

The Gender Wage Gap: Does it Still Exist?

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July 4th 2018

It is true that immense progress has been made in lowering the discrepancies between men and women in areas such as health, education and workforce participation. It is also common for news outlets and social media to frequently condone female empowerment with pressures from international organizations such as the United Nations, OXFAM and Amnesty International- while more liberal movements such as Free the Nipple and the SlutWalk aim to empower women and create a connection between both sexes. An outcome of the cultivation of women's rights movements has led to skepticism in some believing that there can still possibly be a discrepancy in the amount of money men and women make in the workforce. Critics claim that factors associated with personal choice increase this divide. With such a social pressure being placed in today's society on female empowerment and gender equality- can there possibly still be a gender wage gap? By examining international and domestic statistics and studies that emphasize occupational category, economic security for working mothers and location, it will become evident that a gender wage gap does in fact still exist globally and domestically.

Development policy

With frameworks such as the Gender Equality Index having been implemented, we can measure factors such as empowerment, education and economic participation. Wage gap goes hand in hand with the latter. Created by the United Nations Development Programme, the GEI measures gender inequality based on three important aspects of human development. For the purpose of this paper we will examine economic status, expressed as labour market participation and measured by labour force participation rate of female and male populations aged 15 years and

older. The study claims that in Australia, 58.6% of females aged 16 and over participate in the labour force in comparison to 70.9% of men in the same age range. Australia, classified as having a very high human development, compares similarly to other countries in the same development category. For example, Sweden has a female participation rate of 60.9% and a male participation rate of 68.2%. Canada has a female participation rate of 61.0% and a male rate of 70.3%. Of the fifty-one countries ranked as having a high human development, discluding data from Andorra and Liechtenstein, no percentage of females participating in the labour force is higher or equivalent to male participation rates. This suggests that in “Very High Development” Nations there is a correlation between economic participation and wage gap.¹

National study

“The gender pay gap is the difference between women’s and men’s average weekly full-time equivalent earnings, expressed as a percentage of men’s earnings. It is a measure of women’s overall position in the paid workforce and does not compare like roles.” In February 2018, a report published by the Australian Workplace Gender Equality Agency ranked Australia’s full-time gender pay gap at 15.3%.²

Researchers at the University of Sydney surveyed more than 2,000 women and 500 men across Australia between the ages of 16 and 40 for a Report titled “Women and the Future of Work.” “Less than a third of women surveyed (31%) thought men and women were treated equally in the workplace; in contrast 50% of men thought this is the case... One in ten working women (10%) have experienced sexual harassment in the workplace.. [while] many focus group participants discussed having experienced other forms of gender-based discrimination such as

¹ Hdr.undp.org. (2018). *Gender Inequality Index (GII) | Human Development Reports*. [online] Available at: <http://hdr.undp.org/en/content/gender-inequality-index-gii> [Accessed 1 Jul. 2018].

² Wgea.gov.au. (2018). *Australia's Gender Pay Gap Statistics*. [online] Available at: <https://www.wgea.gov.au/sites/default/files/gender-pay-gap-statistics.pdf> [Accessed 1 Jul. 2018].

being belittled or singled out for their physical appearance, and many pointed to structural barriers to progression for women.”³

Key historical legislation

While much legislation has been passed in an attempt to minimize the gender wage gap, the following three pieces of legislation are of much significance:

In 1979 women were granted unpaid maternity leave initially with the purpose of ensuring job security.⁴ “Unpaid job protected parental leave has existed in Australia since 1979 after the [Australian Council of Trade Unions] succeeded in a test case, brought before the then Australian Conciliation and Arbitration Commission.” This was only extended to males wishing to take parental leave in 1990.⁵

The Sex Discrimination Act of 1984 legally defined sexual harassment and discrimination in the workforce, gave guidelines in regards to the treatment of pregnant and/or breastfeeding women and set special measures intended to achieve equality among other things.⁶ If employers were to mistreat female employees, there was now groundwork to take legal action with a focus on the fair treatment and a uniform wage between sexes.

The Workplace Gender Equality Act of 2012 established by the Workplace Gender Equality Agency, aimed at promoting gender equality in the workplace. This act replaced the

³ The University of Sydney Business School. (2018). *Women and the Future of Work: Report 1 of the Australian Women's Working Futures Project*. [online] Available at: http://sydney.edu.au/business/_data/assets/pdf_file/0005/348053/Women-and-the-Future-of-Work-Report_Final_050318.pdf [Accessed 1 Jul. 2018].

⁴ Waltzing Matilda and the Sunshine Harvester Factory. (2018). *Maternity Leave Case [1979]*. [online] Available at: <https://www.fwc.gov.au/waltzing-matilda-and-the-sunshine-harvester-factory/historical-material/maternity-leave-case> [Accessed 1 Jul. 2018].

⁵ The University of Sydney Business School. (2018). Overview of Australian paid parental leave scheme and history. [online] http://sydney.edu.au/business/research/wwlrg/current_debates/parental_leave/overview_of_australian_paid_parental_leave_scheme_and_history [Accessed 1 Jul. 2018].

⁶ Legislation.gov.au. (2018). *Sex Discrimination Act 1984*. [online] Available at: <https://www.legislation.gov.au/Details/C2014C00002> [Accessed 1 Jul. 2018].

Equal Opportunity for Women in the Workplace Act of 1999. Goals of the act include eliminating discrimination stemming from gender, promoting consultation between employer and employee in regards to gender and removing gender based barriers in the workforce. Companies who meet criteria are required to submit a report annually to the Workplace Gender Equality Agency.⁷

Age

The average wage gap between men and women increases with age. Not until retirement does it tend to stabilize and decrease. Consistency occurs between the 35-44 year age group, is smallest for individuals under 20 and smaller among 21-34 year olds. Women aged 45 to 54 have the largest discrepancy with males, at around 20. The Australian Workplace Gender Equality Agency attributes this to that fact that women tend to take more time away from the workforce to care for children, inhibiting their success in achieving promotions.⁸

Economic insecurity for working mothers

An American study states that in 1975, less than one half of mothers were in the labour force. Today, this statistic has grown to more than two thirds. This trend is quite common in Western cultures, with an diversion away from the stereotypical family model. The earnings of mothers in the workforce cannot be necessarily viewed at as a luxury, but rather a necessity as costs of living are increasing drastically.⁹ Unfortunately it often is a choice for most women: children or career? Companies see pregnancy, which often leads to maternity leave, as impeding development to careers and success within the workforce. One is seen as being at the expense of

⁷ Wgea.gov.au. (2012). *Workplace Gender Equality Act 2012*. [online] Available at: <https://www.wgea.gov.au/about-legislation/workplace-gender-equality-act-2012> [Accessed 1 Jul. 2018].

⁸ Wgea.gov.au. (2018). *Australia's Gender Pay Gap Statistics*. [online] Available at: <https://www.wgea.gov.au/sites/default/files/gender-pay-gap-statistics.pdf> [Accessed 1 Jul. 2018].

⁹ Maloney, C. (2015). *How Working Mothers Contribute to the Economic Security of American Families*. [online] Jec.senate.gov. Available at: https://www.jec.senate.gov/public/_cache/files/8dbdedb8-b41d-484c-b702-9269fcf37c9b/jec-mothers-day.pdf [Accessed 1 Jul. 2018].

the other as women's wages significantly drop after having children, while men's do not. Different explanations- both biological and environmental- tend to be widely debated upon regarding why this wage gap exists for working mothers; one is that women tend to have a larger desire to stay at home and raise families, while the other suggests that social norms make it more difficult for mothers to fully commit to responsibilities required by one's workforce.

Occupational choice

Public administration and safety fields have the lowest gender pay gap at 6.8%, while the financial and insurance service sector ranks the highest at 26.1%. It is important to take into consideration that the public sector tends to have a lower wage gap in comparison to the private sector workforce. Managerial roles have the largest gap with male supervisor roles earning more than their equivalent female counterpart.¹⁰ There are discrepancies at the pinnacle of most industries, which can lead to women getting discouraged if unemployed for extensive periods. Do women choose occupations which tend to be paid less or are males more likely to get promotions over their female coworkers? Maternity leave and familial factors are associated to this.

Location

Domestically, South Australia has the lowest gender pay gap by state, ranking at 10.3% in comparison to Western Australia having the highest at 22.5%. The pay gap has decreased in New South Wales and the Northern Territory between 2016 and 2017. It is important to take into consideration the fact that industries differ between each state and territory. Mining communities for example, tend to see an influx of male workers in a concentrated location.¹¹

¹⁰ Wgea.gov.au. (2018). *Australia's Gender Pay Gap Statistics*. [online] Available at: <https://www.wgea.gov.au/sites/default/files/gender-pay-gap-statistics.pdf> [Accessed 1 Jul. 2018].

¹¹ Wgea.gov.au. (2018). *Australia's Gender Pay Gap Statistics*. [online] Available at: <https://www.wgea.gov.au/sites/default/files/gender-pay-gap-statistics.pdf> [Accessed 1 Jul. 2018].

Summary

150 years ago in Australia, women had few protections from poverty or harm, no political or employment provisions and Indigenous women had none of these rights at all. Society has come a long way since then but there is still important work to be done.¹² Individuals on a micro and macro scale still suffer from an unconscious bias- or are under a ‘veil of ignorance’ meaning that an individual can never eliminate all of their personal prejudices and biases. Steps however, do need to be taken to minimize these. Workplace discrimination in the form of economic disparity strongly impacts the general, widespread female population. There is no hiding it- Australia’s full time gender pay gap is 15.3%, meaning that on average women earn \$253.70 per week less than men.¹³

Taking this one step further we should ask: what does this mean for minorities or specifically those who already face social and economic disparity based on factors such as ethnicity or religion? On a macro level we need to ask what more can be done in regards to policy change and government. On a micro level, what can we do as individuals to lessen this gap?

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¹² Victorian Women's Trust. (2018). *Australian Gender Equality Milestones*. [online] Available at: <https://www.vwt.org.au/gender-equality-timeline-australia/> [Accessed 1 Jul. 2018].

¹³ Wgea.gov.au. (2018). *Australia's Gender Pay Gap Statistics*. [online] Available at: <https://www.wgea.gov.au/sites/default/files/gender-pay-gap-statistics.pdf> [Accessed 1 Jul. 2018].

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