

*Lessons from a Different Place: The Gender Pay and Earnings Gap*  
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*A review of recent study of social and political discourse in the United States (Michigan) and the United Kingdom (Northern Ireland)*

Abstract

This paper explores the current equality paradigm, and ways in which gender pay and earnings inequalities in Northern Ireland could be improved to meet the legitimate expectations of the twenty-first century. The comparator case of the United States provides a frame of reference. <sup>1</sup>

My early thinking was that the United States would offer useful lessons, and that the status of men and women in America was more equal than in Northern Ireland. I was particularly interested in legal protections of equality, and in affirmative action. On closer inspection, I found that some women experience life in America as a context of obvious institutional inequalities; and having looked briefly at the boundaries between legal affirmative action and unlawful positive discrimination in the United States, I conclude that they remain contested. In comparison, there is evidence of positive action in Northern Ireland although the scope of Section 75 may not have been fully tested.

An examination of definitions and theoretical explanations for gender pay inequalities includes a review of literature and web-based materials from the United States and Europe (the United Kingdom and Northern Ireland in particular). I briefly reference twelve meetings with appointed and career officials in federal and state administrations, with academics and lobbyists in the United States, which helped calibrate my thinking and research. During these and in three further seminars and round table discussions I explored the views of women and men of varying ages and backgrounds about the nature, causes and consequences of the gender pay gap; and about the status of men and women at home and in the workplace.

The findings underscore the limitations of the study, the multiplicity of issues and a continuing need for awareness-raising on some issues which are unique to Northern

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<sup>1</sup> Privileged to have been awarded a Northern Ireland Civil Service Fulbright Fellowship, I compiled this report in the light of Northern Ireland Programme for Government priorities for gender equality, during 3 months spent as a visiting scholar at the University of Michigan's Institute for Research on Women and Gender in 2008. The focus is necessarily limited - it would not have been possible to report adequately across the wide range of important topical issues in the time available.

Ireland and to the current global financial challenges. Although the recommendations and conclusions are largely inconclusive, they shed light on the ways in which gender is a factor which differently influences lifetime choices and opportunities for men and women. The report may help inform the work to address the Public Service Agreement target 7.5 of the Programme for Government 2008-2011 - to “introduce measures to work towards the elimination of the gender pay gap.”<sup>2</sup>

## **Methodolgy and structure**

The paper is divided into four parts. The first part is in four sections and is largely factual. Section 1 briefly summarises legal equal treatment and employment laws in the United States and Northern Ireland and Section 2 identifies some key structures and strategies which support and promote gender equality and the status of women. Section 3 compares and contrasts social attitudes to gender roles and Section 4 looks at aspects of work/life balance for those in employment in each country.

The second part comprises two sections on gender pay and earnings differences. Section 5 provides a short overview, referencing key data sources and Section 6 examines some causes of the pay gap.

In the third part, Section 7 reviews a broad cross-section of recent studies and theoretical approaches to the causes and consequences of gender pay, earnings and employment differences. Section 8 reports some key themes from discussions with individuals and groups.

The fourth and final part brings comprises an analysis of main findings in Section 9, , and conclusions and recommendations in Section 10.

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<sup>2</sup> *Building a Better Future: Northern Ireland Executive Programme for Government 2008-2011*  
<http://www.pfgbudgetni.gov.uk/index/programme-for-government-document.htm>

## **PART ONE - CONTEXT**

### **1: The Statutory Framework of Gender Equality**

#### Equal Rights for Women

Not until August 26, 1920, after decades of hotly contested campaigning, was the nineteenth amendment ratified, granting women across the United States the right to vote; only as recently as 1971 were the equal protection provisions of the Fourteenth Amendment fully extended to women. Women's suffrage in the United Kingdom followed a similar timeline, though marked by different milestones; and substantial gender equality employment laws were introduced only in the late twentieth century. Although women are represented at the highest levels of politics, industry and legal practice, in both countries women have at best a low profile in history, literature and the arts, while gender pay equality continues to be a contested area despite important equal pay protections.

#### United States Federal Law<sup>3</sup>

By the late twentieth century successive United States administrations had introduced various federal provisions to advance affirmative action and prohibit discrimination in employment on grounds of sex, thereby supporting and protecting important aspects of women's equal status. However some provisions are partial, while others have been countered (or in some instances circumvented) by Supreme Court rulings or State enactments:

- The principle of equal pay for equal work is only partially protected, with multiple permissive provisions (such as allowing differentials on the basis of experience, seniority, merit, training or ability, and differences in the employer's economic benefit from work performed)<sup>4</sup>. Unlike the United Kingdom, United States federal law does not encompass the concept of work of equal or comparable value, bills to that effect having failed to pass federal and state legislatures.
- Title VII of The Civil Rights Act of 1964 prohibits discrimination by employers on the basis of race, colour, religion, sex and national origin, and provides for compensation and damages in successful discrimination cases. Title VII is said

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<sup>3</sup> More information is available in various scholarly and feminist texts, including SEX EQUALITY (Professor Catharine A. MacKinnon Harvard Law School Fall Term, 2007)

<sup>4</sup> The main factors that are assessed in a job evaluation – for equivalent work purposes – in Norway are competence, effort, responsibility and working conditions.

to have marked “the beginning of a national commitment to remove artificial barriers to women’s development of their individual talents.”<sup>5</sup> However countering Proposals, outlawing discrimination, are in force at State level, for example in Michigan.

- Title IX of the Civil Rights Act requires equality of opportunity in education. Detailed Title IX rules and regulations help ensure equal opportunities in areas such as high school and college sports and college entrance; and enable remedy by way of administrative or legal complaint. Again, State-level resolutions and Court judgments have constrained the extent of affirmative action at both state and federal level.
- The Civil Rights Act also established the Employment Equality Opportunity Commission (EEOC), which has powers to introduce regulations and issue guidance in support of its primary role of statutory implementation and enforcement of Federal legislation. In theory EEOC regulations and guidance act as catalysts to the development and maintenance of equal opportunity between men and women generally. In practice its prime focus is on race.
- The Pregnancy Discrimination Act prohibits discrimination against pregnant women. In the course of this study, while acknowledging the legal protection from discrimination as a result of pregnancy, a number of people expressed dissatisfaction with statutory maternity leave entitlements and protections, and family leave provisions for both men and women.

### The United States Supreme Court

The legal interpretation of the Constitution and federal laws is ultimately the responsibility of the United States Supreme Court. Over recent years, an increasingly conservative Supreme Court is deemed by some commentators and in some instances to have exceeded its remit,<sup>6</sup> although more often than not over the last hundred and fifty years Supreme Court judgments have shied away from potentially controversial challenge to existing laws, characteristically pointing to the role of the legislature to affect change if change is needed.

Early judgments included those that kept women off juries, barred them from occupations ranging from attorney to bartender, and before the 19<sup>th</sup> amendment, denied them the right to vote. Until the 1971 Supreme Court ruling in *Reed v Reed* (which

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<sup>5</sup> Sex Bias in the U.S. Code: A Report of the United States Commission on Civil Rights; April 1977. P.7

<sup>6</sup> In the Washington Post, November 25, 2008 George Will refers to an article written by Judge Wilkinson of the 4<sup>th</sup> U.S. Circuit Court of Appeals, for the Virginia Law Review. Will quotes Judge Wilkinson as saying that the 1973 *Roe vs. Wade* abortion ruling has, since 1973, entangled the court in the legislative function of adumbrating an abortion code, the details of which are “not even remotely suggested by the text or history of the 14<sup>th</sup> Amendment.”

required legal sex distinctions to have a “rational basis” to be constitutional) even the sharpest sex-based classifications survived constitutional review. Provisions identified as “preferential” to women were upheld – supporting stereotypes of women as defenseless, weaker and requiring protection.

The Court’s majority Ledbetter judgment in 2007 considerably added to fears about the stance of the Court as far as the interpretation of equal pay safeguards was concerned. The plaintiff in the Ledbetter case had not become aware she was being paid less than her male counterparts until near the end of her 19-year career at a Goodyear Tire & Rubber Co. plant. The Supreme Court ruled her case out of time because the Statute of Limitations meant that plaintiffs had to file equal pay claims within 180 days of an act of unlawful discrimination (the first such paycheck, in Ledbetter’s case).

The Lilly Ledbetter Fair Pay Act of 2009 (the first federal act signed by President Obama) changes the law, and the effect of the Court ruling, by extending the statute of limitations for another 180 days every time a discriminatory payment is made.

#### Affirmative Action and State Interventions

In some respects there has been what might be described as a backlash against affirmative action in the United States, with the introduction across several States of measures which prohibit any form of discrimination favouring one group over another. Although the impact on existing measures was limited, Michigan’s Proposal 2/06 has undoubtedly constrained the potential for gender action measures such as quotas for public appointments.

#### European Constitutional and Legal Provisions

By contrast, one of the defining characteristics of late twentieth century European liberal democracy has been an assertive commitment to gender equality. The European Union has adopted a 'dual approach' to address inequalities between men and women, mainstreaming a gender perspective into all European Community policies and programmes, and endorsing specific actions in favour of women. The European Charter of Fundamental Rights signed at Nice in 2000 (a statement of political intention which may be taken into account by individual national law courts and the European Court of Justice but it is not legally binding) urges affirmative action:

“Equality between men and women must be ensured in all areas, including employment, work and pay.

The principle of equality shall not prevent the maintenance or adoption of measures providing for specific advantages in favour of the under-represented sex. “

Article 23 of the Lisbon Treaty reiterates that “equality between men and women must be ensured in all areas, including employment, work and pay”. That such equality has not yet been achieved is inherent in special protections to women and children which are included in anti-trafficking measures (Article 63a) and provisions to combat sexual exploitation (Article 69b).

Since 2008, statutory gender equality duties in Great Britain have required public bodies to eliminate unlawful discrimination (in employment, and in relation to goods, facilities and services) and to promote equality of opportunity between women and men in general.<sup>7</sup> In Northern Ireland, Section 75 of the Northern Ireland Act 1998 placed the mainstreaming of policy development on a statutory basis, requiring public authorities, in carrying out their functions, to “have due regard to the need to promote equality of opportunity between men and women generally” (gender is one of nine equality grounds cited in section 75).

Northern Ireland’s long-standing equality and anti-discrimination legislation has been consistently interpreted to provide important safeguards requiring that a woman must not be treated less favourably than a man simply because she is a woman (or vice versa). These apply in employment, education, and the provision of goods, facilities, services and housing. It is unlawful in Northern Ireland to set conditions which, while seeming to apply equally to men and women, in reality exclude many more of one sex unjustifiably. Employment equality legislation effectively limits the provision of single sex training. Within these limits however, Section 75 provisions permit positive action to redress inequality between men and women generally.

### Implementing and Enforcing Equality Legislation

The Equality Commission for Northern Ireland (ECNI) has statutory oversight of the implementation and effectiveness of the statutory duty on public authorities, keeping the relevant legislation under review, promoting awareness of and enforcing anti-discrimination law. The Commission’s website archive displays volumes of research,

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<sup>7</sup> For a summary see: <http://www.fawcettsociety.org.UK/documents/Gender%20Equality%20Duty%20briefing%201.9.05.pdf>

advice, innovation and enforcement information around gender equality, including a recent tribunal case which found that the salary of a teacher and head of department had lagged behind her male counterparts because of gender discrimination. ECNI's proactive role, for example in publishing equal pay guidance for employers, has in previous years not only maintained the pressure for innovation and reflection, but also provided practical support for implementation and read-across. This is much needed at a time of considerable impetus for change to gender equality laws elsewhere in the United Kingdom.

The Gender Equality Unit<sup>8</sup> within the Equality Directorate of the Office of the First Minister and deputy First Minister is responsible for supporting and promoting the implementation of the Northern Ireland Executive's Gender Equality Strategy across government departments, and a further archive of official publications and research is available on the OFMdfM research website.

## **2: Structures and Strategies**

### Michigan Women's Commission

Although both the United Kingdom and the United States have adopted proactive gender equality laws and policies, in the United States an emphasis on race equality is far more noticeable. Federal legislation provides for the establishment of a Women's Commission – to look after the interests of women - in each State. These Commissions may have a wide range of advisory and promotional powers and duties, including recommending policies to the Governor, departments and the legislature. While in many states the Commissions are dormant or not established, the Governor of Michigan has appointed a Woman's Commissioner to lead a small dedicated team within the Michigan Civil Rights Commission. Following the passage of Proposal 2/06<sup>9</sup> Michigan Women's Commission (MWC) advised the Governor that most of its functions are unaffected.

### Employment and Pay

The MWC website contains a range of statistical and advisory information – examples of recent publications include Employment Rights: A Guide for Women (Michigan

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<sup>8</sup> <http://www.ofmdfmi.gov.uk/index/equality/gender-equality.htm>

<sup>9</sup> *On November 7, 2006 the people of Michigan voted in favour of Proposal 2/06 to prohibit: "...preferential treatment to any individual or group on the basis of race, sex, colour, ethnicity or national origin in the operation of public employment, public education or public contracting."*

Women’s Commission, 2005) a booklet outlining federal and state legislation that protects women from employment discrimination on the ground of sex. Information on earnings and pay are also included in fact sheets “Status of Women in Michigan Counties” and “Michigan Women” which MWC published jointly with The James A. and Faith Knight Foundation. These summarise key county-level information on indicators assessing women’s status on five parameters:

- Political participation
- Employment and earnings
- Social and economic autonomy
- Reproductive rights
- Health and well-being.

A more detailed compendium<sup>10</sup> includes case studies, conclusions and recommendations on how local communities might work to describe need, understand and document change, and measures to tackle the gender wage and earnings gap. A key action of MWC has been to encourage the establishment of Women’s Commissions across the various counties, to build capacity, increase awareness and enhance the status of women through volunteer effort.

### Structural Approaches in the United Kingdom and Northern Ireland

Across the United Kingdom and in Northern Ireland strong legal provisions prohibit discrimination on grounds of gender, and equal pay legislation provides a basic, if limited framework for equal treatment of men and women. At national and regional levels of government across the United Kingdom, and in Ireland too, dedicated structures to address gender equality concerns are located at the heart of government. Both mainstreaming and gender specific actions are used to tackle gender disadvantage (mainly experienced by women) across and within government, working with social partners. Whitehall Women’s Unit is part of the Government Equalities Office, and works nationally and regionally 'co-ordinating work across departments, adding energy and momentum, and supporting Ministers across Whitehall in their efforts to promote women's interests'.

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<sup>10</sup> Full version available at

[http://www.michigan.gov/documents/mdcr/Status\\_of\\_Women\\_in\\_Michigan\\_rpt\\_201481\\_7.pdf](http://www.michigan.gov/documents/mdcr/Status_of_Women_in_Michigan_rpt_201481_7.pdf)

The Northern Ireland Gender Equality Strategy 2006-2016<sup>11</sup>, adopted by the Northern Ireland Executive and supported through the current Programme for Government, is a key policy driver:

“Systems, whether they are social, economic, cultural or political are gendered and the government acknowledges that the status of women and men within those systems is unequal. In order to address these inequalities it is important to identify and remove the barriers which restrict equal participation and equality of opportunity.<sup>12</sup>”

The Strategy is consistent with international gender equality commitments and includes eleven key objectives, delivered by mainstreaming and gender action measures. Each Department has gender equality action plans (one for men, one for women) to help translate the Strategy into achievable, transparent targets and actions. Gender specific baseline information will inform a mid-term review of the Strategy after five years. An advisory Panel comprising representatives of key stakeholder groups assists OFMDFM to monitor and review the Strategy.

### **3: Societal Influences and Gender Roles**

#### Gendered Governance

Cultural differences contribute to differences between how governments interpret and develop similar gender equality provisions. Patterns of power and influence, and social stratification, between men and women, are broadly comparable in the United Kingdom and the United States. Alongside universally enjoyed freedoms and rights, both societies exhibit influential (though not universally held) “conservative” beliefs, concerning gender differences, and division of gender roles in home, family and faith life. Neither country has been able to secure equality of outcome – social, economic or personal - for men and women in general.

In the highly developed modern economies in both the United States and the United Kingdom, gender equality provisions are tempered both by pragmatism and a meritocratic approach. Gender equality is achieved in practice through providing, as far

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<sup>11</sup> Gender Equality Strategy – A Strategic Framework for Action to Promote Gender Equality for Women and Men 2006-2016. OFMDFM December 2006. pdf version available at <http://www.ofmdfmi.gov.uk/genderequalitystrategy2006-2018.pdf>

<sup>12</sup> The Equality Commission for Northern Ireland (ECNI) has consistently advised that Section 75 of the Northern Ireland Act 1998 permits affirmative action where this is desirable to secure a more just approximation to equality of opportunity on gender grounds

as possible, equality of opportunity and rights under the law, to the satisfaction of the individual. The meritocratic approach implicitly acknowledges and accepts “natural” (and therefore not requiring intervention) limitations of capacity or ability. Inequalities of outcome are under this approach acceptable where they inevitably derive from the informed, independent choices and actions of individuals among groups who have had equivalent opportunity and rights. Such inequalities are not deemed to be discriminatory and do not require state intervention, subject to assurance that adequate equality of opportunity pertains.

This underlying premise can sit uncomfortably with positive action which removes barriers to equality of opportunity. Also, there is ongoing debate in both countries about the extent to which positive (or affirmative) action can give unfair advantage to one group over another, or one individual over another.

### Influencing Policies

The statutory rights and provisions which form the framework for robust gender equality policies in both countries are interpreted within the broad frame of cultural and social norms. Feminist women’s advocacy groups are ambitious to test the boundaries of the duties and entitlements embedded in current statute, and to extend measures which would widen the scope of women’s freedoms and independence. Effective activism is a key influence in challenging accepted norms, as illustrated by women’s involvement over the past half century in Northern Ireland from the People’s Democracy Movement to the Bill of Rights. However in both America and the United Kingdom, egalitarian laws and public education have provided many opportunities which allow exceptional individual women to achieve equality with men within established professional and political elites.

In Northern Ireland direct access to the legislature, through constituency and Statutory Committee routes, often offers activists an opportunity to influence Party and Ministerial policies. However there are few elected women in the regional legislature, and no cross-party women’s caucus. The lack of women in political life (caused at least in part by factors which cannot readily be identified<sup>13</sup>) is a potential barrier to further statutory changes. Having heard of an influential non-partisan women’s caucus in the United States Federal Legislature, I was surprised when several lobbyists told me it did not work as well as it might. This might however might have been because in late 2008

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<sup>13</sup> In Gender Stereotypes and Attitudes Toward Gender Balance in Government: Kathleen Dolan University of Wisconsin–Milwaukee Kira Sanbonmatsu Rutgers University American Politics Research. Online First pub. August 21, 2008

many women's groups were experiencing funding and patronage difficulties (albeit hoping for better times after the Presidential election).

### Social Attitudes

In both comparator cultures, feminist activists seek to influence both equality of opportunity and equality of outcome. In the United States, for over eighty years various women's groupings have campaigned for an equal rights amendment to enshrine women's equal rights in the constitution. Opponents claim the proposed amendment would effectively outlaw preferential treatment (including affirmative action). In Northern Ireland, unelected women Bill of Rights campaigners suffered public vilification and name-calling by politicians in the course of open debate – with no right of reply - in the Northern Ireland Assembly (where women comprise less than 20% of elected Members).

There is by no means universal support for outspoken feminism in either country. While gender difference undoubtedly limits career and lifestyle choices for many less well-off women, the acquiescence of most women may indicate not so much the lack of effective political voice, but that they are content with the balance of genderised limitations and privileges. Undoubtedly the silence of a majority of women frustrates some committed feminists who feel they have fought battles to no avail. There are strong underlying indications that many women of all ages and conditions in both countries believe that the major battles for equality lie in the past and that women can enjoy considerable freedoms.

## **4: Work/Life Balance**

### Gender Roles in Family Life

In both Northern Ireland and the United States, many support the "natural" order of gender difference and believe that women are naturally predisposed to nurture their young – and that men should be the main breadwinner in coupled households. However such norms, well-rooted in many cultures and religions, are shifting. New dilemmas have presented and arguably the need for protection of individual rights and freedoms remains as strong as ever. Single person households have been a relatively recent characteristic of affluent western living. Lesbian, gay and bisexual family norms are evolving. Across the United Kingdom, less than 50% of couples are now choosing to marry. Across both comparator cultures serial monogamy is an established cultural

norm, increasing numbers of individual adults (mostly women) head lone parent families, and women are main or sole financial providers in many families.

In all household types, cleaning and household chores, and family caring roles, are still considered largely the domain of women. Many people opt to buy, and others look to the State to provide some of these services, which can be repetitive, stressful and demanding chores.

### Comparison of Family and Maternity Leave Provisions

In both America and the United Kingdom, measures that enable caring and family responsibilities, and work life, to be better reconciled, are seen as generally supporting gender-equal opportunities in employment. Inevitably these measures have resulted overall in more women than men opting for part time work or career breaks. There are conflicting views about whether it is desirable to shift this paradigm. Many women who consider themselves feminists believe in sharing the caring. As many more operate on the premise that (for example) childcare is largely the woman's responsibility. A comparison of Northern Ireland and United States provisions in the area of maternity and family leave highlights some of the differences in approach

Generous new British maternity provisions apply also in Northern Ireland, and have attracted strong opposition from some employers' groups. Not only must employers grant statutory maternity and adoption leave, they must also pay substantially towards the cost of employed parents' entitlements and protections around birth and adoption. Women are now entitled to 26 weeks' ordinary maternity leave and 26 weeks' additional maternity leave, the first 6 weeks at 90% pay, up to a further 33 weeks with Statutory Maternity Pay (SMP) and the remainder unpaid. Paternity leave of 2 weeks is available for all men, there are similar adoption leave provisions and sharing of entitlements may apply. Non-pay terms and conditions are protected throughout the entire period of statutory maternity (or adoption) leave. Civil service and many public service employers offer enhanced terms, such as full pay during the first 18 weeks of maternity leave. This is less common in the private sector.

By comparison, in the United States maternity and childbirth are included among conditions attracting a much more limited statutory entitlement to unpaid leave, under strict conditions. The Family and Medical Leave Act of 1993 (FMLA) protects workers' job security during leave taken for the employee's own disability or illness (pregnancy and childbirth are deemed "illnesses" in this context); the care of the employee's newly

born, adopted, or fostered child; or to care for an immediate family member (spouse, child, or parent) with a serious health condition. The FMLA applies only to employees who work 20 or more weeks in a year, have worked at least 12 months for their current employer and work for a firm employing at least 50 workers. Eligible employees receive:

- up to 12 weeks of unpaid leave annually
- continued health insurance benefits (if ordinarily provided by the employer)
- a guarantee of return to the same, or an equivalent, job.

### Incidence of family leave

Although across the United Kingdom public sector, men and women are encouraged to use flexible working concessions, fewer men do so. In the United States, less than 10 percent of workers each year – the vast majority of whom are women - take family leave to care for newborns and other family members. Employees are reluctant to apply for family leave as this might be construed as a lack of commitment or eagerness in the job. Comparing this to employers' generosity with those (mainly men) returning from military service, Radford Academic Hilary Lips challenges the value which women and men, and employers, place on women's caregiving and domestic roles:

“If women and men continue to accept the notion that the domestic and caretaking work traditionally classified as “women’s work” is not important enough for employers to accommodate, the gender gap in wages will never close. A few individual women may be able to evade the gap by choosing to be childfree, being fortunate enough to have a supportive spouse, and carefully following a model of career advancement that was developed to fit men’s needs. However, to make the wage gap disappear will require that we stop buying into the idea that the rules are gender-neutral and that men just follow them better than women do. One by one, employers must be convinced to re-examine assumptions that unwittingly place higher value on the type of work men do than on the type of work women do. The most important step in closing the wage gap is for all of us to give up the notion that, to be paid fairly, a woman must “make it in a man’s world.”<sup>14</sup>

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<sup>14</sup> Hilary M. Lips, Radford University [The Gender Wage Gap: Debunking the Rationalizations](#)

## **PART TWO – GENDER AND WORK**

### **5: Genderised Pay and Earnings Differences**

#### **Measuring the Gender Pay and Earnings Gap**

“Women still work part-time more than men; they predominate in less valued jobs and sectors; they are on average paid less than men and they occupy fewer positions of responsibility.”<sup>15</sup> This statement from the European Commission should prompt some questions not only about the reasons for, but also about the definition and measurement of the gender pay gap. If women work part-time more than men, does a simple comparison of average full-time and part-time rates of pay provide a true or skewed portrayal of the overall differences between men’s and women’s earnings? Is it helpful to highlight the extent to which men’s and women’s average earnings over a lifetime may differ? There is considerable discussion about how the gender pay gap should be measured, and this chapter looks specifically at the debate from the Northern Ireland perspective.

OFMDFM have recently published a detailed discussion paper<sup>16</sup> which describes the term “gender pay gap” as a measure of the relationship between men’s and women’s remuneration for paid work. Often the difference between average hourly pay for women and men before tax across the economy as a whole, the gender pay gap reflects ongoing gender inequality in the labour market. Internationally, various measures and approaches are used to measure the gender pay gap. The paper accepts that no one measure adequately highlights the gender differences in remuneration, although understanding of the various measures helps illuminate the gendered nature of aspects of the particular labour market. Supplementary information such as Labour Force Survey data on “Reconciliation between work and family life”<sup>17</sup> and attitudes to home and family life<sup>18</sup> highlight contributory factors such as the differing role of paid and unpaid work in many men’s and women’s lives.

The measures commonly used to denote the gender pay gap are whole population ratio measures and not measures of absolute difference. Women’s remuneration is compared to men’s, not vice versa. Where each measure relates specifically, and separately, to a particular mode of work (full time or part time employment) it is not possible to compare the remuneration characteristics associated with each separate mode of work (low paid or highly paid). Since more women work part-time than men, a complementary measure could therefore compare average women’s pay with average men’s, aggregating fulltime and part time pay. The concentration of women into low-paid, part-time jobs is unfortunately masked by comparing fulltime and part-time wage rates separately.

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<sup>15</sup> Equality between Women and Men 2009 – Report of the European Commission, Millenia 2015

<sup>16</sup> Gender Pay Gap Measurement in Northern Ireland – a Discussion Paper; McClelland, April 2009

<sup>17</sup> Proposed module in the European Labour Force Survey 2010

<sup>18</sup> Modules were included in the Northern Ireland Life and Times Survey 1998, 2002, 2005

In comparing average pay, use of the median and not the mean removes the (potentially distorting) affect of extremely high or low values. This may be further informed by analysis of the gender characteristics of the extreme high and low values, and by presenting measures which derive from both median and mean, separately and alongside each other.

On the question of what temporal measure should be used - hourly, weekly, monthly, annual or even lifelong averages – hourly rates can mask both the reality and the lifetime financial penalty of part-time or seasonal working.

For a more complete analysis of gender pay gap, comparison of average remuneration information which includes overtime can also be illuminating. Where measures exclude overtime pay (which may be paid or unpaid) arguably there is a risk that the analysis is incomplete. Further analysis of overtime working can also provide important gender-specific information on hours worked, which could be considered alongside overtime remuneration. Exclusion of bonuses can also mask gendered differences, while there are no commonly used measures for other perquisites.

Another approach is to consider differences between average individual incomes. The latest available Northern Ireland data<sup>19</sup> indicated that average income for women in Northern Ireland was 65% of men's in 2005. However this is a high-level indicator which on its own does not necessarily denote that women generally have control of lower levels of income than men – some commentators argue that this will be affected by whether people live in double income households, with or without dependants, and the nature and allocation of costs, income and financial ownership within the household,. Women in Northern Ireland have however an elevated risk of poverty compared with men – and to a greater extent in Northern Ireland than elsewhere in the United Kingdom. Irish women earn on average €160,000 less than men over a lifetime, according to a recent European Commission report.<sup>20</sup>

The likelihood is that women in Ireland and in Britain will earn less, own less and save less over their lifetime. What makes it all the more sobering is that the differential financial impact is perhaps at its starkest in retirement, when women are at their most vulnerable. The picture is the same in the United States - the US Department of Labor, on the Employee Benefits Security Administration webpage dedicated to women's retirement benefits, acknowledges that: "Women are more likely to work in part-time jobs that don't qualify for a retirement plan. And working women are more likely than men to interrupt their careers to take care of family members. Therefore, they work fewer years and contribute less toward their retirement, resulting in lower lifetime savings.

## Policy and Legislation

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<sup>19</sup> Individual Income Series 2005/06, DSD

<sup>20</sup> *Equality Between Men and Women 2009* (European Commission 2009) cited in the Irish Times, March 4, 2009

Equal pay for equal work is one of the European Union's founding principles, while reducing the gender pay gap is one of the stated objectives of the European Strategy for Growth and Jobs. "Simple and visible" cases of direct discrimination – differences in pay when a man and a woman are doing exactly the same job, with the same experience and skills, and same performance – have undoubtedly reduced not least because of the impact of European and national legislation on equal pay. However the Equality Commission for Northern Ireland suggests that a further stage is needed: "...it is essential that the importance of equality in pay to women's equality in employment, and in turn to their financial independence, is recognised by combining the provisions relating to equal pay with the provisions relating to sex equality in a Single Equality Act. It is vital that the provisions for dealing with these two strands of inequality are seen to be working in harmony."

It seems clear that there is still a huge gap to bridge. Across Europe women still earn on average 17% less than men and in some countries the gap is growing, while in the United States as in Europe the gender pay gap is arguably even more significant on a range of measures - in 2008 in the United States the median weekly earnings of a woman working full time were \$638, compared with \$798 for a man.<sup>21</sup>

## **6: Causes and Characteristics of the Gender Pay Gap**

### **Genderised roles**

While equal pay legislation has addressed certain aspects of the causes of the gender pay gap both in the United States and in Europe, other contributory causes are largely outside the scope of existing laws, and cannot be explained by differences in skills, education or even occupation<sup>22</sup>. Across Europe, women's work is still often seen as less valuable than the work that men do and women often work in sectors where wages are on average lower than those dominated by men - for example in a supermarket female cashiers usually earn less than the store men. Causes may be effects of other underlying factors, and include multifaceted occupational segregation, work patterns, occupational mobility, gendered differences in educational experience and qualifications, differences in length of work experience, differing balances of paid and unpaid work, or work and other life activities.

The pay gap also reduces women's lifetime earnings and pensions causing poverty in later life. Across Europe, 21% of women aged 65 and over are at risk of poverty compared to 16% of men.<sup>23</sup>

### **Caring and Pay Inequality – Northern Ireland**

Cultural barriers and stereotypes may perpetuate and consolidate genderised roles, and there may be a blurring of the distinction between these influences, and informed individual life choices. This is particularly true of women as carers.

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<sup>21</sup> US Department of Labor Current Population Survey, Median Weekly Earnings Household Data 2008 Annual Averages, Table 39

<sup>22</sup> Developing Sectoral Strategies to Address Gender Pay Gaps : A Comparative Analysis of Sectoral Wage Differentials in the European Union. DTZ Pieda Consulting, final report for Department of Justice, Equality and Law Reform. Febrary 2003

<sup>23</sup> <http://ec.europa.eu/social/main.jsp?langId=en&catId=681&newsId=467&furtherNews=yes>

The Equality Commission for Northern Ireland (ECNI) in their “Statement of Key Inequalities” (October 2007) particularly highlighted the plight of carers and the impact of caring on financial and personal health. Almost one in five (19%) of those providing substantial care (50+ hours per week) feel they are in poor health. This compares with 14% of the non-carer population. Women are more likely to be informal carers than men and over one third (34%) of female carers report that they spend at least 30 hours per week caring. One in five carers (21%) are aged 60 years or over. 17% of women aged 60 to 74 provide care in their own household and 1 in 4 (25%) provide informal care for a person not living with them. ECNI note that providing such caring throughout life can impact on income, pension accumulation and the development of social networks. Admittedly it is difficult to put a value, monetary and otherwise, on the costs and benefits which accrue from caring and family responsibilities.

However the ECNI report also noted that most existing pension schemes are based on the traditional model of continuous contribution whilst in fulltime work in a lifetime job – consistent with the demands of family and caring roles, women are more likely to take career breaks for child or family related reasons, to be economically inactive outside the household, or to be in part-time employment for periods. Gender differences in the labour market have a particular impact on women’s situation in later life and their access to pensions, savings and benefits is thereby restricted. These impacts of care giving on pensions, earnings, savings and career all multiply over time and impact substantially on middle aged women. Recent changes to pension law across the United Kingdom have addressed certain aspects of this inequality by providing for credits to be earned, in certain circumstances, by those who might otherwise have lost out on elements of retirement pension entitlements.

### Family and Housework

United States Supreme Court Justice Ruth Bader-Ginsberg has suggested that “Women will only have true equality when men share with them the responsibility of bringing up the next generation”. Surveys show that Northern Ireland women continue to provide (and are expected to provide) more than 70% of all household and caring work. The gender pay gap and work/life balance inevitably become conflated in any discussion of occupational segregation because of the impact of childcare and family responsibilities on many women’s employment choices. At all stages of their working life, women tend to juggle continuity and commitment between family and work in a way which most men abdicate in favour of career-oriented focus.

### Flexible Working

In America, research by the American Institute for Women’s Policy Research (IWPR) has looked at the scope for increasing workers’ (men’s and women’s) choices, and their

ability to change their working hours and arrangements to facilitate reconciliation of work and family, to support lifelong learning and extension of employment into later life. This approach chimes with Generation X<sup>24</sup> “have it all” aspirations, offers flexibility at a time of labour market uncertainty, and opens a fresh perspective on the way men as well as women might in future approach career and life choices. Specialists at the Institute for Women’s Policy Research (IWPR) in Washington have developed proposals for federal legislation incorporating features such as the United Kingdom’s explicit “right to request” (leave from work) provisions, which are seen as potentially creating a climate conducive to widening the appeal of flexible working provisions (to men as well as women).

### Tackling the Gender Pay Gap

On 3 March 2009 the European Union launched a campaign to tackle the gender pay gap.<sup>25</sup> Under the strong leadership of the Deputy Prime Minister, Harriet Harman, the United Kingdom will contribute to this campaign and one of the priorities of the Westminster Government Equalities Office (GEO) is to reduce the gender pay gap and to make sure women’s talents are properly used and rewarded. GEO argue there is strong justification for a case that society, businesses and the economy suffer if women’s abilities and skills are not being effectively recognised and used..

According to the [Annual Survey of Hours and Earnings 2008](#) (ONS) the full-time gender pay gap, or the percentage difference between the median hourly earnings of men and women, excluding overtime payments, across the United Kingdom is 12.8 per cent. The part-time pay gap (which compares women’s part-time pay to men’s full-time pay) is 39.9 per cent. GEO’s Public Service Agreement 15 commits to significantly narrowing the gender pay gap and GEO will be working closely with other central Government departments and with a wide range of partners including regional government, local government, and non-Departmental public bodies such as the [Equality and Human Rights Commission](#) (EHRC) to achieve this.

Research done for the Women and Work Commission suggested the gender pay gap represented significant costs in lost productivity and wasted talent. The Commission’s thirty-nine recommendations for closing not only a pay gap but also an opportunities gap<sup>26</sup> remain highly relevant and inform national work to close the gender pay gap.

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<sup>24</sup> [Insert definition of Gen X]

<sup>25</sup> <http://ec.europa.eu/social/main.jsp?langId=en&catId=681>

<sup>26</sup> <http://www.scotland.gov.uk/Publications/2008/08/27101332/2>

Cultural barriers identified by the Commission included stereotyping in the media, men's and women's gendered roles in families, education, training and employment, early years experience, and occupational segregation (as a key strand of their Gender Equality Strategy, the Scottish Executive have recently reported on a cross-departmental initiative to address occupational segregation).

### Pay Audits

A widely observed phenomenon across many countries, occupational segregation is evidenced by the wage difference between women's work and men's work. Both horizontally (by occupation) and vertically (by managerial and leadership responsibility) occupational segregation has been shown to account for a significant element of the gender pay gap. In this context, well-designed, properly structured and published pay audits, which improve transparency and understanding by providing informative data on remuneration in particular occupations or categories and levels, are a useful tool. A good pay audit can cast light on differences between men and women – and thereby inform consideration of inequalities or differences. Of course it is possible for a poorly constructed gender pay audit to mask significant gender differences, for example by brigading together pipeline with senior management grades, by ignoring overtime and bonuses, or by ignoring different working patterns.

## **PART THREE – CURRENT PERSPECTIVES ON GENDER PAY**

### **7: Literature Review**

#### The Role of Education

Much of the research literature around gender pay is to be found in comparative studies on graduate earnings. In the United States, choosing to attend college and completing a college degree is conclusively shown to have strong positive effects on earnings, (although all college degrees do not have the same effect). In the United Kingdom too, education has often been cited as one means for women to escape the low wage trap, and graduate women generally earn more than non graduate women – but less than graduate men.

#### Gender Pay Differentials in the United States

There is a predominance of women among low paid and part time positions across the United Kingdom (and indeed Europe) and the United States and there is a significant pay gap between part time employees, and managerial and professional men and women. In both countries, the largest pay gap is between part time women and fulltime men.

Research published in 2007 by the American Association of Women Graduates (AAWG), “Behind the Pay Gap”, examined the gender pay and earnings gaps for college graduates. The authors claimed that the gender pay gap had become a fixture of the U.S. workplace and is so ubiquitous that many simply view it as normal. The report also claims that one year out of college, women working full time earn only 80 percent of what their male colleagues earn. Ten years after graduation, that drops to 69 percent. The report shows that, even adjusting for hours, occupation, parenthood, and other factors normally associated with pay, college-educated women still earn less than their male peers earn. “Gains in Learning, Gaps in Earning”, published in 2008 by the Association, revealed that women with 4-year degrees typically earn 76 cents for every dollar their male counterparts earn.

#### Experience and Attitudes

Critics of this later AAWG report point out that the underlying analysis failed to take account of where individuals were on the career ladder, and point to the growing body of recent research which suggests that salary differentials are explained because men

more forcefully seek and embrace higher paid jobs and attendant managerial and decision-making responsibilities. (Other sources suggest this may reflect the risk profiles associated with differing hormonal influences affecting behaviours of men and women in general.)

Another recent study of United States graduates shows that women who graduate from college expect that they will be paid less than their male counterparts. The first Collegiate Seniors' Economic Expectation Research (SEER) Survey & Index compiled by Professor Charles Wilf of Duquesne University indicates that 51 percent of women and 35 percent of men polled expected to earn under \$30,000 in their first year after college. 12 percent of women and 24 percent of men expect to earn more than \$50,000. The gender gap among business students was not as wide, with 56 percent of women and 67 percent of men majoring in business expecting to earn more than \$50,000 in three years.

#### Subject and Career Choices

Undoubtedly choice of study discipline or major can affect later earnings, and although the picture has improved, in the United States, female students are still concentrated in fields associated with lower earnings - education, health, the arts. Male students dominate higher-paying fields: engineering, mathematics, physical sciences. Women and men who major in “male-dominated” subjects earn more than do those who majored in “female dominated” or “mixed-gender” subjects. AAWG reports that one year after graduation, the average female education major working full time earns only 60 percent as much as the average female engineering major working full time, while within education, women earn 95 percent as much as their male colleagues earn; in biological sciences, 75 percent as much as men earn; in mathematics 76 percent as much as men earn.

#### Sectoral Influences

Non-profit and local government sector wages are typically lower than for-profit and federal government. Early career choices play a role. Among mathematics majors one year after graduation, women who work in computer science earn over 37 percent more than women employed in education or administrative, clerical, or legal support occupations. The Association suggests that if “too many” women make the same choice, earnings in some occupations can be expected to decline overall.

#### Unpaid Family Work

The Association's research reports that division of domestic and caring chores remains similar to previous generations. Mothers are more likely than fathers (or other women) to work part time, take leave, or take a break from the work force—factors that negatively affect wages, professional capital, pension and retirement benefit, and financial security in old age. Among women graduates of 1992–93, 23 percent of mothers were out of the work force in 2003, and another 17 percent were working part time. By contrast, less than 2 percent of fathers were out of the work force in 2003, and less than 2 percent working part time. On average, mothers were earning less than women without children, while all women were earning less than men.

### Labour Force Participation

This report contributes to a wide body of research which has found that in general, both in the United States and in the United Kingdom, men spend more time at the office after becoming a father, women more time with children. Societal norms encourage and reinforce such expectations – indeed the AAWG report speculates that women who do not have children may still be viewed as “potential mothers” by employers, who may, as a result, give women fewer professional opportunities. Ideally, the Association suggest, women and men should have similar economic opportunities and equal opportunities to enjoy meaningful unpaid work, such as parenting. Likewise, workplace accommodations for parenting could be valuable for fathers as well as mothers.

The Association suggests the gender pay gap among full-time workers understates the real difference between women's and men's earnings because it excludes women who are not in the labor force or who are working part time. Most college-educated women who are not working full time will eventually return to the full-time labor market, many to work part-time. On average, these women will then earn lower wages than will their continuously employed counterparts, further widening the pay gap.

### Recent research findings in the United Kingdom and Northern Ireland

Across the United Kingdom, girls now out-perform boys at many levels of secondary education, and nearly three out of five recent first degree graduates are women. Women represent approaching 50% of the workforce, and before the arrival of children, 85% of working women are full-time. That falls to just 34% of working mothers with pre-

school children.<sup>27</sup> Every year the Equality and Human Rights Commission in Great Britain publishes a survey and analysis of women in top positions. Introducing the findings of the recently published 2008 report “Sex and Power” Nicola Brewer, the Chief Executive of Commission, said: 'Young women's aspiration is in danger of giving way to frustration. Many of them are now excelling at school and are achieving great things in higher education. And they are keen to balance a family with a rewarding career. But workplaces forged in an era of 'stay at home mums' and 'breadwinner dads' are putting too many barriers in the way - resulting in an avoidable loss of talent at the top. We always speak of a glass ceiling... in some cases it appears to be made of reinforced concrete. We need radical change to support those who are doing great work and help those who want to work better and release talent.'

### Labour Market Data: United Kingdom Pay and Earnings

Legislation introduced progressively since 1975 requires equal pay for the same work or work of equal value, across the United Kingdom. Official labour market data show since then a UKwide narrowing of the gender pay gap (as measured by the median hourly pay excluding overtime of full-time employees) to 12.6% by 2007, its lowest value since records began. In Northern Ireland the figures show the fulltime gender pay gap all but closed, and relatively stable over the last 3 years.

As discussed earlier, these are crude indicators which ignore earnings differentials and mask other stark differences. While 67% of women in Northern Ireland undertake paid work, and account for almost half of the Northern Ireland labour force, 87% of part-time employees are women – they represent 42% of all female employees in Northern Ireland. Many of these part-time employees are in low-pay, service sector jobs. A meaningful is also to compare male and female fulltime with female part-time earnings (and pay). The few male part-time workers are likely to be very atypical specimens whilst female part-time workers will be more typical.

Men in Northern Ireland work on average more paid hours (contributing to the full-time weekly earnings differential of around 11%, excluding overtime and bonuses - £378.5 compared with £422.9) and earn more overtime than women. There is little information or analysis of bonus earnings, which must not be excluded from consideration. Nor have I included specific analysis of economic activity, although there are strong indications of correlations between mothers who have young children, and economic inactivity.

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<sup>27</sup> Sex and Power 2008, Equality and Human Rights Commission P.13

### Motherhood Penalty

A United Kingdom study by the Trade Union Council in 2007 highlighted that the "motherhood penalty" makes working women in their 40s 22.8% worse off than men. In research undertaken in 2008 for the Office of National Statistics (ONS), modelling of longitudinal labour force and hours and earnings data was undertaken. This allowed a sophisticated analysis taking account of factors such as level of education (the level of qualifications had a relatively small impact on earnings.) The analysis showed that about one third of the gap between men's and women's earnings could be explained by observable factors such as occupation, industry, age and region. The remaining two-thirds was due to factors that could not be observed from the data, which "may include" discrimination among other things.

Interestingly, according to the modeling exercise, men's earnings progress faster than women's until about age 21, after which the rate of increase is broadly similar until about age 40. Thereafter the increase in women's earnings is steeper than men's. The data indicated that the gender earnings gap jumped from 1% for women and men working fulltime in their 20s to 20.3% for full-timers aged 40 to 49, while for women and men aged 50 to 59, the gap was 18.3%. Working outside London affects women's earnings more than men's – for example men in the South East earn 4 per cent less than men in London, but for women this gap is 7 per cent. The study also indicated that working in a 'senior official' occupation tends to increase a man's earnings more than a woman's (it is not clear to what extent bonus and performance pay affected the comparison) but working in a 'professional' occupation tends to increase a woman's earnings more than a man's. While working within the public sector is beneficial to both sexes, the benefit is larger for women than men. Looking at how much of the gender earnings gap can be explained by those factors which can be observed in the model, the ONS concludes that there has been a small fall in the unexplained portion, perhaps showing a reduction in discrimination over the time period, although other factors which cannot be measured could also be the reason.

In a contemporaneous short article critiquing the Women and Work Commission report, Professor Alan Manning of LSE called for more encouragement of voluntary pay audits, and more male homemakers, as additions to the wide-ranging recommendations in the report. Manning acknowledges the possibility of "subtle employer discrimination", and the fact of lower women's labour market attachment (which he, like many commentators, attributes to most women taking some time out of paid employment when they have children.) Manning estimated this as explaining half of the gender pay

gap. However since then the rate of women's involvement in the United Kingdom labour market has risen to an all time high. It would have been interesting to see whether "time out" trends also changed but the report did not track this data. Manning debunked occupational choice as a significant factor. While acknowledging that 2.5% of a gender pay gap on graduation can all be explained by different subjects chosen by women and men, on his analysis extrapolation of this to age 35 would still only account for 2.5%, a small fraction of the 35% pay gap at that age. Manning acknowledges that choice of subjects (by women) with lower wage growth may be a factor, but a small one. He swiftly dismissed recommendations to combat early gender stereotyping: "If implemented, this could only have an effect 20 years down the line. Even then, we would probably be unable to see its effect very directly"; dealing dismissively with the notion of encouraging girls into STEM subjects: "I doubt if the gender pay gap will fall by much as a result."

Manning acknowledges that "the price currently paid by women who take career breaks does seem to be disproportionate." He discounts stereotyping or gender characteristics as reasons why women don't 'get on' in careers and rests his case with "There is still considerable mystery surrounding why women do not make as much progress as men in the labour market". In a separate report on how the gender pay gap had evolved over the lifecycle of four generations of women – from those born in 1945-54 to those born in 1975-84 – Manning commented in 2006 that while the pay gap between men and women had fallen quite dramatically to about 20% at the age of 30 over that period, there had since then been a substantial slowing in pace, with the current generation of women doing only slightly better than the previous one. At current rates, it would take 150 years to disappear. (Manning did not factor in at that time the impact of any possible financial downturn, which is a newer phenomenon.)

Manning's most recent work for government, published in January 2008 online in the *Economic Journal*, indicates the rise in the pay penalty over time is partly a result of a rise in occupational segregation and partly the general rise in wage inequality (and the impact of part time work on women's salaries). He suggests that policies to reduce the pay penalty have had little effect and it is likely that it will not change much unless better jobs can be made available on a part-time basis.

Mary Gregory, the Oxford-based academic, has conducted a compelling analysis of a number of cohorts in a 30-year data series. Gregory's work concluded that although women working part-time suffer no direct pay disadvantage, they are disproportionately concentrated in lower-paying jobs; while the shift from full-time to part-time work often

involves occupational downgrading, which is only sometimes reversed on the return to full-time employment. Her analysis demonstrates the potentially detrimental long term career and financial consequences, including pension and retirement benefits, of part-time and flexible work patterns for women.

Gregory's work looks not merely at financial but also at satisfaction issues. As women reorganize their working lives around the presence of children their reported hours and job satisfaction are highest in part-time work, while life-satisfaction is scarcely affected by hours of work.

Arnaud Chevalier analyses a sample of recent United Kingdom graduates' salary and earnings, using variables on career expectations and character traits. His conclusions are at least consistent with and perhaps supportive of Mary Gregory's "life satisfaction" indices, indicating that women are more altruistic and less career-oriented than men. Career break expectations explained 10% of the gender pay and earnings gap in his favored model, and Chevalier posits that by omitting attitudinal variables most studies are likely to over-estimate the unexplained component of the gender wage gap. Chevalier also observed that women with a more traditional view concerning childrearing were also found to have less intensive job search behavior.

Catherine Hakim's preference theory is persuasive in its coherence and potential for informing gender equality strategy and policy development.<sup>28</sup> Hakim (2000) argues that the circumstances that women face in pluralist twenty-first century societies, after two revolutions (reproductive rights, equal opportunities) and the rise in educational opportunity and white collar occupations, are fundamentally different from what went before. These societies allow a diversity of family models and of women's roles to flourish, and so permit women to make more open choices between alternative role prescriptions and personal histories. Work-lifestyle choices therefore truly express chosen gendered identities, in which women are heterogenous (and probably always have been). Hakim's preference theory identifies three main groups of women:

- Work-centred women who are financially independent and career-focused.
- Home centred women whose lives are centred on home-making or child-bearing and family.
- Adaptive women who balance work and home, adapting to sometimes conflicting pressures of each – these are the majority of women.

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<sup>28</sup> Catherine Hakim "Work-Lifestyle Choices in the 21<sup>st</sup> Century", OUP 2000

Hakim dismisses the argument that women have fixed preferences, or that they change their priorities repeatedly over the life cycle. Life history research, she says, shows that of the three main preference groups, only adaptive women (who are by far the most numerous) are “torn” between the competing attractions of family life and market work. She does not agree that male-dominated trade unions and employers are mainly responsible for sex differences at work. Rather because adaptive mothers will still choose to give equal or greater priority to their families, so the demands of family and work necessarily come into conflict at times. Hakim concludes that women’s concentration in lower-paid and part-time jobs is the consequence, not the cause, of most women’s expectation of marriage and financial dependence on a man; and that women will remain a minority within the very top echelons of society because only a small minority of women are work-centred the way that most men are, and because competitiveness increases as one moves up the occupational ladder. She cites evidence from longitudinal studies, which show that even graduate wives who have well-paid professional jobs still regard themselves as secondary earners while graduate husbands tend to regard themselves as the main breadwinner for the family.

Hakim also highlights the scope for unintended results from national policies that offer mothers substantial periods of paid and unpaid maternity leave, the right to work shorter hours, and other benefits to help reconcile work with family life. Employers in Sweden for example have come to regard women of child-bearing age as unattractive employees.

### Redefining the concept of pay equality

Professor J R Shackleton, writing about the gender pay gap in the Sunday Times on October 26, 2008, challenges the concept of pay equality. He illustrates that there are various ways of looking at pay differentials (gay men earn more per hour than “straight” men, Bangladeshi women earn a quarter more than Bangladeshi men). These differentials he says arise partly from differences in the jobs people do (few Bangladeshi women work, those who do are well educated and earn more than the typical Bangladeshi male, a third of who work in restaurants; gay men are relatively highly educated and concentrated in a narrow range of well-paying jobs. Italy – where only few, and highly educated women, work – has a gender pay gap half of Britain’s.)

Shackleton points out the work men do often carries disadvantages which higher pay compensates for – men are one and a half times more likely to be made redundant than women, and two and a half times more likely to suffer a serious injury at work; males

are more likely to work outside and work long and unsocial hours; they commute further. Also:

- Men's career preferences differ from women. Women are only 15% of engineering students and 22% of computing students.
- Women typically look for a lower first salary than men expect.
- Women are less likely to negotiate over pay.
- Women are less likely to seek promotion.
- Women are less likely to change jobs in pursuit of higher pay.

These choices, Shackleton suggests, are "hard for government to influence". Shackleton is elusively light on evidence for his dismissive criticism of proposals advanced by Harriet Harman in the Equality Bill : "Few policies advocated to reduce the pay gap – compulsory pay audits, use of government procurement, enhanced flexible working, big childcare subsidies – seem likely to succeed. Most have been tried elsewhere; nowhere has pay been equalised as a result. They are, however, costly to implement." Shackleton suggests that even if the measures succeeded in reducing the gap, this would be at the expense of greater inequality between households – increased female pay would increase the financial advantage of two-earner households and raise conventional measures of inequality and relative deprivation. Shackleton is a respected academic, adviser and commentator on the gender pay gap<sup>29</sup>. Examination of the changed behaviours, losses and gains which might be expected, all things being considered, from increased female pay would undoubtedly be needed to test such theories.

Like Shackleton, Morgan Farrell suggests that women choose easier jobs than men, choose caring responsibilities over stressful, more difficult hence better-paid jobs.

Susan Pinker, Canadian psychologist and journalist, cites biology as contributing to men being more competitive, and women more interested in family and social networks. Pinker's theories may also help to explain women's modest presence in the cut and thrust of high paying, high pressure careers, including top levels of representational politics. Pinker says: " The majority (not all by any means) of women are built for the long haul because their offspring depended on them for survival when there were no baby bottles or daycare centres in the picture. The biological leftovers of that period of human development include a propensity among many women to consider multiple points of view when taking risks (and therefore they take fewer of them), as well as to make social networks a priority. Luckily for women we are now learning from scientific

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<sup>29</sup> Professor J R Shackleton "Should We Mind the Gap? Gender Pay Differentials and Public Policy" Institute of Economic Affairs 2008

studies that both perspectives not only help women live longer but also protect their cognitive abilities and promote their happiness.”

Hannah Seligson speaks characteristically directly, in an article published 30 August 2008 in the New York Times, about men’s inherent workplace skills: “I need to develop a thick skin, feel comfortable promoting myself, learn how to negotiate, stop being a perfectionist and create a professional network — abilities that men are just more likely to have already ...”

### Solutions

The Norwegian Equal Pay Commission<sup>30</sup> reported in 2008 that the goal was not equal pay for all, but that pay must be determined in the same way for women as for men, and unreasonable gender-based differences in pay addressed. The Commission’s recommendations were aimed at ensuring equal opportunities for choice and equal chances in working life, with a goal of improving the position of women in the labour market. These included better enforcement of equal pay law; pay adjustments for female dominated professions and positions and compulsory pay audit across both private and public sectors; in collective bargaining, earmarked funding for low-wage and women’s jobs, and more use of local negotiations where there was a large proportion of female-dominated groups; division of parental leave with one third reserved for fathers, and new parental leave rights and entitlements; and a government supported series of positive actions to increase numbers of women in management positions.

The solutions proposed in the Women and Work Commission’s report “Shaping a Fairer Future” were wide-ranging. These were targetted at increasing women’s participation in the labour market and removing barriers to women working in occupations traditionally the preserve of men. The Commission called for a new Cabinet sub-committee to oversee its recommendations, which included streamlining equal pay claim procedures; opening up more senior jobs, particularly in skilled occupations and the professions, to part-time and flexible working; discounts from providers, for professional development for part-time workers and those on career breaks; targets for outreach services to place women (particularly disadvantaged women) into local jobs, and supported programmes for women returners; continuous management training on diversity and flexible working, and Trade Union promotion of flexible working; training packages on flexible working to be delivered free to small firms; a 10 year childcare strategy with better provision and

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<sup>30</sup> Summary of official Norwegian Report 2008: 6 [Gender and Pay – Facts, Analysis and Measures to Promote Equal Pay](#)

free places; transparent workplace equal pay audits and gender proofing of any proposed new pay systems.

## **8: Perspectives from Interviews and Discussions**

The following observations from my time in the United States are included as illustrative; and represent my individual observations from 4 structured and 9 unstructured interviews, 3 group discussions, and 2 formal seminars in Michigan, Chicago and Washington, between September and December 2008.

### **Political Priority**

To address such complex gender inequalities requires political will. Progress is uneven across Europe although there are many models of good practice, as evidenced by the findings of the Advisory Committee on Equal Opportunities for Women and Men.<sup>31</sup> My discussions in the United States frequently returned to the priority given to women's issues and gender equality issues, and officials with whom I spoke were impressed by the mainstreaming approach and the clear leadership given by Northern Ireland Ministers, and that the gender pay gap was an important Programme for Government commitment.

Another theme re-iterated in several interviews in America, and in discussions around the subject in Northern Ireland, was the conviction that a coalition of political women and women in society can act as a powerful stimulus to address the problem, and that the questions around pay equality are not likely to be addressed as effectively as they could without pressure from such joining of interests. The low representation of women at all levels of elected politics was seen as reducing the potential influence of such mechanisms.

Some women's groups expressed disappointment at the lack of legislative and policy change to tackle remaining gender barriers by State Executive Agencies in the United States. While some compared this with the high priority given to race equality, all acknowledged the particular and sometimes multiple barriers experienced by women from ethnic minorities. With the Lilly Ledbetter case featuring in the presidential election campaign, there was concern at the level of scrutiny still legally required of United States tribunals and the courts in alleged unequal treatment cases (a standard of

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<sup>31</sup> *Opinion on Gender Pay Gap* Advisory Committee on Equal Opportunities for Women and Men, March 2007. pdf version available at [http://83.137.212.42/sitearchive/eoc/Docs/Opinion\\_on\\_gender\\_pay\\_gap.doc?page=20170](http://83.137.212.42/sitearchive/eoc/Docs/Opinion_on_gender_pay_gap.doc?page=20170)

“skeptical scrutiny” requiring “extremely persuasive” justification of unequal treatment on grounds of sex, compared with the higher “strict scrutiny” required on race grounds.)

During two of the meetings I held in Michigan, I discussed the campaigns to counter affirmative action which had succeeded in some states, with the passage of a proposal prohibiting preferential treatment in California, and the similar Proposal 2/06 in Michigan. There was some support that this would perpetuate the patriarchal basis of the law and “the way things are”:

“Feminists believe that history was written from a male point of view and does not reflect women's role in making history and structuring society. Male-written history has created a bias in the concepts of human nature, gender potential, and social arrangements. The language, logic, and structure of the law are male-created and reinforce male values. By presenting male characteristics as a "norm" and female characteristics as deviation from the "norm" the prevailing conceptions of law reinforce and perpetuate patriarchal power.<sup>32</sup>”

### Work/life Balance

In two separate meetings in Chicago and Washington respectively, I met with one group of women state employees, most of whom had children, and a group of senior men and women federal officials, many of whom had older children. During formal and informal discussions, flexible working and telecommuting were identified as important to allow women and men to balance work and family commitments. (Within federal government Alternative Work Schedules have been available since 1996 under the Federal Employees Flexible and Compressed Work Schedules Act. Telecommuting requests are generally considered on a case by case basis.) One younger woman in the federal officials group who presented as work-focused (using Hakim's model) was the only woman who said that her husband took “most to do with the children”.

Another woman, a senior state official manager with whom I discussed flexible working during a formal interview, echoed a common view when she emphasised that in practice, all employees have to give due weight to the needs of the business and balance this with their needs as a parent or carer. “There are times when it's not all right for someone to say ‘I can't do this because I have a dental appointment for my son’. This can be tough when you are a manager, but sometimes the needs of the business do come first, and employees need to know this.”

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<sup>32</sup> Cornell University's Legal Information Institute

## **PART 4: CONCLUDING REMARKS**

### **Section 10 - Summary findings**

European Vice President Margot Wallstrom’s recent comments summarise the dilemma of the gender pay gap – that despite equal pay legislation and the outlawing of gender discrimination across Europe, women still earn less than men:

“Gender discrimination of all kinds is banned in the EU treaties, which also include the principle of equal pay for equal work. Nonetheless, it might surprise you to know that women in Europe today are still paid on average close to 16% less than men for the same job. At the speed at which the wage gap between men and women is closing, it will take another 70 years before equality is reached.<sup>33</sup>”

Defining and quantifying the gender pay gap is complex and comparison of trends across various measures is likely to be needed to assess change over time. Not all causes fall within areas over which government has influence, and cause and effect may be indistinguishable, rooted in cultural norms.

Not all women want to compete on equal terms with men in the workplace – Hakim certainly believes only a small minority do (although she also suggests that most women are “torn” between work and family), Pinker suggests that hormonal difference affects men’s and women’s attitudes to risk, competition and the workplace. The literature has little to say on whether men want to conform to ‘normative’ gendered stereotypes and what ‘real’ choices they have. Society certainly expects that most mothers are more interested in and at ease with young children than their fathers; while married couples generally have an unequal sharing of childcare and housework.

Household and caring roles of men are also affected by fatherhood, but conversely characterised by longer hours at work, more likelihood of promotion and increased earnings. In the United States where statutory leave (and pregnancy) allowances are less generous than in the United Kingdom, low take up (particularly by men) indicates a work-first ethos. While many women are thought to welcome these family-friendly arrangements, it has been suggested that the cost to employers of new and improved

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<sup>33</sup> BBC News website 9 March 2009 <http://newsvote.bbc.co.uk/1/hi/world/europe/7928776.stm>

maternity provisions will make women less desirable employees, and perpetuate gender roles:

“The radical extension of maternity leave and parents’ rights is sabotaging women’s careers, according to the head of the new equalities watchdog. Nicola Brewer said that it was an inconvenient truth that giving women a year off work after the birth of each child - soon to be paid throughout - was making employers think twice before offering a job or promotion. Ms Brewer said that generous maternity benefits had entrenched the assumption that only mothers brought up children and failed to hasten a social revolution where both parents were equally responsible for caring for their family.<sup>34</sup>”

Pete Ronayne of the Federal Executive Institute predicts that the 30 and 40 year olds in to-day’s workforce will want a better worklife (and work/family) balance in their lives : “Survey after survey, study upon study, reveals a longstanding and consistent emphasis on work/life balance for a large percentage of Generation X. These attitudes will be further tested in coming years as Xers ascend in organizations and face greater demands, opportunities, and responsibilities. For now, however, balance remains a strong workplace value for the cohort.”<sup>35</sup> Ronayne notes that Generation X American fathers spend on average an hour per day longer with their children than the baby boomer cohort. Whether this provides men with a more satisfying family life is debatable. Although research from Sweden that has found that fathers who take up to two years off work after the birth of a child are 30 per cent less likely to get divorced, few, albeit increasing numbers of Swedish men take advantage of their generous family leave allowances, while divorce rates in Sweden are among the highest in Europe.

Minimum statutory wage provisions in both countries, and European social directives governing hours and transfer of provisions regulation, already provide robust, though incomplete, safeguards against the worst levels of exploitation of women. In neither country has there been serious consideration of costs of positive action (such as paying women more to redress the balance of gender pay), or the extent to which such actions might give unfair advantage. Shakleton and Farrell have suggested that men in some sense deserve financial rewards to compensate for more stressful jobs, longer hours, more risk of injury and more dangerous work. However the literature is disappointingly sparse in significantly challenging these assertions.

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<sup>34</sup> Reported in the Times of July 14, 2008

<sup>35</sup> Getting the “X” Into Senior Executive Service: Thoughts on Generation X and the Future of the Senior Executive Service (Pete Ronayne, speaking at Thought Leader Forum, Washington, DC April 10, 2007

The gendered nature of household and caring work in Northern Ireland - the unequal and largely unchallenged division of unpaid household chores and childcare with male partners - is potentially disadvantageous for many women not only in terms of lifetime earnings and career progression but also on other equality parameters. The higher incidence of depression among women with children and household responsibilities [cite data and report] suggests that for whatever reasons this work or its terms and conditions may be unduly stressful for some women.

There is no doubt that woman's work in the family can be emotionally rewarding, and that women's service in the home deserves more recognition. Menial household chores can be tiring and frustrating, although they can help create an ambiance conducive to wellbeing of all family members. Caring for children is tiring, stressful, and requires endless patience, persistence, diplomacy and communication skills – Susan Pinker's use of the term "long haul" is apt indeed - yet good early years nurture can help create self assurance and security of identity which lasts a lifetime. Depending on a husband's salary may reduce self-pride and independence, and inculcate economical spending in the most exuberant of women; while the isolation from peers which necessarily accompanies the duties of a carer and fulltime mother may reduce the lifelong self-confidence of any woman. The cumulative, sometimes undermining career effect of these pressures is surely borne out in the lifetime patterns observed by Gregory and others – the tendency to return to part-time work, or to a new, lesser status job, after taking time out for family.

It is extraordinary that society so undervalues the stressful, physically draining, emotionally challenging role which most women carry out in the name of love, or duty, or because that is "the way things are". Weighed against this, the wider social benefits of changing the model are often difficult to estimate and may appear ambivalent for the practices which are common across the public sector (and to a more limited extent in other sectors) in the United Kingdom and Northern Ireland. In the current economic climate neither government, third sector nor industry are likely to be able to sustain further costs, such as those entailed in increasing the remuneration of occupations dominated by women, or increasing social benefits to stay at home mothers, beyond what is legally necessary in line with Equal Pay legislation.

However family life is changing and it is a private matter for each family to decide on the division of family responsibilities. Heterosexual monogamy is a main but not the sole norm of coupled and community living. Many young women embark knowingly and willingly on single parenthood. Many young men may consider serial monogamy the

norm they will follow. Lesbian and gay partnerships are legally recognised in Northern Ireland and parts of America. In such an era of unprecedented social change, education and socialisation at all stages of life needs to support each individual to exercise rights and freedoms in a responsible, altruistic way, and to balance individual needs and respectful concern for others. In the light of the health and career impacts on some individuals, and on long-term relationships, more informed debate is now needed on the gender division of household and parenting responsibilities, on the attitudes of couples who are parents and the role models they portray in family life, on quality of relationships and the impact of gender roles within relationships.

There is little information on gender role attitudes among the various age groups in Northern Ireland. There are however indications that young women simply don't believe that the young men they work and play with are going to earn more and progress faster and that young women and men do not recognize the gender pay gap as relevant. Perhaps this is due to a generational acceptance of rapid social change, combined with perceptions that women have progressed to near-parity with men, in career terms, over just a few generations. Up to and at tertiary education level, girls perform generally better than boys, so such assumptions might be expected. Perhaps young women will be more assertive in salary and career aspirations and negotiations. Perhaps their insouciance is because the gender pay gap will in future, as now, be virtually imperceptible until around age 21 (when it widens progressively until women are well into their forties). Perhaps hormonal influence and cognitive processes make girls less concerned with money and status and perhaps Hakin's theory of a marriage market, where youth and beauty are important, indeed influences women's early career and choices.

Indeed little work has been done to factor in attitudinal differences, which contribute to the "unexplained" element once allowance has been made for the differing nature and extent of men's labour market experience (and the "natural" bent of women towards childcare and housekeeping). It is certainly important that government does nothing to promote such attitudes and roles as a preferred or the only norm. It is difficult enough for women to operate within the constraints of existing cultural roles and expectations, and the extension of equality and rights to women, particularly in the workplace, is important so that no woman experiences discrimination because of her gender.

Although cultural and social influences may predispose particular gender roles, most women in Northern Ireland have considerable freedom to exercise choice in the paths they take in life. However it is inherently unsatisfactory to suggest that the gender pay gap is neither due to discrimination nor inequality but can be explained by individual

choice, by attitudes and by women choosing to undertake work of differing value, difficulty or stress – often in order to allow for family and caring. The reasons for such choices and attitudes are not fully explained by physical or hormonal diversity, and are likely to be influenced by role models, family and spousal preferences and stereotypes as well as by wider societal pressures.

The current financial crisis is a driver which may make affirmative action to increase women's participation at leadership levels in economic and political life even less popular, as highly traditional electorates look to their (traditionally male) leaders to give priority to restoring confidence and economic prosperity. Alternatively, current challenges may represent an opportunity to build on existing rights and equality commitments, to develop a new economic order, which values home, family and relationships and encourages investment of time in caring and domestic matters.

#### The Role of Voluntary and Community Groups

In a society characterised by gender difference, women need to have familiar spaces, real or virtual, to explore and celebrate their individual needs and identities with other women. Interest-based forums or groups often provide a safe place to reinforce minority or special identities, and from there, to embrace change in a positive way. Many women who combine work and family find such spaces in faith-based groups. There are readily available examples of good practice in Northern Ireland, groups concerned with promoting the full and equal involvement of women, extending across the work of academic and higher education institutions, the voluntary and community sector, and government and public bodies. In the United States, areas which may offer opportunities for sharing of good practice include:

- The achievements of the Michigan Women's Commission, in raising critical awareness of the status of women, and stimulating debate on topics of particular interest to women.
- The work of the Women's Bureau in the Department of Labour (which operates on a very modest budget), providing readily accessible advice across a wide range of women's equality interests, and practical concerns – from special services for families of the armed forces, to support for minority ethnic women's forums.
- Academic contributions: from the Women and Politics Institute at American University, Washington, around women and politics, and women in politics.
- From the Institute for Research on Women and Gender, University of Michigan, in cross-disciplinary studies in gender, identify and needs.

- Innovation and energy from the NGO sector.

## **10: Conclusions and Recommendations**

Despite considerable progress over the last century in both Europe (Northern Ireland) and the United States, there is little prospect of totally eliminating the gender pay gap unless culturally defined gender roles continue to shift, more value and respect are given to women's work, and deeply rooted attitudes and behaviours change. In both comparator countries, at almost all ages, women in general do not earn as much as men. This report has nonetheless shown the rapid pace of change in the status of women in employment both in the United States and Europe over recent generations, while illustrating examples of intransigent cultural differences which may affect women's position in the labour market. Many people in our society are reluctant to challenge structural imbalances like occupational segregation, gendered roles, and different patterns of lifelong access and progression. Women are still more disposed than men to choose to work part-time and to take advantage of family leave and flexible working conditions. This all translates into lower earnings and pension entitlements. Women are also under-represented in well-paid jobs and elected politics, with women less successful than men when it comes to occupying leadership positions in virtually all areas of public life.

An extensive and growing body of literature presents persuasive evidence and a range of theories. It is debatable whether the differing status of men and women in the labour market and in society is a function of free choice, of nature or of nurture, of latent or obvious discrimination, of unresolved barriers to progression – or all of these. Whatever the reasons, over a lifetime, the gap in total earnings for men and women can be significant, with implications for women's financial well-being, status, independence and basic freedoms. It is abundantly clear that the gender pay gap cannot be considered as virtually closed on one or two definitions alone (such as hourly median rates of pay for fulltime and part time workers). Although these are useful indicators along limited parameters of reporting, most commentators take a broader view. Various measures and comparisons are needed to reveal and clarify underlying differences between men and women's experience in the labour market.

It has been suggested that many women choose and treasure the difference that children, family and caring responsibilities bring to enrich their lives. Even so, it seems only right to have recognised in this report that the choices that women make, these

spaces that they occupy, can entail a lifelong cost in terms of wealth, independence and freedom to choose.

The potential implications for Northern Ireland, now and in future, need to be further considered and a specific, practical set of recommendations developed to address the Executive's PSA 5.7 target the Executive's Programme for Government target to introduce "...measures to work towards the total elimination of the gender pay gap". It is suggested that a local examination could be led by OFMDFM in partnership with the Equality Commission for Northern Ireland and the Gender Advisory Panel - the work is a natural development of the implementation of the Executive's Gender Equality Strategy. The work of the Government Equalities Office, the Scots and Welsh regional governments, and The Women and Work Commission all offer useful read across and examples of statutory and voluntary measures to address gender inequalities.

Since awareness-raising and transparency of process are important, it is proposed that underpinning the local examination, website pages should be developed and progress on particular aspects of the examination will be published as available. At the outset, it is also proposed that Ministerial agreement would be sought for OFMDFM to plan and host a conference on women's economic status, at which the report of the examination would be published.

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