

The data is volunteered by visitors of the national websites of Wage Indicator when they fill in the online salary survey. This survey is more or less identical in all countries where Wage Indicator is present. Respondents declare their gross and net income in their national currencies. These earnings are then corrected for Purchasing Power Parity (PPP). This results in income figures that make a meaningful comparison across borders possible. Next to wages, the self-reporting online questionnaire asks about individual characteristics (e.g. male/female, age, level of education, living with a partner and children), a person's work environment (e.g. type of job, level of responsibility, wages) and other employment-related topics.

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Summary of findings

This report on the gender wage gap is based on approximately 510,000 observations, collected by the Wage Indicator Foundation between 2006 and 2010.

- Men earn considerably more than women. This fact is borne out by a comparison of eleven countries selected from the dataset. The gender pay gap is especially pronounced in the developing countries and it occurs in most occupations.
- The gender wage differential widens with age.
- One of the most surprising findings of this report is the wide gender gap in the higher educated group: men with an undergraduate or a graduate degree are much better rewarded than women with comparable levels of education.
- Trade union membership seems to help narrow the pay gap.
- A high percentage of women think that women don't have the same opportunities as men when it comes to promotion into management positions.
- Although there are some qualitative working conditions that favour the female labour force – usually women are exempt from dangerous jobs- women still carry the bulk of the household burden, resulting in a longer working day than male workers make.

Researchers:



- Bruno Perinelli is a B.A. in Economics and a capital market specialist. Since 2007, he has been analysing the worldwide labour market for the WageIndicator Foundation. Several articles about minimum wage and labour conditions were published in prestigious newspapers. He has also studied the income distribution and the determinants of wages in Argentina.



- Victor A. Beker is Project Leader for Latin America of the WageIndicator Foundation. He is a Professor in Economics, Director of the Center for Research on the New Economy at the University of Belgrano, Argentina, and former Director of Economic Statistics at Argentina's Statistics Bureau. He has been invited to teach as visiting professor at the University of Salamanca, Spain, and has been visiting researcher at the New York University and the London School of Economics. He has been hired by UNIDO as expert in Information Systems. He is the author of several books and numerous research papers. He has been awarded several prizes for his scientific production in Economics.

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Wage Indicator Report

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1. Introduction

Men and women live in quite different working worlds. To start with, there is still a considerable income gap in favor of men, particularly in the developing countries, even though it has been reduced in the last decades. Furthermore, a high percentage of women think that they don't have equal labor opportunities to men when it comes to promotions into management positions. According to the last five annual Wage Indicator surveys, two out of three managers are male. In production and specialized services, the proportion of male managers rises to 80 per cent, but it decreases to 60 per cent in the administrative and commercial sectors. In parallel, the tradition that links women to the household tasks remains widespread. 75 per cent of the female respondents say they carry out most of the household tasks, while only a quarter of the male respondents indicates to be in charge of most of the domestic work.

The focus of this report is on the current gender pay gap and the differences that prevail in men's and women's working conditions. First, it shows how the wage gap is determined by factors like the respondents' age, level of education, country and region of work, occupation and trade union membership. Secondly, gender differences are analyzed in terms of the conditions prevailing in their working environments. And finally the gender specific levels of satisfaction with their lives, pay, job, leisure time and division of household tasks, are highlighted.

Nearly 510,000 questionnaires completed through the worldwide Wage Indicator network between 2006 and 2010 were incorporated in this study. Grouped by region the countries involved are:

in South America: Argentina, Brazil, Chile, Colombia and Paraguay;

in Central and North America: El Salvador, Guatemala, Mexico, and the United States;

in Western Europe: Belgium, Denmark, Italy, France, Germany, Netherlands, Spain, Sweden and the UK;

in Africa: Angola, Botswana, Malawi, Mozambique, Namibia, South Africa, Zimbabwe and Zambia;

in Asia: Armenia, China, Georgia, India, Indonesia, Kazakhstan, Korea, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan.

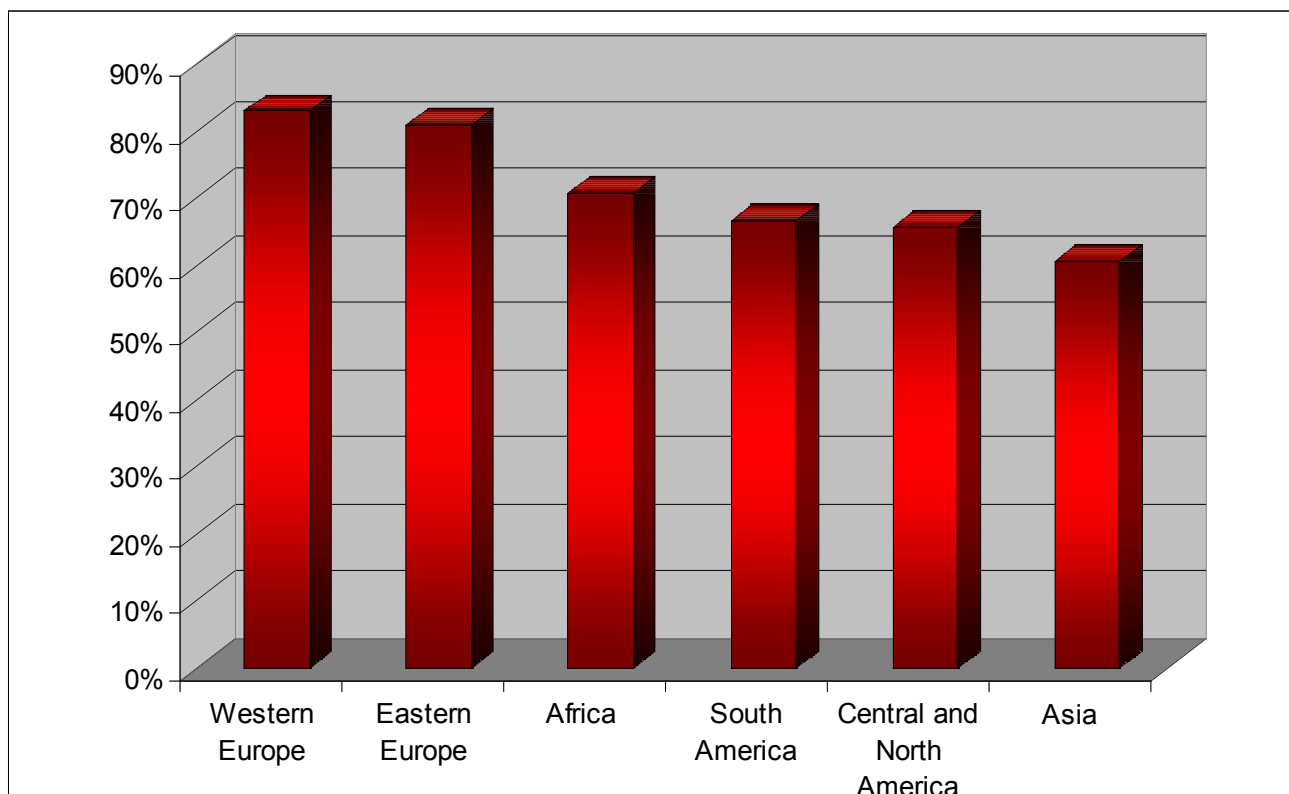
The online method of data collection results overall in a younger and more highly-educated workforce represented in the response figures, because this group is more likely to have access to and make use of the Internet. This leads to a slight sample bias in the type of survey respondents, which has to be borne in mind when interpreting the results.

2. Gender pay gap

a) Geographic distinction

Compared between regions, the pay gap is wider in the developing nations than in the highly and underdeveloped countries. As Figure 1 shows, the European region exhibits the narrowest gap, with an average of less than 20 per cent. Next Africa shows a 29 percentage point gap, followed by the Americas, where women earn approximately only two thirds of what men earn. Finally, Asia shows a 40 percentage point gender gap, the widest wage differential compared to other regions of the world.

Figure 1 – Female's wages as percentage of male's wages per region



In order to study the gender pay gap by nation, countries in the Wage Indicator sample with more than 1,000 observations per gender in the last five annual surveys were selected and ranked according to gender pay gap. These countries are: Argentina, Belgium, Brazil, Denmark, Finland, Germany, Hungary, India, Netherlands, Spain and the United Kingdom.

Then Denmark appears as the most gender egalitarian country. On average, a Danish woman earns 91.17 per cent of the pay her male professional peers get. By contrast India exhibits the widest income gap. Here the standard appears to be that a female worker gets just 64 per cent of what a male worker earns in the same occupation and at the same level of qualifications.

In line with these findings, the three lowest ranking countries, i.e. Argentina, Brazil and India, are the most traditionalist and the least developed ones of the sample, taking their 2008 Human Development Index (HDI) as benchmark. These were 0.87, 0.82 and 0.64 respectively, while their pay gaps ranged between 29 and 36 per cent. By contrast, the top four nations on the list of eleven countries compared here show HDI's between 0.94 and 0.96 as well as gender gaps that don't surpass 17 percentage points.

But there are exceptions to this 'rule'. Surprisingly, an emerging economy like Hungary, in terms of the gender pay gap outperforms the two highly developed countries Finland and Germany. Despite its modest 0.88 HDI, wage data for Hungary show a more egalitarian gender pay distribution than those two West European countries.

Table 1 – Gender gaps based on 2006-2010 average wages by country

Ranking	Country	Male respondents	Male's hourly average wage (in local currency)	Female respondents	Female's hourly average wage (in local currency)	Female's wage as % of male's
1	Denmark	2,382	143.83	1,292	131.13	91.17%
2	United Kingdom	21,062	13.65	21,345	11.76	86.10%
3	Belgium	14,858	15.32	11,634	13.10	85.52%
4	Netherlands	89,200	15.96	61,310	13.40	83.92%
5	Hungary	5,429	907.75	6,793	751.62	82.80%
6	Finland	13,104	16.91	14,008	13.58	80.31%
7	Germany	76,320	16.77	46,348	13.14	78.35%
8	Spain	12,371	11.03	10,387	8.57	77.70%
9	Argentina	24,847	16.01	14,734	11.33	70.77%
10	Brazil	28,210	9.25	22,067	6.01	64.97%
11	India	9,935	207.20	1,956	132.38	63.89%

b) Occupations and earnings gap

Varying with occupations, the gap between what men and women earn gets wider or narrower. The dataset allows us to infer accurate conclusions about the gap's width per occupation for which enough data had been collected over the past five years. For the aggregation of occupations the International Standard Classification of Occupations (ISCO) was used.

As shown in Table 2, craft and related trade occupations exhibit the widest gap: 31 percentage points between what men and women earn in these occupations. Next, plant machine operators and assemblers along with managers make up the following aggregate occupations with a considerable wage gap. By contrast, the narrowest pay gap is found in the administrative support and the service and sales occupations, where the gap does not surpass 10 percentage points. Among the administrative support occupations, secretaries stand out as an exception with a 16 percentage point income gap in favour of women (see Table 3). For nurses the data show a narrow gap of only 6.7%. These two examples show that where the jobs are mainly occupied by women, the gap tends to be smaller or to even favor women. In the case of journalists the pay gap is 17.6% while economists and sociologists, grouped under the professional aggregate occupation, show wage differentials in favor of men, of 28 and almost 8 percentage points, respectively.

Table 2 - Gender gaps taken from 2006-2010 male and female's average wages, by occupation groups

	Male respondents	Male's hourly wage (in \$ PPP)*	Female respondents	Female's hourly wage (in \$ PPP)	Female's wage as % of male's wage
Managers	33,864	20.30	16,811	15.42	75.92%
Professionals	89,164	19.00	51,167	15.48	81.46%
Technical and Associate professionals	50,404	15.09	42,949	12.63	83.68%
Administrative support workers	29,952	11.81	55,906	11.09	93.86%
Service and sales workers	17,261	11.53	21,836	10.38	90.08%
Skilled agricultural, forestry and fishery workers	1,716	13.38	649	10.60	79.19%
Craft and related trades workers	32,922	14.28	3,701	9.83	68.82%
Plant and machine operators and assemblers	17,226	13.22	2,980	9.91	74.95%
Elementary occupations	10,578	11.32	5,912	9.76	86.15%

* **\$ PPP**: the purchasing power parity measures the purchasing power per country in terms of US Dollars.

Table 3 - Gender gaps taken from 2006-2010 male and female's average wages, for specific occupations

	Male respondents	Male's hourly wage (in \$ PPP)	Female respondents	Female's hourly wage (in \$ PPP)	Female's wage as % of male's wage
Nurses	1,356	16.38	3,183	15.28	93.30%
Journalists	1,190	16.62	1,432	13.68	82.34%
Sociologists	697	17.90	805	16.49	92.17%
Economists	1,013	22.75	798	16.35	71.85%
Secretaries	517	10.69	9,327	12.45	116.54%
Receptionists	536	10.45	3,657	7.43	71.12%
Shopsales persons	2602	11.28	4,253	9.63	85.34%

c) The impact of trade union membership

The gender pay gap is lower for unionized employees than for employees who are not members of a trade union. According to the 2010 data, trade union membership narrows the income gap by 6 percentage points. Thus, a unionized female worker earns 80 per cent of what a fellow male union member earns. By contrast, women who are not members of a trade union get 74 per cent of what non-affiliated male workers earn.

Comparing the impact of trade union membership by country for the period 2006-2010, it is found that it narrows the gap 12 percentage points in the British and the Argentine cases as well as an 8 percentage points in the Dutch and the German ones. In Belgium, Spain and Denmark trade union membership narrows the gap nearly 3 percentage points, while in Brazil, Hungary and Finland hardly any impact could be measured.

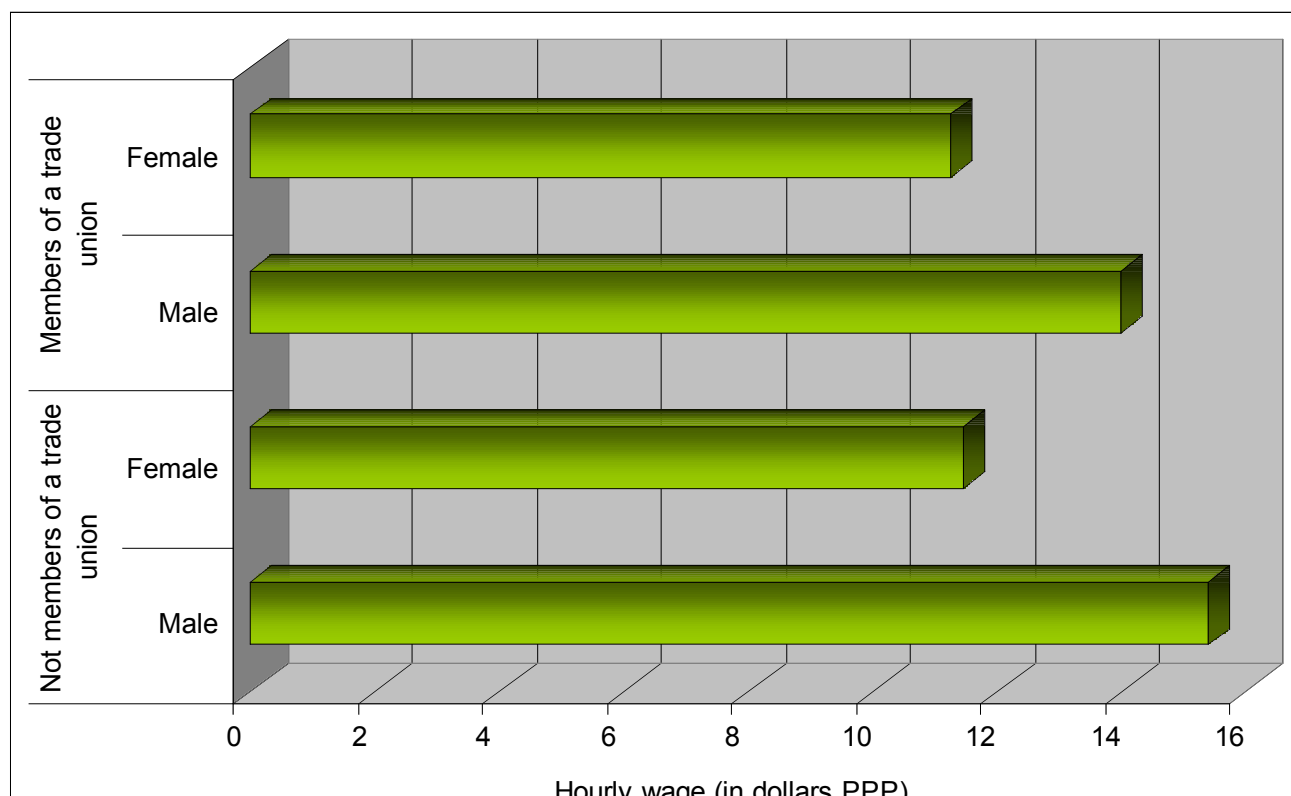
Table 4 - Gender gaps taken from 2006-2010 non-trade-union members' average wages, by country

Ranking	Country	Male respondents	Male's average wage (in local currency)	Female respondents	Female's average wage (in local currency)	Female's wage as % of male's
1	Denmark	73	181.34	51	150.00	82.72%
2	United Kingdom	14,617	13.67	15,511	11.43	83.62%
3	Belgium	7,738	15.98	5,928	13.58	84.95%
4	Netherlands	63,351	15.96	47,516	13.22	82.81%
5	Hungary	3,013	904.00	3,709	767.45	84.89%
6	Finland	4,635	17.37	3,903	14.03	80.79%
7	Germany	59,238	16.67	37,749	12.86	77.15%
8	Spain	8,401	11.20	7,498	8.59	76.72%
9	Argentina	15,186	17.43	8,649	11.79	67.64%
10	Brazil	12,474	9.99	9,028	6.40	64.00%

Table 5 - Gender gaps taken from 2006-2010 trade union members' average wages, by country

Ranking	Country	Male respondents	Male's average wage (in local currency)	Female respondents	Female's average wage (in local currency)	Female's wage as % of male's
1	Denmark	174	167.74	157	144.99	86.44%
2	United Kingdom	3,482	13.43	3,118	12.80	95.35%
3	Belgium	6,329	14.37	5,058	12.60	87.70%
4	Netherlands	20,157	16.30	9,620	14.79	90.76%
5	Hungary	1,656	853.38	2,119	721.22	84.51%
6	Finland	7,903	16.73	9,499	13.44	80.34%
7	Germany	13,877	16.92	6,372	14.39	85.00%
8	Spain	2,704	10.55	1,943	8.43	79.89%
9	Argentina	7,143	13.84	4,407	11.08	80.07%
10	Brazil	8,867	8.29	7,814	5.37	64.77%

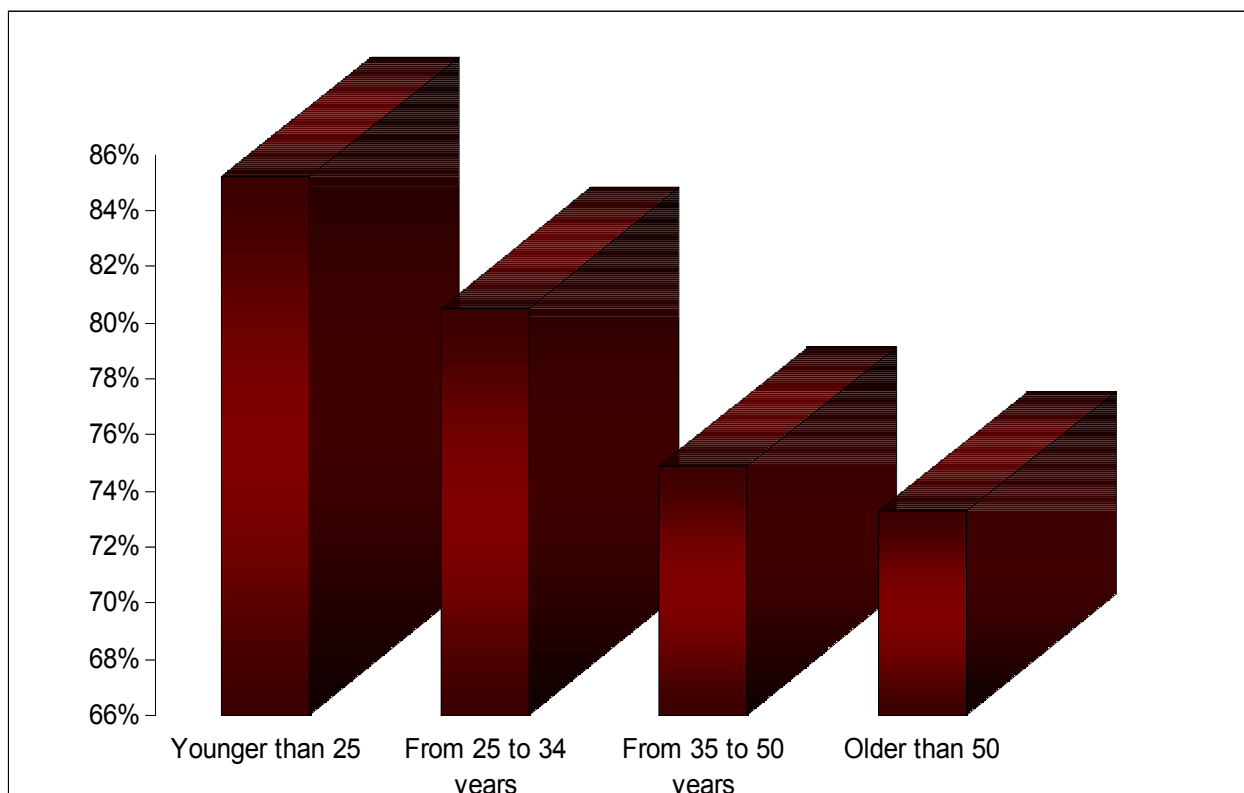
Figure 2 – The impact of trade union membership on the gender wage gap



d) Age matters

Another labor feature that seems to have a close relationship with the gender gap is age. According to 2010 data, the earning differential clearly widens in favor of men as years pass. At the first stage, when workers are younger than 25, the average gender gap is 15%, i.e. women earn 85% of their male counterparts. Then, during the next 9 years men and women's wage differentials widen 4 percentage points, reaching 19%. In the middle-age group this widening process accelerates and the gap expands another 6 percentage points to reach the level of 25%. Finally, during the last years of the working career, the earnings gap keeps widening but at a slower rate, as women over 50 earn 73% of men their age.

Figure 3 – Age and women’s pay as a percentage of men’s earnings

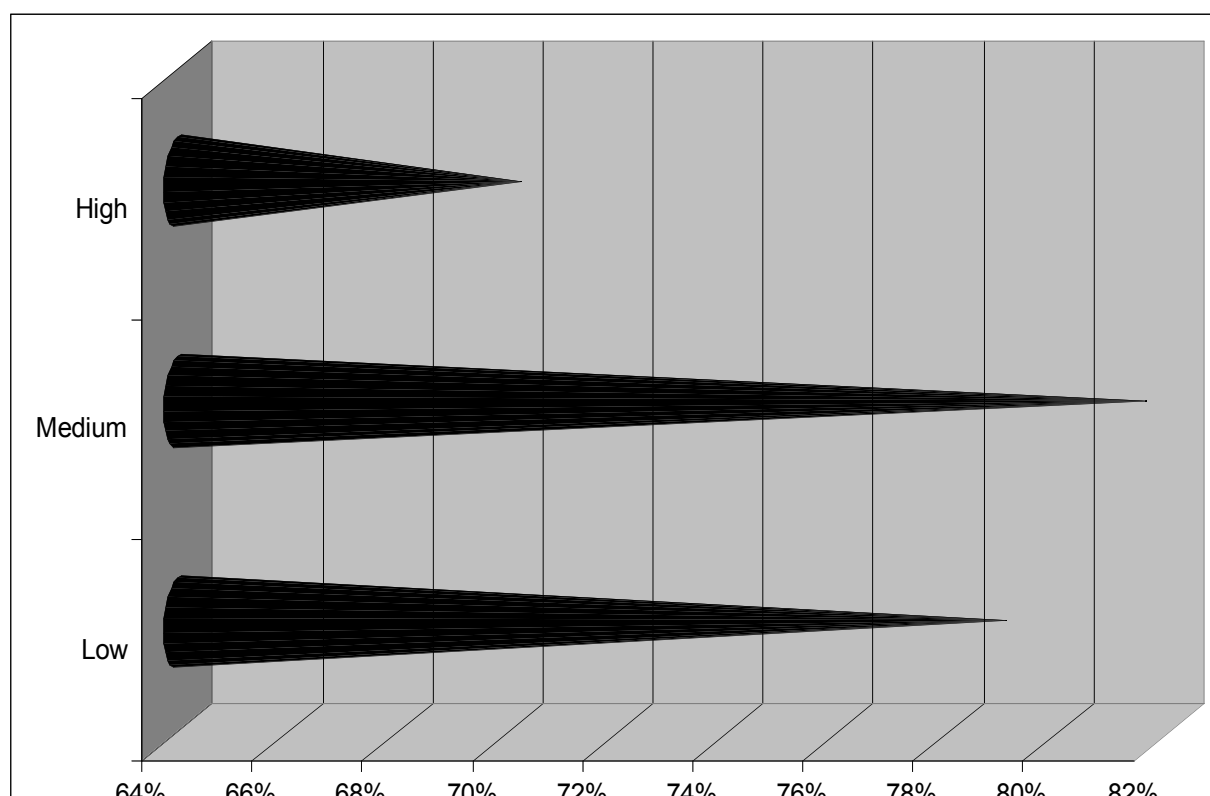


e) Level of education as a determinant

In order to find correlations between workers’ levels of education and gender gaps, the sample of 2010 was divided into 3 educational groups: those workers who didn’t finish their basic studies; a second group consisting of workers with a middle educated and those who finished high-school and a third group involving those with a university or post-graduate degree.

One of the most outstanding findings of this report is the wide gender gap in the highly educated group, compared to the lower educated groups. Highly educated women earn on average a considerable 30 percentage points below the earnings level of their male peers. It looks like graduating pays off for men much more than for women.

Figure 4 – The impact of education level on the gender pay gap



3. Other labor conditions

Apart from the level of earnings, there are other working life aspects that must be considered in order to evaluate the job quality. Having access to health insurance and the creativity/monotony ratio of tasks, along with a healthy, secure and pleasant work environment dramatically impact the job quality. Next to the pay privilege of men as compared to women in almost every occupation covered by our sample, do they enjoy still other and better conditions than female workers?

To begin with, we find a gender asymmetry in the employers' contribution to private health insurance schemes. 2010 data show that nearly half of all female workers get their full health insurance contribution from the employers whereas only 37.2 per cent of male workers enjoy the same benefit. Moreover, 29.2 per cent of the male respondents don't get any private health insurance contribution at all, whereas this

score is 26.8 per cent in the case of women case and therefore slightly better than the result for men.

Table 5 – Employer's contribution to private health insurance, by gender

	All	In part	None	Total
Male workers	37.23%	33.57%	29.20%	100%
Female workers	48.94%	24.25%	26.81%	100%

Next, a higher percentage of male workers are exposed to dangerous working conditions. Even though this is the case only for 17 per cent of the male sample, it is significantly higher than the 7 per cent of the women who claim that they have to face dangerous working conditions. Furthermore, the proportion of female workers declaring that they never work in a dangerous environment is 21 percentage points higher than the one for men. Therefore, from the perception of the respondents, it can be inferred that men work in riskier conditions than women.

Table 6 – Frequency of dangerous working conditions, by gender

	Never	Hardly ever	Incidentally	Often	Daily
Male workers	45.14%	22.52%	15.39%	8.84%	8.11%
Female workers	65.99%	17.29%	9.54%	4.01%	3.16%

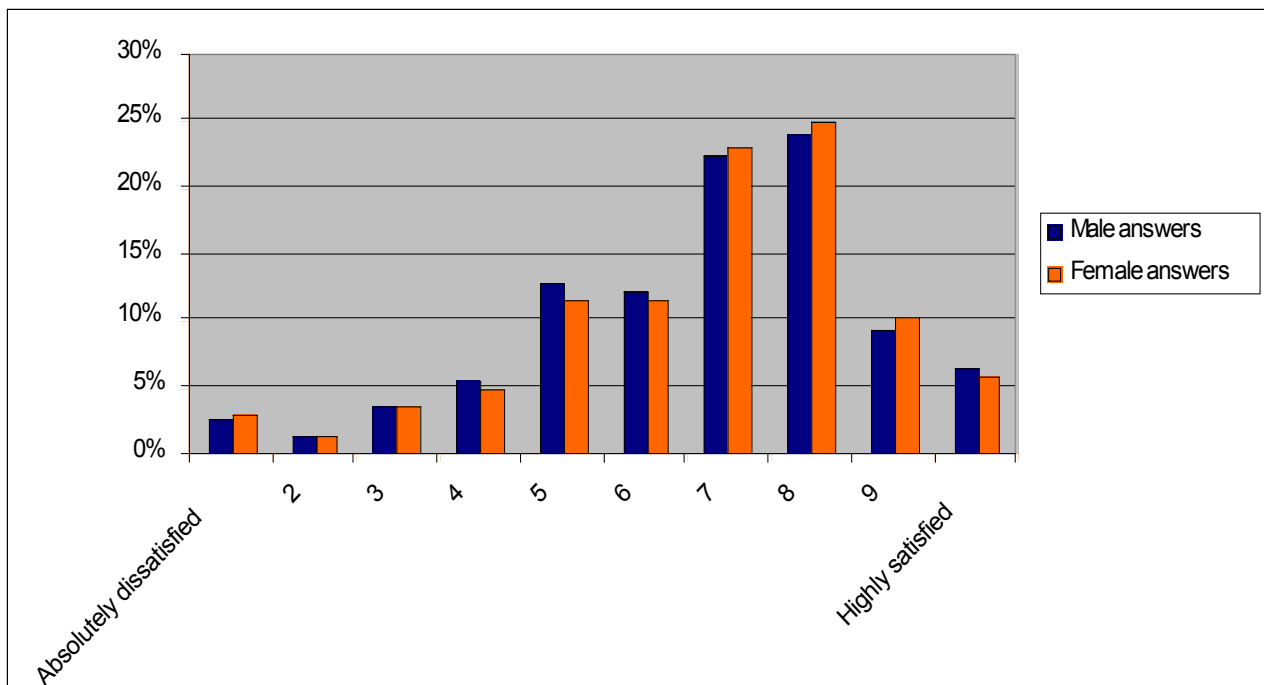
No striking gender differences are found regarding task monotony. Both men and women expressed practically the same opinions about how often they find their jobs boring and how often they have to deal with monotonous tasks. In each case nearly 60 of the respondents claim that they never or hardly ever feel boredom doing their tasks, but a third of the respondents find their duties monotonous quite often. Similarly, overall they agree in their perception of the work environment, as approximately half of both men and women respondents express satisfaction with it, whereas a quarter of them claim discontent and the residuary 25 per cent are indifferent.

4. Levels of satisfaction

This final section compares the levels of satisfaction that male and female workers express with respect to their lives, pay, job, leisure time and the division of household tasks.

According to the 2010 survey's results, overall men and women claim satisfaction with the lives they lead. Each gender's sample shows that approximately 75 per cent of them are, at least, happy with their lives as a whole. On this issue, the distribution of answers is practically equal, as shown in Figure 5.

Figure 5 – Levels of satisfaction with life, by gender



Regarding levels of satisfaction with earnings, it can be seen that women are 7 percentage points more discontent than men. While 42 per cent of the male respondents claim to be dissatisfied on this score, 49 per cent of the women say so. This difference in levels of satisfaction expressed seems to match the gender pay gap, measured in almost all occupations.

Table 7 – Levels of satisfaction with the pay, by gender

Level of satisfaction	Female responses	Distribution Female answers	Male responses	Distribution Male answers
Absolutely dissatisfied	8,173	25.28%	8,707	18.5%
2	7,685	23.77%	11,061	23.5%
3	9,310	28.8%	14,786	31.42%
4	5,341	16.2%	9,412	20.00%
Highly satisfied	1,822	5.64%	3,095	6.58%
Total	32,331	100%	47,061	100%

When comparing the answers about job contentment, it is noticed that men state higher levels of satisfaction as well as lower degrees of dissatisfaction than women. And since our findings do not single out a non-monetary working condition which favors men over women, this relative job unhappiness of women compared to men must be linked to a large extent with their relative dissatisfaction with pay.

Table 8 – Levels of job satisfaction, by gender

Level of satisfaction	Female responses	Distribution Female answers	Male responses	Distribution Male answers
Absolutely dissatisfied	3,333	10.26%	3,632	7.71%
2	3,906	12.02%	5,391	11.44%
3	9,313	28.67%	12,897	27.36%
4	9,232	28.42%	15,057	31.94%
Highly satisfied	6,702	20.63%	10,161	21.56%
Total	32,486	100%	47,138	100%

Leisure time is a valuable asset for all, no matter gender, nor occupation, especially after long working hours. Unfortunately, household duties oblige working people to dedicate part of their free time to these tasks instead for recreational purposes. Traditionally, household tasks have been assigned to women, but in the last decades there has been a trend to distribute these 'female' duties more equally between men and women. Nevertheless, according to our sample, women are still in charge of most of the household tasks, consequently, overall they work usually more hours per day than men.

Regarding levels of satisfaction, 47 per cent of the surveyed women are happy with the present division of tasks and 21 per cent definitely unhappy, compared to 58 per

cent of the male respondents stating satisfaction with present arrangements, whereas only 11 per cent of the male workers claim unhappiness in this matter.

Overall female respondents express lower levels of happiness and higher levels of discontent in relation to their free time as compared to men.

Table 9 – Levels of satisfaction with leisure time, by gender

Level of satisfaction	Female responses	Distribution Female answers	Male responses	Distribution Male answers
Absolutely dissatisfied	2,576	16.34	2,662	16.34
2	3,159	20.03	4,243	20.03
3	4,792	30.39	6,924	30.39
4	3,475	22.04	5,369	22.04
Highly satisfied	1,767	11.21	2,295	11.21
Total	15,769	100	21,493	100

Table 10 – Levels of satisfaction with the division of household tasks, by gender

Level of satisfaction	Female responses	Distribution Female answers	Male responses	Distribution Male answers
Absolutely dissatisfied	1,295	10.20	624	3.72
2	1,492	11.76	1,174	7.01
3	3,874	30.53	5,163	30.82
4	3,415	26.91	5,993	35.77
Highly satisfied	2,614	20.60	3,798	22.67
Total	12,690	100	16,752	100



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