

# Men are from Mars; women are poorly paid

Written by: Clara Young, OECD Observer

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“Employment rates for women have grown faster and are above where they were in 2008, but employment rates for men have not even gotten back to where they were.” This remark was made by the OECD chief economist, Catherine Mann, after delivering an update on the global economic outlook in late September. Speaking to the BBC, Ms Mann added, “Women are paid less than men. You’ve got more women employed, as compared to men, so the algebra works out to be a downward pressure on wage growth.”

That downward pressure is exerting itself at the uppermost echelon of the jobs pyramid. According to the International Labour Organization’s (ILO) 2016 report *Women at Work*, most jobs created in the last 15 years have been of the high-skilled variety, particularly in high-income countries where women comprise just under half of highly paid managers, professionals and technicians. Yet, the average full-time female worker still earns almost 15% less than her male counterpart in OECD

countries. The wide wage gap remains despite a laundry list of prescriptions that includes wage transparency in firms, equal pay legislation, encouraging girls to pursue the typically more lucrative STEM disciplines, and structural reforms to the workplace, like parental leave, flexible hours, and affordable childcare.


In *The Pursuit of Gender Equality: An Uphill Battle*, 17 out of 35 OECD countries responding to a questionnaire listed women being paid less than men for the same work as being a priority issue. But another way to look at wage disparity between men and women is not so much the difference between how much men and women are paid for the same or similar jobs, but the difference between “men’s jobs” and “women’s jobs”. This is called occupational or industrial segregation.

The numbers show that women gravitate towards certain kinds of jobs and men to others. According to *The Pursuit of Gender Equality*, women are overrepresented in the service industry, for example. Eighty-four percent of employed women work in services as opposed to 60.7% of employed men. More specifically, over 20% of working women work in wholesale and retail trade, accommodation and food, and 17.3% in lower-skilled health jobs and social work. And though the larger share of low-skilled jobs has gone to men in the US, the opposite is true in Japan and Europe. Across the EU, women tend to work as sales clerks, cleaners, secretaries, personal care workers, and pre-primary and primary school teachers. Incidentally, the latter was shown in the OECD’s *Education at a Glance 2017* as earning between 78% and 85% of what full-time workers with the same education level make.

When we include more developing countries in the analysis, the picture is roughly the same. According to the ILO’s *Women at Work*, women’s employment in the service industry has increased from 41.1% to 61.5% since 1995. In their analysis of 142 countries, the ILO shows that women are concentrated in the two lowest paid sectors, that is clerical, service and sales, and “elementary occupations”. This latter category covers everything from selling goods in public places and property watching to collecting garbage and delivering goods. In developed economies, women make up 60% of the clerical, service and sales sector, and 50% of elementary occupations. All of this supports the finding in *The Pursuit of Gender Equality* that male-dominated sectors and occupations pay higher wages: 11% of the gender gap in monthly earnings is due to industrial segregation.

The studies and speculations on why women gravitate to low-paying jobs have yielded a gamut of explanations. Gendered stereotypes for example: many people still consider that teaching children is for women and working in construction is for men.

Whatever the reasons and strategies you devise to break down the gendered employment divide, it is important to acknowledge there is such a thing as “women’s jobs”, and that these are often more poorly paid than so-called “men’s jobs”. The

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*Washington Post* cites an analysis done in 2016 by job search engine Glassdoor of a half a million self-reported salaries in the US. It found that occupational segregation accounted for 54% of the overall pay gap between men and women. Indeed, *The Pursuit of Gender Equality: An Uphill Battle* notes that as greater numbers of women move into certain professions, these become lower paid over time. This is borne out by a study carried out on US census data from 1950 to 2000 which controlled for education and skill.

This makes women particularly vulnerable to poverty. And, if a macro-economic argument must be made, wages that are stuck at low levels make any pick-up in the economy fragile at best. Hence the alarm bell Ms Mann sounded in her economic forecast. The laundry list mentioned earlier can work in the long term to, if not erase, at least muddle the boundary between men’s jobs and women’s jobs. And society at large needs to confront gendered assumptions that assign girls and boys—and later, women and men—to certain tasks and not others. In the meantime, however, revaluing underpaid women’s jobs should be part of a spectrum of strategies to close the gap between wages earned by men and those earned by women. This can be done by raising wages, whether through implementing a wage floor, redistributing the tax burden or social contributions, or upping salaries. It would be something not just women, but many men would cheer for too.

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