



Disparity of Wages: Capitalist Inequality in Financial Reward System for Men & Women

Dr. Shailja C. Tiwari

Faculty, S.M.Patel Institute of Commerce, Ahmedabad

Prof. Bhavik U. Swadiya

Faculty, S.M.Patel Institute of Commerce, Ahmedabad

Abstract

This paper deals with the fact that men & women have very different experiences in working & earning and women often face the gender based discrimination which results in the increase risks in ill health, violence, poor education and poverty. The “gender gap in earning” or “gender pay gap” refers to the ratio of female to male earnings yearly. This research paper will also consider the Bias favoring men and anti-female Bias like motherhood penalty and men’s marriage premium found in UK and US. This paper also clarifies the concept of labour rights that individuals doing the same work should receive the same remuneration, i.e. “equal pay for equal work”. The research paper will also include the criticism of the principles of equal pay for equal work mechanism. Some rights activists believe that government actions to correct gender pay disparity serve to interfere with system of voluntary exchange. This study will also explain that there are no concrete reasons for why an organisation discriminates the financial reward system between men & women. Undoubtedly, this study will also include summary and conclusions for the essential reasons for the apparent disparity in salaries between the genders. It is not type of work in life as much as the different situation the women & men are faced with.

Introduction

What are your Human Rights? Let’s start with some basic human rights definitions:

Human: A member of the Homo sapiens species; a man, woman or child; a person.

Rights: Things to which you are entitled or allowed; freedoms that are guaranteed.

Human Rights: The rights you have simply because you are human.

If you were to ask people in the street, “What are human rights?” you would get many different answers. They would tell you the rights they know about, but very few people know all their rights. As covered in the definitions above, a right is a freedom of some kind. It is something to which you are entitled by virtue of being human.



Human rights are based on the principle of respect for the individual. Their fundamental assumption is that each person is a moral and rational being who deserves to be treated with dignity. They are called human rights because they are universal. Whereas nations or specialized groups enjoy specific rights that apply only to them, human rights are the rights to which everyone is entitled—no matter who they are or where they live—simply because they are alive.

Yet many people, when asked to name their rights, will list only freedom of speech and belief and perhaps one or two others. There is no question these are important rights, but the full scope of human rights is very broad. They mean choice and opportunity. They mean the freedom to obtain a job, adopt a career, select a partner of one's choice and raise children. They include the right to travel widely and the right to work gainfully without harassment, abuse and threat of arbitrary dismissal. They even embrace the right to leisure.

In ages past, there were no human rights. Then the idea emerged that people should have certain freedoms. And that idea, in the wake of World War II, resulted finally in the document called the Universal Declaration of Human Rights and the thirty rights to which all people are entitled.

The Declaration was drafted by representatives of all regions of the world and encompassed all legal traditions. Formally adopted by the United Nations on December 10, 1948, it is the most universal human rights document in existence, delineating the thirty fundamental rights that form the basis for a democratic society.

Today, the Declaration is a living document that has been accepted as a contract between a government and its people throughout the world. According to the Guinness Book of World Records, it is the most translated document in the world.

The focus of this paper is on issues concerning gender disparities in incomes and wages in the context of labour markets so as to examine the nature of prevalent discrimination and Biases against women. While wage differentials are found across regions, occupations, sectors and so on, the inequalities across men and women workers differ since there is an element of discrimination involved in such variations. Consideration of wage inequalities in the context of labour markets, wherein one half of the workforce is involved in self-employed activities and a majority are involved in informal, unorganized sector work, necessarily needs to go beyond simple monetized payments and wage calculations.

This paper highlights the multi-dimensional context of gender inequalities prevalent in labour markets stemming from the socially derived structures, justifications offered in lieu of these imbalances in wage earnings across men and women. The paper also highlights the weak potential of economic growth and increasing women's economic participation towards eliminating these inequalities, unless supported by concerted efforts at altering attitudes towards women's roles and contribution that are harboured by different agents within the labour markets.

Factors influencing women's labour supply deployment, such as age, marital status, fertility, household or domestic responsibilities; resource and asset position, poverty levels; education, skill/training and so on.



Statistical evidence demonstrates that women continue to earn less than men in US & UK, as in all the countries that are members of the Organisation for Economic Co-operation and Development (OECD). This is the case despite the fact that women are catching up with men in labour force participation, and have caught up with men in educational attainment. The gap between what women earn and what men earn is known as the *gender wage gap*. There is difference between men's and women's hourly earnings. The wages gap is due to many reasons like discrimination in hiring, difference in education choices salary negotiations.

Different wage rates define job hierarchies, and the presence of varied labour use forms accommodates different wage systems and modes of payments. Multiple wage rates prevail simultaneously for different sectors, occupations and tasks within any local labour market, be it in rural villages or urban towns and cities.

In order to understand or examine gender inequalities in wages and incomes, the context of women's labour market participation as compared to that of male workers and all the varied dimensions associated with it have to be considered. The difficulties associated with recognising women's contribution to economic activities on the one hand, and their participation in labour market activities on the other hand define the widespread spectrum and nature of women's work. Despite the increasing work participation among women over time, far fewer women than men enter the labour market as workers and the age of entry among women is later than that noted for men. The reasons for such behaviour relate to the socially defined roles within the household and the gender division of labour. A substantial number of women enter the labour markets in their thirties, generally after completion of their reproductive roles of child bearing and rearing. Thus paper deals with the following three articles of human rights:

Article 23:

1. Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment.
2. Everyone, without any discrimination, has the right to equal pay for equal work.
3. Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.
4. Everyone has the right to form and to join trade unions for the protection of his interests.

Article 24:

Everyone has the right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay.

Article 25:

1. Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and



necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.

2. Motherhood and childhood are entitled to special care and assistance. All children, whether born in or out of wedlock, shall enjoy the same social protection.

This paper deals with the fact that men & women have very different experiences in working & earning and women often face the gender based discrimination which results in the increase risks in ill health, violence, poor education and poverty. The “gender gap in earning” or “gender pay gap” refers to the ratio of female to male earnings yearly. This research paper also considers the Bias favoring men and anti-female Bias like motherhood penalty and men’s marriage premium found in UK and US. This paper also clarifies the concept of labour rights that individuals doing the same work should receive the same remuneration, i.e. “equal pay for equal work”.

Gender Gap in Earning or Gender Pay Gap:

There are a number of ways to compare the earnings of women and men, all of which indicate that women earn less than men. The various measures are presented below.

1. The Full-year, Full-time Wage Gap

The full-year, full-time wage gap is the most commonly cited indicator of the gender wage gap. This measure compares the average income of full-time earners only.

Earnings and Income of U.S. Women and Men

Year	Women's Earnings as a % of Men's Earnings for Full-Time Workers
2000	76.6%
2005	79.8%
2010	81.6%
2011	82.6%
2012	81.6%
2013	82.4%

2. Comparing the Annual Earnings of Women and Men

A common way to measure the gender wage gap is to compare the total annual earnings of all men and women. This measure does not distinguish between part-time and full-time



employment. It includes the wages of all men and women, including full-year full-time workers, workers working full time but during part of the year only (e.g., seasonal workers), and part-time workers. Using this measure, the annual earnings of women in 2013 is 82.1% as much as men.

3. The weekly Wage Gap

The weekly wages gap between men and women on the basis of education example. Education is a factor in income – statistics show that higher degrees lead to higher median salaries. For weekly workers data below, men earn more than women in each category.

Degree	Median weekly earnings, women	Median weekly earnings, men
Doctoral	\$1,371	\$1,734
Professional	\$1,415	\$1,836
Master's	\$1,125	\$1,515
Bachelor's	\$930	\$1,199
Associate's	\$682	\$880
High school graduate, no college	\$554	\$720

<i>Age Groups</i>	<i>Women's % of Men's Earnings</i>
20-24	89.0%
25-34	90.2%
35-44	78.1%
45-54	75.1%
55-64	76.2%
65+	77.6%



4. The Hourly Wage Gap

The hourly wage gap compare how much women make for an hour of work compared with men. Unlike the full-time, full-year measure, comparing the hourly wage allows us to include men and women in non-standard work arrangements, including part-time or part-year work.

5. Age wise Wages Gap

The earnings difference between women and men varies with age, with younger women more closely approaching pay equity than older women (2012, median weekly earnings), for full-time wage and salary workers.

Gender Wages Gap by Industry in US.

The biggest wages gap in the U.S. in the Financial Activities of Industry.

Women's Earning as a Percent of Men's by Industry.

Financial Activities of Industry	Percent
Public Administration	78.5%
Leisure and hospitality	83.5%
Other services	72.2%
Educational and Health Services	77%
Financial Activities	70.5%
Information	75.8%
Transportation and Utilities	78.6%
Whole sale and Retail Trader	76%
Manufacturing	73.8%
Construction	92%



Mining , quarrying and oil & Gas	79.7%
Agriculture and related Industries	84.6%

Bias Favoring Men And Anti-Female Bias

Motherhood Penalty:

One of the main reasons why women interrupt their careers is motherhood: specifically, bearing and raising children. Thus, explanatory factors relating to motherhood generally are included in statistical analyses investigating the gender wage gap. Anderson, Binder, and Krause have examined the composition of the wage reduction for motherhood in greater detail. They have found that larger wage reductions are associated with having relatively young children than with having older children. They have also determined that the size of the wage reduction is markedly different for women with different levels of education. Results from their analysis reveal that mothers with below average levels of educational attainment incur smaller proportional reductions in wages than do mothers with average levels of educational attainment. More notably, they have found that mothers with college educations do not experience reductions in wages. They explain that highly educated women are able to schedule their work more flexibly than others, and hence can substitute hours worked at other times during the day for hours spent caring for their children during midday.

In U.S. motherhood wage gap is estimated as a drop of 4 to 5 percent in earnings for mothers with one child, after controlling for demographic, human capital, and job characteristic variables (Anderson et al., 2003, Budig and England, 2001, Davies and Pierre, 2005, Lundberg and Rose, 2000). The gap increases with two or more children, with some studies finding the penalty to increase further with three or more children. Across the majority of studies, for one child, the gap ranges from 3 to 6 percent. For two children, the gap ranges from 5 to 11 percent. For three or more children, the gap ranges from 4 to 12 percent (Budig and England, 2001, Anderson et al. 2003, Davies and Pierre, 2005).

In UK 2001–02, women aged 25–44 with one child earned 4 per cent less than those without a child, those with two children 14 per cent less and those with three or more children 20 per cent less (Harkness, 2005). The penalty for those working full-time was smaller (zero, 10 per cent and 15 per cent, respectively). This motherhood pay gap (for women aged 25–44) had been declining, mainly since 1998, and, by 2001– 02, had disappeared for those working full-time with one child (Harkness, 2005). This decline may stem from women in more recent cohorts having greater commitment to paid work, higher labour market participation following motherhood and decreased gender education differences (Harkness, 2005).



Comparison across countries (the United Kingdom, Australia, Canada, the United States, Germany, Finland and Sweden) found that, once adjustments had been made for education and similar characteristics, the motherhood pay gap was largest in the UK, followed by the other Anglophone countries and least in the Scandinavian countries (Harkness and Waldfogel, 1999). It seems likely that this is due to much greater provision of childcare support in the Scandinavian countries.

The motherhood pay gap (for women in their early 30s) could be almost wholly explained by differences in education, reduced work experience (due to career breaks) and, most importantly, part-time working (i.e. the part-time pay gap) (Joshi, 2002). Over time (1978–91), differences in human capital have become less important and low pay in part-time work has become more important. Full-time employees who did not break their employment at childbirth had the same earnings as childless women. The lifetime earnings loss declined for graduate women, but not for other women. This was largely due to the increase in economic activity after birth for graduate women thus, the ‘motherhood penalty’ can be traced to changes in work patterns, rather than to an unexplained motherhood penalty.

Concluding Remarks

The increasing participation levels of women in the paid labour market activities is viewed as a positive outcome for improving women’s status by bridging the hiatus in this crucial sphere of economic involvement. However, mere increases in participation remain inadequate in altering the gender inequalities unless these are supported by the nature of work they undertake being decent, lucrative, equally remunerative and secure. If illiterate women are crowding into unskilled, manual labour requiring jobs, that are low paying and hazardous to their health and safety, such a situation can barely be lauded or appreciated.

Yet, if more women’s labour supplies are being deployed and there exists a demand for their labour, it is of interest to consider the circumstances leading towards this employment. To some extent these may be due to heightening desperation and poverty induced compulsion that women are forced to enter paid labour markets, while at another end of the spectrum these may be outcomes of better educational attainments providing women with the opportunity to undertake jobs hitherto not accessible.

The consideration of women’s participation in paid spheres of the labour market differs from that of males due to the stereotypical traditional notion that women’s roles are limited to the private, domestic spheres. Since this kind of patriarchal role stereotyping precedes any deliberation on women’s contribution to the economy, the space for unbiased consideration and gender based comparison becomes non-existent. A similar constriction or lack of viable options to assess and compare women’s efficiency or productivity with that of their male counterparts within employed spheres limits an unbiased assessment of wage inequalities in India. This is



further delimited by lack of adequate information to make such wage and income comparisons across equals feasible.

Undoubtedly, this study concludes for the essential reasons for the apparent disparity in salaries between the genders. It is not type of work in life as much as the different situation the women & men are faced with. This study explains that there are no concrete reasons for why an organisation discriminates the financial reward system between men & women.

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