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Gender Pay Gap

Why in news?

World Bank Group report found that globally, women earn just 77 cents for every dollar paid to men highlighting the gender pay gap.

How the gender pay gap is measured?

- The International Labour Organisation terms the gender pay gap as a “measurable indicator” of inequality between women and men.
- As per ILO [gender pay gap](#) is defined as the gap between the average wage level of all women and all men working in the labour market for a monthly salary, hourly or daily wage.
- It is the average wage difference between all working women and men, not just for “equal work.”
- **Differ from equal pay-** It differs from “equal pay for equal work,” which mandates equal pay for men and women with the same qualifications doing the same job.
- **Calculation variance-** There is no single method for calculating the gap. Different organizations use different metrics, such as hourly or weekly wages, leading to varied findings.
- **Gender inequality-** Despite methodological differences, a gender pay gap is present in most countries and industries, indicating a persistent issue of inequality.

Why there is a gender pay gap?

- **Low labour force participation-** Women are often underrepresented in the workforce compared to men due to societal expectations and traditional gender roles.

Labour force participation rate	Men	Women
Global	72%	47%
India	53.26%	25.51%

- **Occupational segregation-** Women are more likely to be employed in lower-paying jobs or industries, while men dominate higher-paying sectors such as engineering and computer science, this leads to differences in average earnings.
- **Underrepresentation** - ILO’s Women in Business and Management report found that women are less likely to hold management or leadership positions, especially at higher levels which can affect salary levels and contribute to the gender pay gap.

- **Part-time work**-Women are more likely than men to work part-time, often due to caregiving responsibilities. Part-time work typically offers lower wages and fewer benefits compared to full-time positions.
- **Motherhood penalty**- Women may experience a decline in earnings when they take breaks from their careers to have and care for children which leads to reduced opportunities for advancement or discrimination in the workplace.
- **Gender stereotype**-Historical gender roles have often assigned the role of primary breadwinner to men, while women have been expected to prioritize caregiving and domestic responsibilities which can influence workplace dynamics and lead to women being undervalued or overlooked for higher-paying positions.
- **Low investment in education**- Women may have limited access to quality education or may face barriers such as cultural norms or financial constraints that discourage them from pursuing higher education or specialized training.
- **Safety**- Safety concerns in the workplace and during commute can disproportionately affect women and influence their career choices.
- **Service sector**- The pay discrimination increased significantly with the growth of the services sector in the 20th century.
- **Age related patterns**- Analysis of employment data based on age reveals that women's earnings tend to dip in their mid-30s and 40s compared to men in similar positions and professions, it is often attributed to factors such as career breaks taken by women to care for children or elderly relatives, as well as barriers to career advancement and salary negotiation.
- **Work-family balance**- [Claudia Goldin](#), a renowned economist argues that men have historically been able to prioritize their careers while women have been expected to prioritize family responsibilities.
- **Slow pace of progress**- Policies like parental leaves and work flexibility are slowly narrowing the earnings gap, but the progress towards closing the gap has been slow.

Reference

[The Hindu- World Bank on Gender pay gap](#)



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