The Gender Wage Gap in Today’s Global Workforce

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I. Introduction

The world of employment and labor, has presented a number of issues uniquely affecting women. Many policies implemented in corporate America, and countries across the globe, employ discriminatory practices that remain hard to identify and even more difficult to remedy. Women face a set of issues that are largely based on their revolving presence in the workforce, which can sometimes be the result of stereotypical societal practices and gender discrimination. One such area greatly affecting women at work is the gender wage gap, which illustrates that women, in all fields and areas, make less than their male colleagues even with similar education and experience.\(^1\) Gender pay parity is a necessary and effective means of achieving equality for women and its absence is detrimental to that overarching goal. If change continues, at its current pace, women will not see pay parity until the year 2059.\(^2\)

This paper is a comparative review of multiple countries and regions focusing on the scale of inequality in compensation that women receive when compared to their male counterparts of similar experience and education. By viewing statistical data and policies of these countries, and the effects they have on widening or decreasing the wage gap, on a regional basis we can better identify the trends in the area that have the most effect on acquiring equality and promoting an international effort towards securing women’s equality. Differences in benefits, education, and experience in the workforce have reinforced, and in many cases widened, any existing gender wage gaps founded on those gender stereotypes, payment and employment structures, political, and societal norms. Recommendations for remedying this gender wage gap

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\(^2\) *Id.*
and promotion of equality for women in the workforce starting at the educational level, many of which are modeled after similar actions taken by various states are included at the end.

According to the Organization for Economic Co-Operation and Development (OECD), “Women continue to earn less than men, are less likely to make it to the top of the career ladder, and are more likely to spend their final years in poverty.”3 The gender wage gap is a consistent issue effecting every country in the world.4 There exists no country which has completely closed the wage gap and achieved gender equality in the workforce.5 However, there are particular regions that have achieved substantially lower wage gap percentages than others. The OECD has compiled data on a number of countries that are computed to determine what percentage of a wage gap exists between men and women in employment.6 They define the gender wage gap as the difference between earning between men’s and women’s female median wages divided by male median wages.7

II. Conflicts in the Changing Workforce

Globally, the gender pay gap sits at an estimated 23 per cent; women earn about 77 cents for every 100 that men earn.8 There are various overarching moves in employment arenas that contribute to this wage inequality. Currently, countries are moving their employment systems

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5 Id.
6 Supra, note 3.
towards variable or performance based systems that could potentially increase the pay gap
despite changes to education and experience. Without solid markers identifying when and why
promotions and pay raises are given, or not given, there is an immense amount of discretion for
employers that often results in discrimination and bias. These types of systems often make it
much more difficult to weed out purely discriminatory practices from practices that have a
discriminatory effect. “Structural barriers to gender equality and gender-based discrimination
persist in every country, both private and public spheres. There are manifested in the world of
work as gender gaps in labour force participation and pay….”

The revolving door of women coming into and out of the workforce without incentives or
ease of access to come back poses another issue helping to solidify the wage gap as a permanent
fixture in employment. Due to the unequal sharing of household responsibilities between men
and women, and women often taking time off to have and care for children, they are placed in a
vulnerable position which increases the pay gap and disincetivizes those women to reenter the
workforce. This conspires with the arbitrary promotion and salary raise procedures to solidify
and widen the wage gap.

Women are also more likely to be a part of the unskilled labor force, which often creates
an immobile low-wage job system and socio-economic class making influence over benefits and
wage disparities ineffective against upper management. Women represent a relatively low
percentage of board member seats or upper management positions which would otherwise give

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9 Women’s economic empowerment in the changing world of work, Report of the Secretary-
10 Hirway, Indira. Equal Sharing of Responsibilities between Women and Men: Some issues with
12 Id.
them a voice in payment negotiations and employment structures. Skilled-based technological change has aggravated these workplace segregations. Women are often pushed in the direction of particular, and stereotyped, employment positions. Generally, these includes areas that include care responsibilities, while men are pushed towards areas including mathematics, science, and technology.

III. Regional Comparisons

This section will offer views on regional trends, pinpointing specific aspects of the countries that reside within these regions, as a means of identifying what influences certain actions have when implemented in similar ways in neighboring countries. The gender wage gap is an international issue that may require each state to work with their neighboring countries to promote better employment practices for women. Given that countries can find the path to pay parity more successful when their neighbors hold similar goals, it is necessary to see which trends are working and which allow for the gender pay gap to persist.

International instruments provide a source of law by which each signatory must follow. Under Article 23 of the Universal Declaration of Human Rights, there is a specific statement addressing everyone’s right to equal pay for equal work, without discrimination. The Convention on the Elimination of Discrimination against Women states, “[t]he right to equal remuneration, including benefits, and to equal treatment in respect of work of equal value, as

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16 UN General Assembly, *Universal Declaration of Human Rights*, (December 10, 1948, Article 23(2)).
well as equality of treatment in the evaluation of the quality of work.”\textsuperscript{17} Thus, international law, and other human rights instruments, encourage signatories to provide spaces for these necessary socioeconomic changes to occur so that gender pay parity can be achieved.\textsuperscript{18}

**A. Nordic Countries and Northern Europe**

Nordic countries and some countries found in Northern Europe, by a large margin in comparison to areas that fall at the higher end of the wage gap percentage, have relatively low wage gaps in a number of their countries.\textsuperscript{19} Norway, Denmark, Luxembourg, and Belgium all have pay gaps that fall below the 10% mark.\textsuperscript{20} However, this does not insinuate that all countries in this region are the same as some have significantly higher wage gap percentages. The Netherlands has a percentage just about 20% and Finland comes in at almost 19\%.\textsuperscript{21}

Trends in this area indicate that the employment systems are much more inclusive of women in the workforce and take into consideration the number of components that must be reorganized to achieve equality. Many countries provide mandatory paternity and maternity benefits funded by generous state mandated insurance and employers.\textsuperscript{22} The redistribution of responsibility for children and the home lowers the disadvantage women have when they spend any significant amount of time outside of the workforce and allows men to co-share in that burden.\textsuperscript{23} When women are more present in the workplace, they have greater bargaining power, experience, and are less effected by gender stereotypes that call into question their dedication to

\textsuperscript{17} G.A. res 34/180, Art. 11.
\textsuperscript{18} UN Doc. A/6316 (1966) Art. 2.
\textsuperscript{19} OECD Earnings and Wages calculator.
\textsuperscript{20} Id.
\textsuperscript{21} Id.
\textsuperscript{22} Johanna Bjork, *What Scandinavia Can Teach Us About Gender Equality*, letsdomore.com
\textsuperscript{23} Id.
their jobs. These countries also give tax incentives and have re-entry programs which lower opportunity costs of having children.\textsuperscript{24}

They promote women’s leadership by requiring publicly listed companies to have at least 40% of their board positions reserved for women.\textsuperscript{25} In the 70’s, Denmark, Sweden, and Norway introduced voluntary gender quotas.\textsuperscript{26} These quotas have worked so well that at least one country has done away with the program because it is no longer necessary.\textsuperscript{27} Given that women, globally, represent a very small fraction of company board positions or upper management positions, these gender quotas go a long way in giving women a say in the payment and employment structures they work under. These types of policy changes allowed these countries to follow international law and provide avenues towards gender pay parity.

\textbf{B. The European Union}

In 2012, the European Union (EU) had an estimated 16.7% wage gap between men and women in the workforce.\textsuperscript{28} Male employment rates for those aged 20-64 exceeded those for women in every country (only in the Nordic and Baltic Member states was the gap relatively small).\textsuperscript{29} In 2014, three times as many women as men were working in part-time positions, accounting for almost 1/3 of the total female workforce, while only 10% of men were working

\begin{footnotesize}
\begin{itemize}
\item \textsuperscript{24} Id.
\item \textsuperscript{25} Id.
\item \textsuperscript{26} The Situation in the EU, http://ec.europa.eu/justice/gender-equality/gender-pay-gap/situation-europe/index_en.htm
\item \textsuperscript{28} \textit{Gender Pay Gap Statistics}, Eurostat Statistics Explained (2016).
\item \textsuperscript{29} \textit{Labour Market Statistics at Regional Level}, Eurostat: Statistics Explained (April 2016).
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According to Europa, only 5.1% of the largest publicly listed companies have female CEOs, an increase of less than 2.5% in the last 4.5 years. European countries have a significant range in the size of their wage disparity. The highest gender pay gap, at 30%, falls in Estonia, reaching almost twice as high as the EU average. France’s wage gap falls at 15.5% mark, just below the 16.7% of the EU overall. Most of the countries in this region offer some form of maternity support, varying in generosity. However, in many countries there is also an encouragement of men to take paternity leave to aid in child care duties and promote equality in the workforce. Promotion of gender equality through increasing women’s participation in the workforce and the equal sharing of care responsibilities is also a strategic objective of the Beijing Platform for Action.

C. Latin America and the Caribbean

In Latin America and the Caribbean, there has been acknowledgement of the necessity for policy changes supporting social demands for women’s rights and gender equality in

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35 Beijing Platform for Action, Women and the Economy, F.6(d)
economic and social development. The Economic Commission of Latin America and the Caribbean (ECLAC) discovered that education and vocational training had little effect on closing wage gaps considering that in higher levels of education men still made 25.6 percent more than women in similar positions with similar education. The wage gap decreased to 12.1 percent between 1990 and 2014, but women still made only 83 monetary units for every 100 monetary units received by men. Similar to the global trend, the largest wage gap occurs in levels of employment with the highest education. “The biggest wage gap is observed in the population with the highest education levels (13 years and more of education). The inclusion of women in areas such as science and technology, telecommunications and large companies may be contributing positively, even without creating equality.”

Gender stereotypes seem to play a large role in Latin American countries’ ability to more effectively close the gender wage gap. Women are often steered away from careers in architecture, law and engineering which require quantitative skills and pushed towards psychology, teaching, and nursing where skills are less developed. Coupled with the fact that women have a tendency to work part time, on self-employed or informal basis, and enter the workforce later in life (both due to home responsibilities and children) they are penalized with lower wages.

Women in the low-skilled levels of employment have seen the fastest decrease in wage disparity as a result of new laws protecting domestic workers, the majority being women, which

37 Id.
38 Id.
39 Id.
includes minimum hourly pay rates and increases in monthly minimum wage. Adversely, women in higher levels of employment tend to see the largest pay gaps and promotion disparity when assessing similar levels of education and experience.

ECLAC has set forth its own suggestions for remedying the wage gap through promotion of spaces for collective bargaining and active participation that includes women. They also suggest increasing the minimum wage to promote equality, implementation of regulations that ensure higher co-responsibility for care of dependents, guaranteed equal training opportunities, promotions, overtime, and other work commitments that improve payroll.

**D. North America**

North America has made the “second-most progress towards gender parity overall.” Both countries in the North American region have made strides to close the gender wage disparity. However, Canada outranks the United States in regards to decreasing the gender wage gap due, in large part, its encouragement of women empowerment in politics and education.

The United States is not without gender discrimination in wages. Women in the United States earn, on average, 80 cents for every $1 that men earn. The Institute of Women’s Policy Research (IWPR) tracks the gender wage gap over time in facts sheets that are updated twice per

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42 Id.

43 Id.

44 Id.


year. The IWPR’s research suggests that “persistent occupational segregation is a primary contributor to the lack of significant progress in closing the wage gap. According to a recent regression analysis of federal data by IWPR, the poverty rate for working women would be cut in half if women were paid the same as comparable men.” Particularly in the United States, where married mothers are the primary or co-breadwinners in more than half of families and more than 15.2 million households are headed by women, gender income discrepancy can be enough to push families below the poverty line. “Failure to support the care economy reinforces the gender pay gap in two ways: by undervaluing women’s jobs and entrenching women in low paid work; and by limiting women’s paid work opportunities, through lack of affordable care prices.”

Canada, while making strides to close the wage gap, has the 7th highest gender wage gap out of 34 countries in the OECD. As seems to be the trend in many countries, the wage gap is a product of a patriarchal workforce, gender specified jobs in which males make more than females, women assuming more part-time and unpaid labor positions, and bare gender discrimination. An estimated 10-15% of the wage gap has been attributed to pure gender-based wage discrimination even with legislation, such as the Pay Equity Act and the Employment

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49 Mlambo-Ngcuka, Phumzile, Equal Pay Matters, UN Women (April 12, 2016).
50 Id.
Equity Act, which are meant to remove barriers for women in the workplace and ensure equal pay.  

Recently, non-governmental groups have encouraged their governments and society to help girls enter STEM (Science, Technology, Engineering, and Mathematics) careers, improve workplace policies (targeting workplace discrimination), and bring together community programs to share statistical data and identify areas of concern. Statistical data is of particular importance in this area particularly because it helps attribute the gender wage gap to particular issues and concerns that need to be addressed in order to decrease it and reach pay parity. It also allows for significant leverage in influencing countries to take targeted approaches to closing the gender wage gap by identifying specific areas shown to affect women in the workplace.

E. Asia

Asia has some of the highest gender wage gaps in the world, with South Korea leading for over 10 years among the member states of the OECD. In Southern and Eastern Asia, the wage gap has increased due to women’s lower employment participation and limited employment opportunities. In Southern Asia, more than 60 percent of all working women are

52 Pay Equity Act R.S.O 1990, Chapter P.7: requiring employers to give females compensation at least equal to compensation paid to males in job class of equal or comparable value, Employment Equity Act S.C. 1995, c. 44.

53 Id.


concentrated in agriculture jobs which are unpaid and poorly remunerated.\textsuperscript{56} On average, Asian women earn between 70 and 90 percent of what men earn.\textsuperscript{57} “Between 1990 and 2015, the region’s economy grew an average six percent a year. . . an economic model has been pursued which has instead driven a rise in extreme economic inequality . . . including gender inequality.”\textsuperscript{58}

In Japan, where young women, on average, are better educated than young men, it is a stark contrast to know that gender differences in these labor markets are still quite large.\textsuperscript{59} “The gender pay gap is closely linked to men being more often in regular employment than women, with greater access to employer-provided training and benefits, as well as age and tenure-related pay increases.”\textsuperscript{60} With declining fertility and birth rates, it is increasingly important for countries like Japan to adequately address the gender wage gap to compensate for the declining working-age population.\textsuperscript{61} Policy changes that focus on making easier the work and family balance could give women a more consistent representation in the workforce and redistribute some of the home life responsibilities.\textsuperscript{62}

Two of the only countries found to have made significant strides in closing the gender pay gap are the Philippines and New Zealand. New Zealand, currently has the lowest gender

\begin{flushright}
\textsuperscript{56} Id. \\
\textsuperscript{58} Id. \\
\textsuperscript{60} Id. \\
\textsuperscript{61} Id. \\
\textsuperscript{62} Id.
\end{flushright}
wage gap in the world with 5.62%, according to the OECD. Nonetheless, according to the Euromonitor, “women in the Asia Pacific region will earn 41.2 percent less than men by 2030, higher than global estimates of 35.7 percent in the same period.” This is largely due to the concentration of women in traditional low-paid service jobs while men pursue and occupy manufacturing and technological sectors. It is suggested that some of the wage gap is “rooted” in culture and tradition, and also a product of legal differences between men and women that are present in many countries, particularly those in South Asia.

However, there have been some successes in recent years to lower the gender wage gap and increase female workforce participation. In South-Eastern Asia the participation gaps have narrowed due to a small decline in male participation allowing women to take on more of the once male-occupied positions. In Central and Western Asia, trade openness and economic integration have begun to employ a larger number of women. Concerns still persist as to issues of the gender wage gap that cannot be addressed by increasing the female workforce. Stereotypes and gender discrimination still play roles contributing to the gender wage disparity.

IV. Recommendations

Women in the global workforce are in need of support from the domestic and international communities to close the gender wage gap and reach pay parity. To ensure the

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63 OECD Earnings and Wages calculator
64 Chandran, Nyshka, Gender Wage Gap in Asia Set to Get Worse, CNBC (July 2014).
66 Id.
68 Id.
promotion of women in the workplace and decrease gender wage gaps globally, the Commission, ECOSOC, and the States of the world should encourage the global implementation of a set of policies aimed at aiding women in combating discrimination and gender inequality at work. With this in mind, Human Rights Advocates recommends:

Commission on the Status of Women

1. Should urge countries to publicly acknowledge inequality between men and women in the workforce, particularly in areas of pay. Declarations of existing inequality and announcement of plans to move towards a more progressive and inclusive society can often incentivize companies, private and public, to make changes to close the gender wage gap.

2. Encourage the creation of data collection for a statistical framework for gender pay disparity serving as a tracker for progress in various countries and regions. This data would track trends and their effects on closing the wage gap as well as identifying how much bare gender discrimination accounts for that gap.

3. Request ECOSOC to encourage States to create and utilize re-entry programs for those women who have left the workforce due to childcare or other concerns. These programs should involve education on co-management of home and work affairs (including available childcare options).

Request State Governments to

4. Encourage the creation of programs focused on getting women into fields of technology, science, and mathematics. These programs should include high school and elementary
programs which help push women into these emerging fields and create successful pathways into the workforce beginning with early intervention.

5. Incentivize equality in benefits, including paternity leave which will allow for a redistribution of home and care responsibilities. In turn, this will also combat the stereotypes which continue to force women into taking on the majority role in caretaking responsibilities.

6. Encourage a greater focus on shared responsibilities in the home to move stereotypes of female homemakers towards a co-shared responsibility – emphasizing male roles in the home giving women opportunities to move away from part-time or unpaid labor work into the mainstream, full-time labor force.

7. Use incentives, for public companies to strive for a decrease in their pay gap, the formation of employment programs that increase inclusion of women and decrease pay inequality. This can be achieved in the form of tax breaks or grants for meeting certain gender quotas.

8. Encourage the implementation of penalties for publicly-listed employers who do not make substantial moves to close such pay gaps through procedure changes and anti-discrimination policies.