

# Closing the gender pay gap in the workforce

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## **Context:**

Gender ideologies often prompt couples to assign women to take over extra family duties while men remain free to concentrate on their careers.

## **Introduction:**

1. Gender pay gap is the average difference between the remuneration for working men and working women. Research and studies show that women are paid less than men.
2. Men in India capture 82% of labour income, while women earn just 18%, according to the first-ever estimates of the gender inequality in global earnings presented in the World Inequality Report 2022 released.

## **Causes of Gender pay Gap:**

1. Women may face bias in hiring, promotions, and pay, even when their qualifications and experience are equal to those of their male colleagues.
2. Women tend to be concentrated in lower-paying occupations, such as caregiving and administrative work, while men are overrepresented in higher-paying industries like technology, engineering, and finance.
3. Women may have less access to educational and training opportunities, due to patriarchal beliefs that girls and women must be the ones doing household labour.
4. Women are also more likely to have transportation challenges, such as lack of access to reliable transportation, which can limit their ability to reach job sites. This can result in women being excluded from certain jobs or industries, which can limit their earning potential.

## **A Name and A Voice to this problem:**

1. When Betty Friedan wrote in 1963 about college-educated women who were frustrated stay-at-home mothers, she noted that their problem has “no name.”
2. Claudia Goldin, the 2023 Economics Nobel Prize winner, has spent half a century giving a name and voice to their problems. She has chronicled the evolution of the American economy from agriculture to manufacturing to services and noted that as economic production moved from home to factories, women were excluded from market activities.
3. It was not until offices, schools, and hospitals began to offer more jobs than factories that women found jobs. However, even when they entered the workforce in droves, overtook men in educational attainment, did not congregate in “female jobs,” and did not drop out from the labour force to have children, women continued to earn less than men.
4. Professor Goldin argued that this disadvantage is due to their inability to take on jobs that

involve all-consuming responsibilities. Parental responsibilities make it difficult for women to take on jobs requiring long hours and irregular work schedules.

5. The private equity partner who saw the deal through and stayed for late-night dinners and meetings had the chance of getting a fat bonus and promotion.
6. These demands are incompatible with raising children, and one partner of a couple often chooses to go on a slower and safer track, the track dubbed the “mommy track,” even at the cost of a high-profile career.
7. While women need not be the ones choosing this slow track, gender ideologies often prompt couples to assign women to take over extra family duties while men remain free to concentrate on their careers.
8. Although women’s employment rates in India remain low, secular changes suggest that there is no reason why this must continue. Building on Professor Goldin’s observations, the growth of the service sector should offer jobs for women that are not offered by the manufacturing sector; rising education should increase their employability; and declining fertility should free up women’s time.

### Way Forward:

1. While increased male participation in household work and childcare would help, we must also find ways of reshaping both the work and social environment so that they are conducive to developing a work-life balance for both men and women. This means having work structures that are respectful of workers’ time and do not emphasise very long work hours. This makes both social and economic sense.
2. Stanford economist John Pencavel has shown that longer working hours do not mean more productivity and, in some jobs, lead to increased mistakes and injuries.
3. But if we need to rein in the greedy workplace, we also need to rein in a variety of institutions that demand more and more of our time.

