



DEPARTMENT OF ECONOMICS AND FINANCE

CHAIR: PUBLIC ECONOMICS

SCRUTINISING GENDER WAGE
GAPS: A COMPARISON BETWEEN
MEXICO AND INDIA

SUPERVISOR

Prof.ssa Valentina Meliciani

CANDIDATE

Corinne Bellia

Student Reg. No. 250191

ACADEMIC YEAR 2019/2020

TABLE OF CONTENTS

INTRODUCTION.....	4
CHAPTER 1 – GENDER PAY GAP ANALYSIS: THE ROOT OF THE PROBLEM AND THEORIES	5
1.1 – INTRODUCTION	5
1.2 – SOME PRELIMINARY DATA ON GENDER PAY GAPS.....	6
1.3 – GENDER WAGE GAPS BY INDUSTRY AND BY COUNTRY	10
<i>1.3.1 – Gender Pay Gaps by Industry.....</i>	<i>10</i>
<i>1.3.2 – Gender Pay Gaps by Country.....</i>	<i>12</i>
1.4 – THE ROLE OF WOMEN IN THE ECONOMY AND ITS DEVELOPMENT	15
1.5 – THEORIES THAT EXPLAIN WHY GENDER WAGE GAPS EXIST	17
<i>1.5.1 - Human Capital Model.....</i>	<i>17</i>
<i>1.5.2 – Gender-Role Theory.....</i>	<i>18</i>
<i>1.5.3 – Occupational Segregation</i>	<i>19</i>
<i>1.5.4 – Undervaluation Theory.....</i>	<i>20</i>
1.6 – POLICIES AND ACTIONS AGAINST GENDER PAY GAP	20
<i>1.6.1 – Intervention of the State.....</i>	<i>20</i>
<i>1.6.2 – Other Remedies Employed by the Private Sector.....</i>	<i>23</i>
1.8 – CONCLUSION.....	25
CHAPTER 2 – A COMPARISON BETWEEN THE GENDER WAGE GAP IN MEXICO AND INDIA.....	26
2.1 – INTRODUCTION	26
2.2 – HYPOTHESES.....	27
2.3 – DATA SOURCE AND VARIABLES IN QUESTION	28
2.4 – METHODOLOGY	29

2.4.1 – <i>Introduction</i>	29
2.4.2 – <i>Research Questions</i>	30
2.4.3 – <i>Descriptive Research Data</i>	30
2.4.4 – <i>Limitations of the Study</i>	31
2.5 – RESULTS.....	31
2.5.1 – <i>Human Indexes</i>	31
2.5.2 – <i>Employment</i>	34
2.5.3 – <i>Composition of Factors</i>	36
2.5.4 – <i>Education</i>	37
2.6 – CONCLUSION.....	41
BIBLIOGRAPHY	43
SITOGRAPHY	44

Introduction

This paper aims to discuss the issue of women in the workforce around the globe and gender wage gaps, with particular attention to two chosen developing countries being Mexico and India, and to analyse the cause of such triggering problem that kept persistent for years. The dissertation is organised in two chapters. The first chapter provides the reader with general information about the phenomenon of gender wage gaps as well as the theories that study it. Whilst this chapter tackles the topic with a much more theoretical view, the last chapter takes a different toll in the sense that it focuses on two countries with real data which is considered to be the practical part of the paper.

The first chapter aims at providing the reader with some preliminary data on the topic following up with some statistics of the concentration of gender wage gaps by industry and by country. We will go beyond the traditional method in explaining such a sensitive topic and an alternative approach will be adopted to make it easier for the reader to understand the concept. In addition, as per the Global Gender Report, the rankings of gender pay gaps as per the last recorded year are shown along with a detailed explanation of the illustration. Some major theories regarding the topic will be presented in order to help understand further discussions and results. In order to extensive look at the issue, we will also be demonstrating the role of women from the beginning of time for a background perspective finishing up with some policies and measures both the government and the employer ought to take in reducing this gap.

The second chapter takes a more detailed and focused approach: we will make an economic analysis of two developing countries; Mexico and India. A descriptive comparative analysis will be opted over thirty years of data, with the latest data available. Such a comparison has been chosen with the purpose of giving statistical data a background story. The results are sectioned according to the dimension of the variable. These are then linked to the theories which have been discussed in the previous chapter, intertwining the general knowledge of gender wage gaps with a practical example.

Chapter 1 – Gender Pay Gap Analysis: The Root of the Problem and Theories

1.1 – Introduction

The study of gender pay gaps is of particular importance as it does not impact a woman only once in her life, but it basically impedes on a woman's earnings capacity throughout her working life. Rather than treating gender wage gaps just as a calculation, it is important to realise the symbolism it brings with it, mainly that of gender inequality. Income inequality is directly linked with gender inequality. As women, on average, get paid inferiorly to men, it is explicitly contributed to income inequality which in turn results in higher gender gaps in the labour participation rates. Consequently, such imbalance of participation rates between the two genders eventuates in higher income disparity, unequal pensions and savings. Studies carried out by the Institute for Women's Policy Research has also shown that had women been paid equally as men, the poverty rate amongst women who are active in the labour force can potentially decrease drastically. Naturally, this would have a positive reinforcement on the children of these women too. The same study declares that out of the 5.6 million children there in poverty, 2.5 million would escape the poverty trap if the gap is closed (Whaley, April 2018).

Linked to all of the costs that gender pay gaps brings about, it also profoundly hinders global economic growth. Based on the data published in 2016 by the Institute for Women's Policy Research, paying women equally would have added \$512.6 billion to the U.S.'s National Income. Thus, linking poverty to economic growth – as less women would be unemployed, poverty would be on the decrease. Following this, larger gains in economic welfare would be recorded bringing about modifications in consumption of goods and services, home production and time off. Particularly, these welfare gains exceed 20% in South Asia and the Middle East as well as in North Africa (Kochhar & Dabla-Norris, March 2019).

This Chapter will be dedicated to the normative analysis of gender-wage gaps in both developed and developing countries. Our aim is to analyse the existence and remedies of such gender pay gaps. First of all, we will introduce some general aspects of what gender pay gap is as well as the root of the problem i.e.: some of main factors that play a role in causing such gaps. Then, we will particularly be focusing on how this issue is concentrated, namely by country and by job sector/industries where we will be examining closely the rankings of the highest and lowest pay gaps. To complement this further, the following section will tackle well-known gender-wage gap theories which will explain in further detail the base arguments of the

causations of how these gaps could have evolved. This paper will mainly be focusing on the Human Capital Model, Gender Role Theory, Labour Market Discrimination, Occupational Segregation and the Undervaluation Theory.

After having examined in detail these theories, we will be thoroughly scrutinising the role of women in the economy and to what extent and direction development has taken place, if any. Moreover, this section will be fixating on Feminist Economics and will be linked to the subject in question and will be linked to the theories explained in the previous section. The second part of the Chapter will then be discussing state interventions that are currently being enacted in order to reduce these gender-wage gaps through policies and legal frameworks. The statistical effects of these policy implementations from different nations will also be considered. What is more, we will also be exploring other remedies that employers can take into account in order to reduce these gender-wage gaps which can instil benefit in both parties.

1.2 – Some Preliminary Data on Gender Pay Gaps

The unadjusted gender wage gap is the difference between the average gross hourly earnings of men and women expressed as a percentage of the average gross hourly earnings of men. This, however, shall not be confused with equal pay. Whilst equal pay refers to the means that men and women in the same employment performing equal work must receive equal pay, gender pay gap is a measure of the difference between men’s and women’s income across the labour market. Moreover, the latter is expressed as a percentage of men’s earnings, shown by the equation below, where:

- W_w = average hourly pay rate for women
- W_m = average hourly pay rate for men

$$\text{Mean Gender Pay Gap} = \frac{W_m - W_w}{W_m} \times 100$$

Equal pay has been a legal requirement since the Equal Pay Act was introduced in 1970 in the UK and adding on to this, the US federal law now states that “*employers may not pay unequal wages to men and women who perform jobs that require substantially equal skill, effort and responsibility, and that are performed under similar working conditions within the same establishment.*” However, as per the Gender Pay Gap Statistics for 2020, controlled gender pay gap, which refers to the measures median salary for men and women with the same job qualifications, still earn 2% less than men and no significant improvements have been followed up since 2015.

Table 1.1: Unadjusted Gender Pay Gaps over time
 Source: <https://www.payscale.com/data/gender-pay-gap>

Year	Unadjusted Gender Wage Gap
2015	\$0.97
2016	\$0.98
2017	\$0.98
2018	\$0.98
2019	\$0.98
2020	\$0.98

According to the Gender Pay Gap Statistics for 2020, women in the US earn \$0.81 for every dollar earned by men. This naturally leads to a lifetime of income inequality with more women retiring into a state of poverty and deprivation. This obstinate inequity between both genders is evident across all countries and in every sector and is usually caused by the fact that women tend to specialise in different sectors than men. However, even if the job requires equal or substantially more effort, it is undervalued and ill-remunerated.

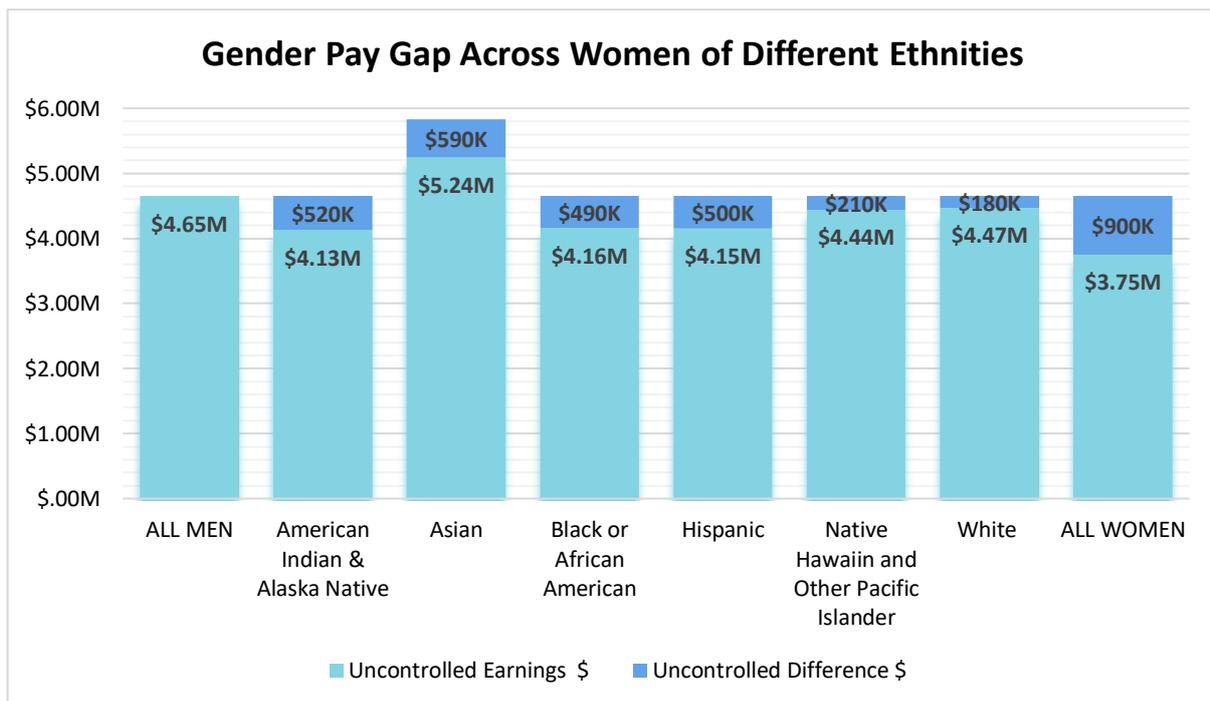


Figure 1.1: Women's controlled earnings relative to men in 2020
 Source: <https://www.payscale.com/data/gender-pay-gap>

To add insult to the injury, the gap spreads even more for women of colour, immigrant women and Hispanic women. As depicted in the figure above, American Indian & Alaska Native followed by Hispanic women earn between \$500-\$520,000 less than the average lifetime earnings of men. On average, these women earn \$0.75 for every dollar a white man makes. Asian women, on the other hand, earn \$0.95 to the dollar, an improvement of \$0.02

from 2019. For such “motherhood penalty”, women are pressurised into working on a part-time basis. This tends to be larger in developing countries than in developed countries. Moreover, this gap widens as women progress in their career, with women at the executive level making \$0.95 to the dollar.

Persistent gender gaps may be justified by measurable factors such as breaks from the labour market. More elaborately, it is usually more difficult for women to be awarded a promotion when they re-enter the labour market after taking maternity leave, for example, to raise a family. Consequently, this has an impact on their future potential earnings. Related to this is the age at when women take a break from the labour market – this plays a significant factor as more often than not, this happens when they are taking advancement in their careers and their wages are rising at a faster pace. This gap in career progression is also known as the opportunity gap. To take an example, from ages 20-29, 75% of men and 76% of women begin their careers as individual contributor roles.

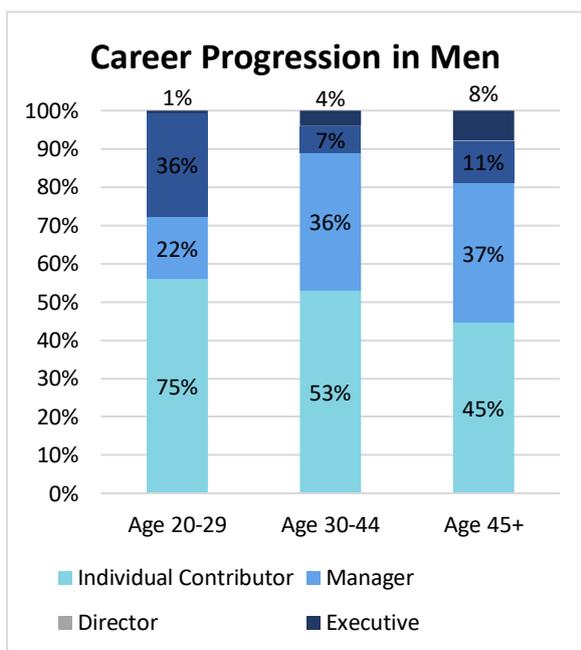


Figure 1.2(a): Career Progression in Men

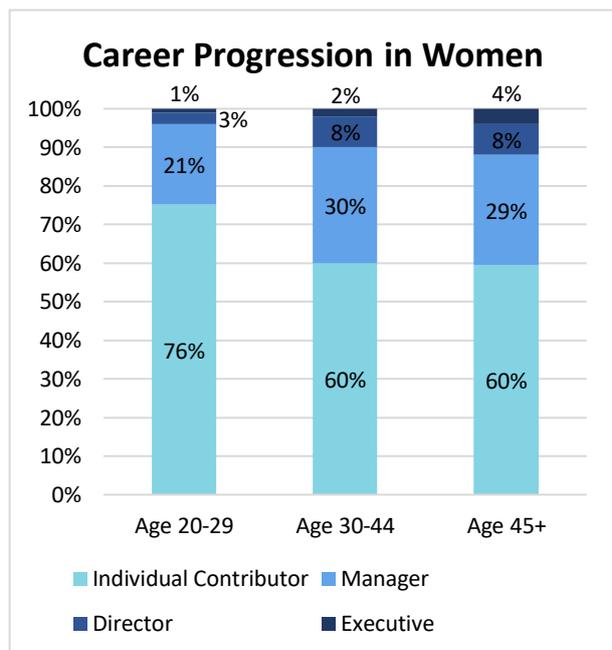


Figure 1.2(b): Career Progression in Women

Source: <https://www.payscale.com/data/gender-pay-gap>

However, in the range of 30-44, 36% of men progressed to becoming managers or higher executive roles whilst only 30% of women did. Even further, by the age of 45, men would have progressed in their career path by 8% whilst women would have only moved by 4%, generally speaking – this implies that men are twice as likely to be directors than women¹.

¹ The statistics that are provided in this sub-section ‘1.2- Root of the Problem’ and ‘1.3.1 – Gender Gaps by Industry’ are taken from <https://www.payscale.com/data/gender-pay-gap>

Looking at the patterns of employment can also help us in discovering the existence of pay gaps. In developed countries, especially, women are disproportionately represented in part-time work and an additional feature that is present is that many women tend to be clustered in service occupations that are generally paid less. For example, catering and clerical work. Furthermore, many women tend to do vocational work where wages are relatively lower than in other sectors – a phenomenon known as occupational segregation. Such jobs include teaching in primary schools and the care sector. Therefore, fewer women are less likely to hold a higher-earning role ultimately resulting in a gender pay gap. However, there still exists other factors that are difficult to measure such as continued employer discrimination and as female participation rates rose over the years, the supply of labour may have shifted outwards contributing to a lower wage relative to men who have already been in the labour market (Riley, 2019).

Another factor which may contribute to such gaps is access to education. In many developing countries, opportunity for women to pursue proper education and gain experience is restricted. The main reason for this is social norms and the culture of the society as well as high fertility rates. It is safe to say that the discrepancy is present amongst all educational levels as shown in the Figure below. However, ironically enough, this gap is at its worst amongst those men and women who possess a college degree. Recent years have shown that the increasing level of college graduates is positively correlated with higher pay for both genders. However, such pay has increased at a faster pace for men than for men. This median weekly earnings' rift shows that in 2015, a woman earned \$0.75 to the dollar that men earned (Mercadante, December 2019).

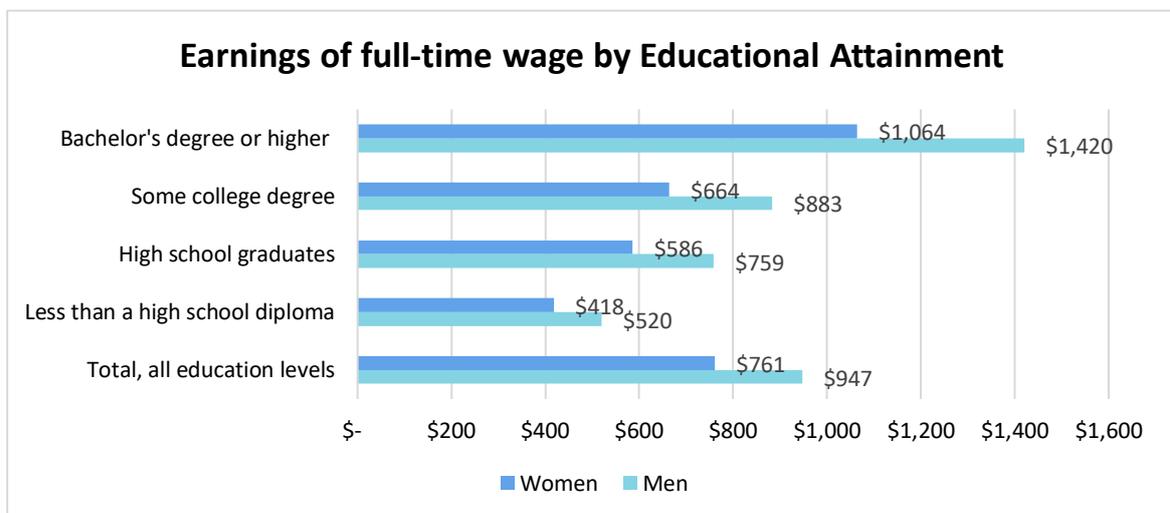


Figure 1.3: Earnings of full-time wage and salary workers by educational attainment and gender, 2015 annual averages

Source: <https://www.moneyunder30.com/the-gender-pay-gap/>

It is of utmost significance to point out that despite the fact that women have shifted to jobs that were normally associated with men, women in general still end up being overrepresented in lower-paying occupations. Even though this disparity has narrowed since 1980, it has remained relatively in the same position over the past years. For the year 2018, women earned 15% less of what men earned. This meant that for women to earn as much as men for the year 2018, they had to work 39 extra days (Graf, et al., 2019). OECD countries have undergone similar narrowing of the gender pay gap – with the same problem of it being stalled out in recent years. According to the World Economic Forum, the global pay gap will take years to close because “it is so vast and the pace of change [is] so slow” (Neate, December 2018).

1.3 – Gender Wage Gaps by Industry and by Country

1.3.1 – Gender Pay Gaps by Industry

The gender pay gap occurs across almost all sectors and industries. This is highly contributed by male-dominated industries having higher wages than industries which is mostly made up of women. As per the data published by the US Bureau of Labor Statistics shows that women are dominant in customer service, well-being related industries such as social services and healthcare and office administration. Out of the 15 concentrated industries that are depicted in Table 1.1 below, women dominate 6 industries whilst dominating 9 occupations out of 22 in total.

Amongst other occupations, Finance and Insurance, Agencies and Consultancies and Healthcare have the largest gender pay gap whilst Arts, Entertainment and Recreation and Real Estate and Rental/Leasing are amongst the minority of the industries with the smallest uncontrolled pay gaps as portrayed accordingly below.

Table 1.2: Gender Wage Gaps by Industry
Source: <https://www.payscale.com/data/gender-pay-gap>

Industry	Uncontrolled Gender Wage Gap	% Men Dominating the Industry	% Women Dominating the Industry
Accommodation and Food Services	\$0.87	47%	53%
Agencies and Consultancies	\$0.81	44%	56%
Arts, Entertainment and Recreation	\$0.93	54%	46%
Construction and Extraction	\$0.89	90%	10%
Education	\$0.88	30%	10%
Energy and Utilities	\$0.85	82%	18%

Engineering and Science	\$0.85	62%	38%
Finance and Insurance	\$0.76	45%	55%
Healthcare	\$0.83	24%	76%
Manufacturing	\$0.87	71%	29%
Non-Profits	\$0.87	33%	67%
Real Estate and Rental/Leasing	\$0.92	52%	48%
Retail and Customer Service	\$0.83	49%	51%
Tech	\$0.88	71%	29%
Transportation and Warehousing	\$0.84	75%	25%

In some professions, women are receiving billions less than they would have had there been equal pay. For example, even though women dominate the legal occupation by 53%, it ranks amongst the highest gender inequality pay amongst all of the other occupations, with a despicable rate of \$0.64 earned to the dollar. Studies have shown, however, that the discrepancy of this number might be partially due to the genders not holding the same positions within the legal profession.

Table 1.3: Gender Wage Gaps by Occupation
Source: <https://www.payscale.com/data/gender-pay-gap>

Occupation	Uncontrolled Gender Wage Gap	% Men Dominating the Industry	% Women Dominating the Industry
Architecture and Engineering	\$0.94	84%	16%
Arts, Design, Entertainment, Sports and Media	\$0.93	51%	49%
Building and Grounds Cleaning and Maintenance	\$0.80	58%	42%
Business and Financial Operations	\$0.87	46%	54%
Community and Social Services	\$0.95	33%	68%
Computer and Mathematical	\$0.92	74%	26%
Construction and Extraction	\$0.87	97%	4%
Education, Training and Library	\$0.72	26%	74%
Farming, Fishing and Forestry	\$0.80	75%	25%
Food Preparation and Serving-Related	\$0.88	46%	55%
Healthcare Practitioners and Technical	\$0.91	25%	75%
Healthcare Support	\$0.96	13%	87%
Installation Maintenance and Repair	\$0.89	96%	4%
Legal	\$0.64	47%	53%
Life, Physical and Social Science	\$0.94	51%	49%
Management	\$0.78	60%	40%
Office and Administration Support	\$0.94	29%	71%
Personal Care and Service	\$0.92	23%	77%
Production	\$0.86	71%	29%
Protective Service	\$0.86	78%	22%
Sales and Related	\$0.81	51%	49%
Transportation and Material Moving	\$0.88	82%	18%

When it comes to political and economic leadership, the world still has a long way to go – only 25% of over 35,000 global seats in the parliament are occupied by women and only 21% of the 3,000 ministers are female. What is more, in some countries such as Papua New Guinea and Yemen having no female representation as per the most recent data published by World Bank 2019. Over the past half a millennium, out of 153 countries, 85 of them has never had a female head of state. On the other hand, Rwanda, Cuba and Bolivia have the highest women representation in Parliament². For instance, Rwanda holds such progressive numbers with regards to female representation in Parliament because a new constitution that was written and ratified in 2003 stated that women shall hold no less than 30% of political seats (Elliott, October 2019).

1.3.2 – Gender Pay Gaps by Country

Along the years, some countries have made a notable progress in narrowing gender wage inequalities such as in the healthcare and education industry. However, this still stands as a global issue and work towards equality needs to be affected in both developing and advanced economies.

The Global Gender Gap chart that can be found overleaf clearly illustrates that the wage gap is most pronounced in Yemen, having a 50.6 percentage point difference in pay between the genders followed by Syria, Pakistan and Iraq. The United States hovers at around a 27.6 percentage point disparity whilst Canada lies at rank 19 with 22.8 percentage point difference. At the top of the world ranking, one can find Iceland, having the lowest disparity at 12.3%³.

As per the 2020 statistical data, the world median would be at the 76.5th country which corresponds to Italy and Suriname being at the midpoint ranking. Well above the world median, we can find Colombia, United Kingdom and the United States whilst Korea, China and Turkey still remain well below such median. In comparison with 2018, Suriname, being at the midpoint of the data, moved up by #2 whilst Italy moved back from being the 70th country to being the 76th country in 2020, moving down the rank by 6.

One of the most important key findings that was pointed out from the Global Gender Gap Report is that globally, the distance completed to parity is at 68.6% which is an

² For more information regarding the ranking of female representation by country, all statistical data produced by World Bank in 2019 can be found on https://data.worldbank.org/indicator/SG.GEN.PARL.ZS?most_recent_value_desc=true

³ All of the statistics that are stated on pages 9 and 10 under the sub-section '1.3.2 – Gender-pay gaps by country' are all taken from the Global Gender Gap Report 2020 World Economic Forum which can be found on: http://www3.weforum.org/docs/WEF_GGGR_2020.pdf

improvement since 2018 as it stood at 68%. Thus, there is still an average of 31.4% average gender gap that remains to be sealed. Moreover, 89 countries registered a positive average trend since 2019.

Analysing these countries by their continent, Western Europe is, approximately, the region with the highest level of gender parity, at 76.7%. Close second is Northern America with 72.9% and Latin America and Caribbean (72.2%) ranking in third. These are then followed by Eastern European and Central Asia, East Asia and the Pacific, Sub-Saharan Africa and South Asia. At the bottom, with a 60.5% gender parity lies Middle East and North Africa.

On average, assuming that this current pace is maintained in the future, it would take the world on average 105 years in order to close the gender disparity completely. This, however, can fast-pace itself forward with stronger actions in the coming years.

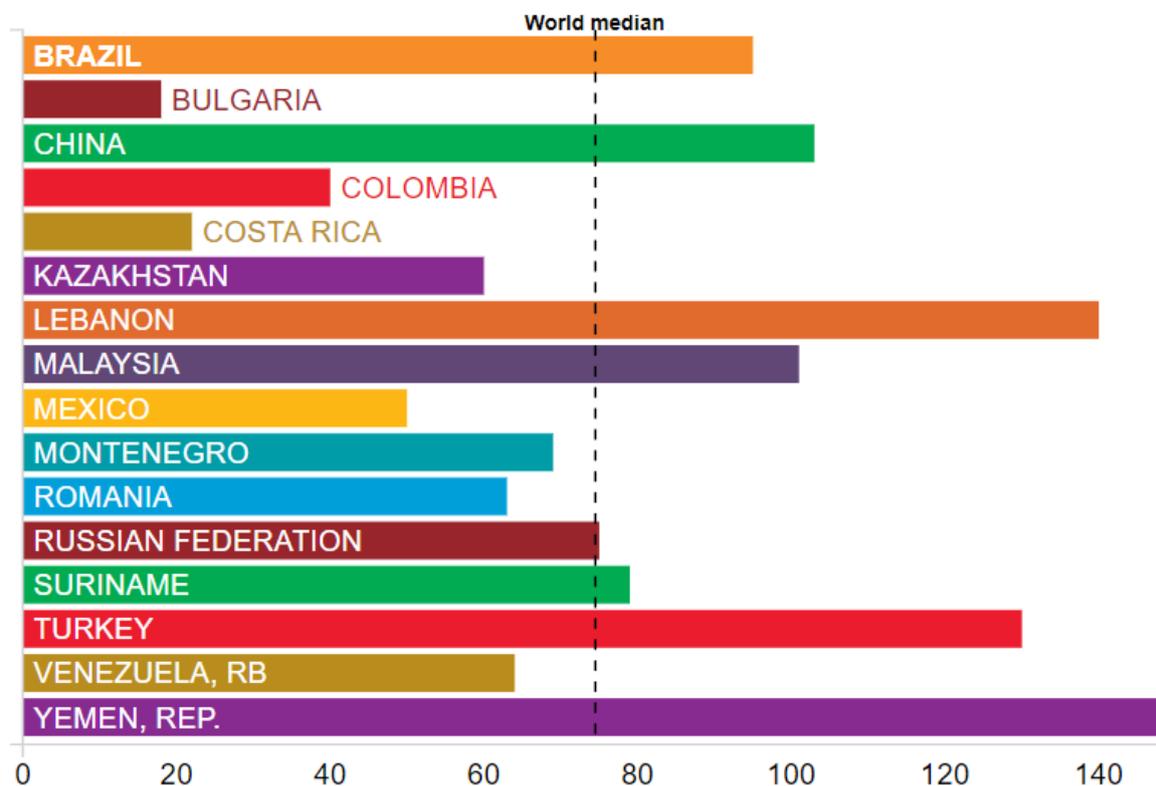


Figure 1.4: 2018 Statistical Data of Selective Countries

Source: https://tcdata360.worldbank.org/indicators/af52ebe9?country=BRA&indicator=27959&viz=bar_chart&years=2018

Rank	Country	Score	Rank change		Score change	
		0-1	2018	2018	2006	
1	Iceland	0.877	-	+0.018	+0.095	
2	Norway	0.842	-	+0.007	+0.043	
3	Finland	0.832	1	+0.012	+0.036	
4	Sweden	0.820	-1	-0.002	+0.007	
5	Nicaragua	0.804	-	-0.005	+0.147	
6	New Zealand	0.799	1	-0.002	+0.048	
7	Ireland	0.798	2	+0.002	+0.065	
8	Spain	0.795	21	+0.049	+0.063	
9	Rwanda	0.791	-3	-0.013	n/a	
10	Germany	0.787	4	+0.011	+0.034	
11	Latvia	0.785	6	+0.027	+0.076	
12	Namibia	0.784	-2	-0.005	+0.098	
13	Costa Rica	0.782	9	+0.033	+0.089	
14	Denmark	0.782	-1	+0.004	+0.036	
15	France	0.781	-3	+0.002	+0.129	
16	Philippines	0.781	-8	-0.018	+0.029	
17	South Africa	0.780	2	+0.025	+0.068	
18	Switzerland	0.779	2	+0.024	+0.079	
19	Canada	0.772	-3	+0.001	+0.055	
20	Albania	0.769	14	+0.035	+0.108	
21	United Kingdom	0.767	-6	-0.007	+0.031	
22	Colombia	0.758	18	+0.029	+0.053	
23	Moldova	0.757	12	+0.023	+0.044	
24	Trinidad and Tobago*	0.756	n/a	n/a	+0.076	
25	Mexico	0.754	25	+0.034	+0.108	
26	Estonia	0.751	7	+0.017	+0.057	
27	Belgium	0.750	5	+0.012	+0.042	
28	Barbados	0.749	-7	-0.004	n/a	
29	Belarus	0.746	-1	-	n/a	
30	Argentina	0.746	6	+0.014	+0.063	
31	Cuba	0.746	-8	-0.004	n/a	
32	Burundi	0.745	-1	+0.004	n/a	
33	Lithuania	0.745	-9	-0.005	+0.037	
34	Austria	0.744	19	+0.026	+0.046	
35	Portugal	0.744	2	+0.011	+0.052	
36	Slovenia	0.743	-25	-0.041	+0.069	
37	Uruguay	0.737	19	+0.023	+0.082	
38	Netherlands	0.736	-11	-0.010	+0.012	
39	Serbia	0.736	-1	+0.006	n/a	
40	Poland	0.736	2	+0.008	+0.056	
41	Jamaica	0.735	3	+0.012	+0.034	
42	Bolivia	0.734	-17	-0.014	+0.101	
43	Lao PDR	0.731	-17	-0.017	n/a	
44	Australia	0.731	-5	+0.001	+0.015	
45	Zambia*	0.731	n/a	n/a	+0.095	
46	Panama	0.730	-1	+0.008	+0.037	
47	Zimbabwe	0.730	-	+0.009	+0.084	
48	Ecuador	0.729	-7	-	+0.085	
49	Bulgaria	0.727	-31	-0.029	+0.040	
50	Bangladesh	0.726	-2	+0.004	+0.099	
51	Luxembourg	0.725	10	+0.013	+0.058	
52	Cape Verde	0.725	20	+0.023	n/a	
53	United States	0.724	-2	+0.004	+0.020	
54	Singapore	0.724	13	+0.017	+0.069	
55	Romania	0.724	8	+0.013	+0.044	
56	Mozambique	0.723	-7	+0.003	n/a	
57	Chile	0.723	-3	+0.006	+0.077	
58	Honduras	0.722	10	+0.016	+0.074	
59	Ukraine	0.721	6	+0.013	+0.042	
60	Croatia	0.720	-1	+0.008	+0.006	
61	Bahamas	0.720	-31	-0.021	n/a	
62	Madagascar	0.719	22	+0.027	+0.080	
63	Slovak Republic	0.718	20	+0.026	+0.043	
64	Israel	0.718	-18	-0.004	+0.029	
65	Uganda	0.717	-22	-0.008	+0.037	
66	Peru	0.714	-14	-0.006	+0.052	
67	Venezuela	0.713	-3	+0.005	+0.047	
68	Tanzania	0.713	3	+0.008	+0.009	
69	Bosnia Herzegovina	0.712	-7	-0.001	n/a	
70	North Macedonia	0.711	-4	+0.003	+0.013	
71	Montenegro	0.710	-2	+0.004	n/a	
72	Kazakhstan	0.710	-12	-0.002	+0.018	
73	Botswana	0.709	-18	-0.006	+0.020	
74	Georgia	0.708	25	+0.030	+0.038	
75	Thailand	0.708	-2	+0.006	+0.024	
76	Italy	0.707	-6	+0.001	+0.061	
77	Suriname	0.707	2	+0.012	n/a	

Figure 1.5: Gender-pay gaps by country

Rank	Country	Score	Rank change		Score change	
		0-1	2018	2018	2006	
78	Czech Republic	0.706	4	+0.014	+0.035	
79	Mongolia	0.706	-21	-0.007	+0.024	
80	El Salvador	0.706	7	+0.016	+0.022	
81	Russian Federation	0.706	-6	+0.004	+0.029	
82	Ethiopia	0.705	35	+0.049	+0.111	
83	Eswatini	0.703	-3	+0.009	+0.043	
84	Greece	0.701	-6	+0.004	+0.047	
85	Indonesia	0.700	-	+0.010	+0.046	
86	Dominican Republic	0.700	-12	-0.001	+0.036	
87	Viet Nam	0.700	-10	+0.001	n/a	
88	Lesotho	0.695	-7	+0.001	+0.014	
89	Cambodia	0.694	4	+0.011	+0.065	
90	Malta	0.693	1	+0.008	+0.042	
91	Cyprus	0.692	1	+0.008	+0.049	
92	Brazil	0.691	3	+0.010	+0.037	
93	Kyrgyz Republic	0.689	-7	-0.002	+0.014	
94	Azerbaijan	0.687	3	+0.007	n/a	
95	Brunei Darussalam	0.686	-5	+0.001	n/a	
96	Cameroon	0.686	-39	-0.028	+0.099	
97	Liberia	0.685	-1	+0.004	n/a	
98	Armenia	0.684	-	+0.006	n/a	
99	Senegal	0.684	-5	+0.002	n/a	
100	Paraguay	0.683	4	+0.011	+0.028	
101	Nepal	0.680	4	+0.009	+0.132	
102	Sri Lanka	0.680	-2	+0.004	-0.040	
103	Fiji	0.678	3	+0.008	n/a	
104	Malaysia	0.677	-3	+0.002	+0.027	
105	Hungary	0.677	-3	+0.003	+0.007	
106	China	0.676	-3	+0.003	+0.020	
107	Ghana	0.673	-18	-0.016	+0.007	
108	Korea, Rep.	0.672	7	+0.014	+0.056	
109	Kenya	0.671	-33	-0.029	+0.023	
110	Belize	0.671	1	+0.008	n/a	
111	Sierra Leone	0.668	3	+0.007	n/a	
112	India	0.668	-4	+0.003	+0.066	
113	Guatemala	0.666	-6	-0.002	+0.059	
114	Myanmar	0.665	-26	-0.024	n/a	
115	Mauritius	0.665	-6	+0.002	+0.032	
116	Malawi	0.664	-4	+0.002	+0.020	
117	Timor-Leste	0.662	7	+0.025	n/a	
118	Angola	0.660	7	+0.027	+0.056	
119	Benin	0.658	-1	+0.003	+0.080	
120	United Arab Emirates	0.655	1	+0.013	+0.063	
121	Japan	0.652	-11	-0.010	+0.008	
122	Kuwait	0.650	4	+0.020	+0.016	
123	Maldives	0.646	-10	-0.016	n/a	
124	Tunisia	0.644	-5	-0.004	+0.015	
125	Guinea	0.642	-9	-0.014	n/a	
126	Vanuatu*	0.638	n/a	n/a	n/a	
127	Papua New Guinea*	0.635	n/a	n/a	n/a	
128	Nigeria	0.635	5	+0.015	+0.025	
129	Burkina Faso	0.635	-	+0.006	+0.049	
130	Turkey	0.635	-	+0.007	+0.050	
131	Bhutan	0.635	-9	-0.003	n/a	
132	Algeria	0.634	-4	+0.005	+0.032	
133	Bahrain	0.629	-1	+0.002	+0.040	
134	Egypt	0.629	1	+0.015	+0.051	
135	Qatar	0.629	-8	-	n/a	
136	Gambia, The	0.628	-16	-0.015	-0.017	
137	Tajikistan	0.626	-14	-0.012	n/a	
138	Jordan	0.623	-	+0.018	+0.012	
139	Mali	0.621	4	+0.039	+0.021	
140	Togo	0.615	-6	-0.003	n/a	
141	Mauritania	0.614	-5	+0.006	+0.030	
142	Côte d'Ivoire	0.606	-11	-0.021	n/a	
143	Morocco	0.605	-6	-0.002	+0.022	
144	Oman	0.602	-5	-0.003	n/a	
145	Lebanon	0.599	-5	+0.004	n/a	
146	Saudi Arabia	0.599	-5	+0.010	+0.075	
147	Chad	0.596	-2	+0.016	+0.071	
148	Iran, Islamic Rep.	0.584	-6	-0.005	+0.004	
149	Congo, Dem. Rep.	0.578	-5	-0.003	n/a	
150	Syria	0.567	-4	-0.001	n/a	
151	Pakistan	0.564	-3	+0.014	+0.020	
152	Iraq	0.530	-5	-0.021	n/a	
153	Yemen	0.494	-4	-0.006	+0.034	

Source: Global Gender Gap Report 2020 World Economic Forum

1.4 – The Role of Women in the economy and its development

"In 1950 about one in three women participated in the labour force. By 1998, nearly three of every five women of working age were in the labour force. Among women age 16 and over, the labour force participation rate was 33.9 percent in 1950, compared with 59.8 percent in 1998." (Heathfield, June 2019)

Historically, as stated by the US Department of Labour, women working in the agricultural, industrial and service components of the market comprised only a small proportion of the labour force and within the agricultural sector, there was an exceptional difference between the wages of females relative to men. However, as the industry started expanding, the relative wages started balancing out. The gravity of women's earnings differs also according to the race; even though data on the economic behaviour of white women is limited, the participation of black women in the labour force differs according to education, family size and income. Therefore, most studies concluded that the labour supply functions of these two extreme races differ significantly; specifically with an employment difference of 26% employment difference, favouring women (Bowne, April 1997).

As certain jobs that were continually taken up by mostly women, they were referred to as "feminised" and this specifically contradicted women's labour participation; as this did increase steadily in almost every country, but the majority of the jobs being in the agricultural sector. Industrialisation did not wipe out the home industries in which most women worked in and women's participation did not decline. However, despite the increase in women's employment, it is safe to say that women still remain in the lower part of the hierarchy with regards to pay. Moreover, they still dominate the sectors in which it does not require highly qualified individuals and hence, the pay is quite poor.

Worse yet, the gendered specialisation was used to legitimise discrimination against women in the labour work force. If women are paid lower salaries than men, it was as a consequence of lack of investment in human capital i.e.: education and experience. This, therefore, gave women more incentive to opt for unpaid labour work; as the opportunity cost of working is small.

According to Boserup's analysis in her book "Woman's Role in Economic Development", she clearly describes how these gender relations in the labour force are affected by the cultural and religious values within an economy. These institutional and social factors

can explain the majority of these feminised jobs. It does not only affect the labour force, but it also directly affects the type of education respective to the type of society and its innate cultural influences. For example, Islamic religious values could result in Muslim women in taking up jobs in the agricultural industry especially in African countries. Therefore, some gender pay gaps in highly influenced cultures can be explained by the social factor argument.

As the female's economic role has gone through changes and developments throughout the years, the traditional social norms that have been established before now seem to be less obvious than before. W. Arthur Lewis "Economic Development with Unlimited Supplies of Labour" commented that "*transfer of women's work from the household to commercial employment is one of the most notable features of economic development*" (Lewis, May 1954). For example, whereas before women were automatically directed as the child rearer of the family, nowadays nuclear type families are taking upon changes in family roles such that even a legislation on parental leave is being made effective in most countries.

That being said, even though progress has been made throughout the years, women are still inferior when it comes to tech industries and other male-dominated occupations. In fact, only 26% of computing jobs are held by women (Lynkova, May 2019). To elaborate this further, in 2014, one of three employees in the most prominent tech companies in the world, namely Apple, Facebook and Google were females. This justifies that employment of women has lagged in most of the high-tech occupations that show promise in sustainable future growth in their careers.

According to a survey that has been done, it seems that females find it even harder to climb the social ladder in an organisation due to the lack of female role models higher up in the organisation and lack of sponsors to provide opportunities which male colleagues have. This is why the number of women applying for managerial positions drops from 53% (of new hires) to 37%, going even further downhill with higher organisational positions (Lynkova, May 2019).

With women's emancipation and development in their career, they have been a concurrent contributing factor to the US economy since the 1970s. As a result of their additional participative attitude in the labour market, the US's GDP has been on the rise for the past 40 years. Additionally, without this participation throughout these 30 years, the US economy would have been a quarter less than it is today. On an encouraging and prospective note, as more women are being given the same opportunities as men, millennial women are changing

women's role in the workplace. In fact, a study shows that women are found to be more concerned with their career success than millennial men (Pew Research Center, December 2013)

1.5 – Theories that explain why Gender Wage Gaps Exist

1.5.1 - Human Capital Model

Generally speaking, human capital is a stock of knowledge or experience that is found in a workforce and that directly contributes to the his/her productivity. Putting into different words, *“the human capital theory explains how one's incentive to invest in training is directly correlated to the time one expects to work over one's lifetime”* (Polachek, April 2004). Even though experience, qualifications and training may result in different earnings, there are some cases in which the difference in remuneration is not subject to the skill of the worker but rather there being numerous exceptions as to why this difference might hold. One of these exceptions is taste-based discrimination; whereby an employer may pay a lower wage to a worker because of the worker's gender, race or ethnicity.

The human capital model associates the person's expected lifetime participation in the labour force with the incentive to obtain the necessary training that affects your productivity. Since, on average, women work fewer hours throughout their lives than men, according to the human capital model, women are expected to acquire less human capital investments which translates into lower wage rates per hour for women. As a person gets older, their respective earnings rise each year – of course, the rate at which it increases differs with the person's age. This, therefore, explains how this model assumes flourishing earnings over the one's lifecycle.

Since a family-oriented woman usually undergoes an intermittent phase due to child rearing, women's lifecycle earning profiles are expected to be flatter than men's due to the what is known as “the midlife dip”. Arguably, the variable which mostly influences women's lifetime work behaviour is fertility. As we thoroughly discussed before, the older the person is, the more likely the person would have accumulated wealth and have higher wages. As a result, women in countries with larger husband-wife gaps are likely to have a lower incentive to invest in the labour market. Based on this argument, *“it is expected that the gender wage gap is likely to be smaller in countries where the difference in a husband's and wife's ages are smallest holding all factors constant.”* (Polachek & Xiang, October 2014)

In fact, the gap between single males and females is the narrowest. The most significant difference is between married women and married men as married women participate between $\frac{1}{4}$ and $\frac{1}{3}$ less than married men (Polachek & Xiang, October 2014). A recent data from the University of Minnesota and IPUMS-USA showed that married men outperform both single women but mostly married women. Whilst they are making in the ballpark of \$80,000 per annum, other groups are barely exceeding \$50,000 on a yearly basis (Fottrell, November 2019). Moreover, women with children make significantly less than men with children. This is often known as the motherhood penalty.

According to the human capital theory, this is contributed mainly by the division of labour within the family which causes distraught in gender work patterns. In consequence of this, male earnings exceed women's earnings. However, in recent years, the division of labour is moving away from the traditional perspective but rather taking on a more modern one; whereas in former decades, women usually took the family role whilst men kept on working, nowadays even men are choosing to take on the family role giving up his career for a while.

Historically, gender pay gap was predominantly the result of women having lower "human capital" than men i.e.: less knowledge, skills or job experience giving rise to lower productivity and lower wages for women. However, the comparative advantage that the male possessed started weakening over time as women's education was given a boost. This drastically has a positive impact on the decline of gender pay gap.

1.5.2 – Gender-Role Theory

The social role theory states that the societal division of labour produces diffuse gender roles i.e.: one would belong to a social category according to the gender. It is because of this that gendered division of labour '*forces*' men and women to occupy specific roles that fit their respective genders. Sex roles lead to certain expectations and norms related to primitive societal conceptions that are linked between being male and female. For example, women are expected to take on central family roles such as rearing children or taking a job that involves children like carers and teachers. Therefore, it can be concluded that those individuals who are imposed stronger gender identities tend to behave more consistently within their gender role.

The gender stereotypic expectation is a fulfilling concept to the gender role theory as it explains the process within social role framework that is based on gender expectations and the behavioural influence of men and women. Furthermore, segregation into traditional gender roles is an unconscious decision for both genders more often than not (Brynin, August 2017).

Rather, these choices are psychologically exerted by social pressures and expectations which, as an outcome, results into gender gaps as women tend to delve into sectors that pay. The end-to-end process can be clearly illustrated by Figure 1.6 below.

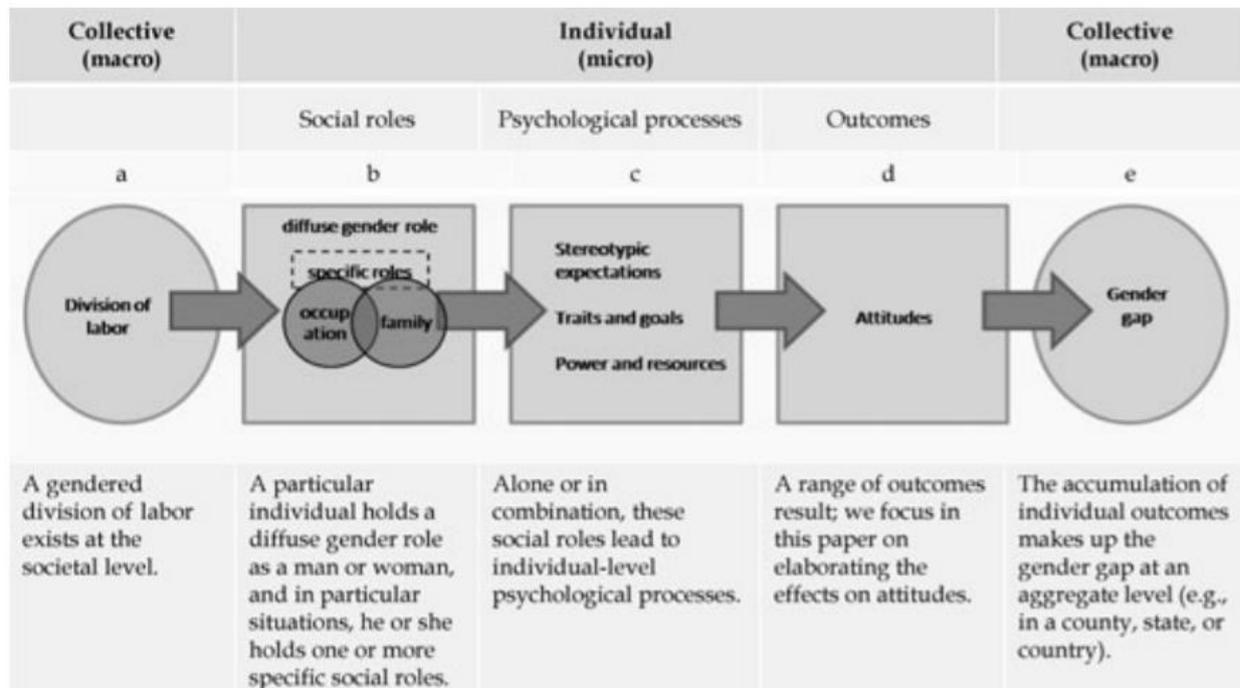


Figure 1.6: Social Role Framework for understanding gender-differentiated political attitudes
 Source: SAGE Journals: A Social Role Theory Perspective on Gender Gaps in Political Attitudes
https://journals.sagepub.com/doi/pdf/10.1111/j.1471-6402.2010.01598.x?casa_token=02reso1ch3EAAAAA:e2hAtXdocyFduilodpUJ-gDz-dSPiJHEw1hhu5A87u5Feidr8nkTwbhjh4tABdTqypexjF-DZ5P

1.5.3 – Occupational Segregation

Occupation segregation by sex deals with the tendency of men and women working in different industries and sectors according to their respective gender. Professions that usually have high proportions of women are usually seen as “feminised”. In addition, these occupations are generally paid lower than average. Both genders that work in these sectors experience lower pay – however, women outnumber men that choose that particular line of work and thus, the gender wage gap is disproportionately affected.

However, the reason as to why these so-called ‘*feminised occupations*’ are paid less than in other sectors still remains unclear (Brynin, August 2017). It possible be the cause of family and social pressures that results women to accept low-paid occupations as a second-best option to taking care of a family. This implies that more women than men end up working in these types of occupations and could help in explaining why these jobs tend not to pay well.

We must analyse the difference between vertical segregation and horizontal or occupation segregation. Whilst the former refers to men occupying senior positions acting as a

promotional barrier to women in reaching such high positions, horizontal segregation refers to men and women usually taking upon different occupations according to their gender. Moreover, since the feminised occupations are paid less, it suggests that ‘women’s work’ is often undervalued. The concentration of jobs that women work in usually require, if any, low qualifications such as in catering and care-taking and part-time jobs which lower the average pay for women.

1.5.4 – Undervaluation Theory

The persistence of such gender gaps may also be a contribution of the underlying stigma associated with feminised occupations i.e.: that the work that is produced by women is socially and economically undervalued. It is of utmost importance to point out that since job pays are “socially constructed” by pressures and norms, as well as by actions of employers, governments and unions, women’s work is being undervalued. Often, pay is determined by typical male behaviour. For example, the longer the hours and continuous working is associated with a higher wage. Since work that is usually occupied by women does not conform to such norms and the fact that society portrays them as secondary earners as well as being more inclined to work that has intrinsic rewards is justified by lower salaries compared to men (Brynin, August 2017).

However, this has proven to be a highly complex procedure since pay setting is linked with wider societal and economic trends. The concept of “levelling down” may in fact reduce gender inequality but it polarises incomes as whole. This measure is where men’s pay is reduced by the employers to the same level as women’s pay. In this scenario, those on low- and middle-income experience wage stagnation while those on high incomes have a higher growth rate (Brynin, August 2017).

1.6 – Policies and Actions against Gender Pay Gap

1.6.1 – Intervention of the State

Policies and laws are currently being implemented and closely supervised so that this gender gap issue is reduced to the bare minimum or even, by time, extinguished. The theories that have been discussed in the previous section help in giving an outline to the policy makers on how these legislatives could be made. These legal frameworks will not only mandate equal pay for comparable work but also ensure and encourage women representation within the

company and also to boost female labour force participation. These policies are mainly being put into action to support the engagement of women in senior positions.

Amongst the plans of action that are being put into practice are those policies aimed at aiding in the work-life balance aspect such as the provision of early childhood education and free-of-charge childcare services during working hours. The implementation of this policy will provide the person with an adequate balance between work and personal life without jeopardising the economic activity and giving more incentive for women to continue working while still pursuing a family. As discussed in detail in the previous section, The Human Capital Theory justifies that one of the reasons why gender pay gaps could exist is because of the midlife dip that women undergo during the peak of their career. This policy aims to reduce this midlife dip in such a way that the woman's earnings would not be impacted by this career break by providing high-quality, affordable childcare services. Thus, such a measure tries to reduce the impact of the Human Capital Theory.

In Malta and in Armenia, for instance, the government provides high-quality, free-of-charge childcare centres for families whose both parents work. The provision of formal childcare varies across developing and developed economies. In less-developed countries, more informal and family-based systems of childcare is available at lower costs or for those parents who are engaged in informal activities might be able to work remotely but this is usually paid less. On the other hand, developed countries, formal childcare is considered as an important assist of women's employment – in fact, it is more available and used. Studies have shown that affordable and high-quality childcare could increase the number of young mothers in the labour market by 10% (Tambon, March 2019).

In both advanced and developing countries, some of the policies that are being implemented to help reducing wage gaps include the offering of publicly financed parental leave schemes. Childrearsers of the family usually undergo long absences from the workforce to fulfil their duties as the child's primary guidance. The 2010/18/EU Directive on Parental Leave (Rubery & Koukiadaki, 2016) provides the working parents the right to take time off for domestic reasons. Other directives on part-time work, fixed-term work and on agency work further protects worker referred to as "atypical". These are mainly including workers of whom are women and are seeking to maintain the work-life balance. This automatically impacts negatively their earnings upon returning to work as well as reduced skillset. In promoting gender equality, several countries have included "family responsibilities" as grounds of discrimination in their national legislation when it comes to recruitment of the individual.

Complementing this, paying particular attention to Directive 2003/88 on Working Time (Rubery & Koukiadaki, 2016) elaborates on the working time limits in order to give space for the new parents to spend time with their families. This course of action is aimed at mitigating, again, the Human Capital Theory, as well as, also tackling the Social Role Theory whereby both parents are entitled to this long leave directive and gendered division of labour is diminished. Additionally, apart from normally taking a larger share of childcare duties relative to men, women are also often more involved in adult care. Therefore, these policies and legislative frameworks are vital in supporting these individuals that take on such care responsibilities for close relatives. The 2012 Family Care Leave Act in Germany (Bisello & Mascherini, 2017) tackles the situation of an employee's position in a company by allowing a reduction of working hours.

A novel policy which has proved to be effective in Georgia is the greater support and encouragement for young women in following STEM. This policy increases women's participation in high-paying industries and occupations – potentially shifting the overall women's participation from low-earning industries to higher-end industries. By the Occupational Segregation Theory, women have a tendency to work in lower-paid industries which negatively impacts the gender pay gap. This statute's objective is to alleviate some of this occupation segregation that is found in the market with the hope that it directly weakens the Undervaluation Theory; a theory which states that the work that is produced by women is socially and economically undervalued. It is considered to be a long-term policy which should have a radical positive effect on the gender pay gap.

Yet another legal framework that has recently been put into effect is the removal of tax burden for secondary earners which are mostly females. This type of tax credit shifts family taxation to individual taxation so that only the primary earner's income is taxed and the secondary earner will have more incentive to return to the labour force. Ultimately, the net tax liability is reduced and the net income gain is increased from accepting your previous job or position. Moreover, such tax relief for low-income families have also suggested a rise in employment rates for women as this increases after-tax earnings for women (Kochhar & Dabla-Norris, March 2019). For instance, Belgium incorporate a combination of tax credits and tax transfers as in Germany and the United Kingdom.

Whilst developed economies should put the aforementioned policies into practice, emerging markets, developing economies should first put into practice the following measures. Investing in infrastructure is one of the first steps to gender pay gaps reductions. For example,

the electrification in the less developed part of South Africa increased female labour force participation by 9% whilst the building of adequate sanitation facilities in India noticeably narrowed gender gaps in education and increase in labour force participation. Furthermore, IMF Research indicates that if the Indian government increased public spending in education by 1% of GDP, an increase of 2% of the female labour force participation would be seen (Kochhar & Dabla-Norris, March 2019). Mexico also provided public transportation solely for women to ensure travel safety.

Female entrepreneurs often face more restrained terms and conditions when trying to acquire capital including more restrictive collateral requirements, shorter maturity loans and higher interest rates than men. By loosening up such unnecessary gender-specific restrictions, it would greatly help in reducing such gender pay gaps whilst promoting equal opportunities to everyone. Echoing throughout above policies, is ultimately the revision of legal frameworks in promoting equal rights for men and women and for everyone to be treated equally. Such an obstacle loose gives both genders the same opportunity in starting their own business and striving for their own career development.

1.6.2 – Other Remedies Employed by the Private Sector⁴

Other actions that employers are adopting when hiring a new candidate is to incorporate more than one woman in shortlists for recruitment and internal promotions. If this elimination process only has one female, the chances of the female candidate getting chosen are very faint. Hence, in order to mitigate this, selection processes should also be transparent whereby both the employees, clearly understand their role and what it entails, and managers take rational, evidence-based decisions which can be reviewed by their colleagues. These actions of transparency to promotion and pay can drastically reduce said gender pay inequalities.

In light of this, employers should conduct regular pay audits, make transparent salary ranges and eliminate the use of salary history to set wages and prohibit retaliation against employees for discussing, disclosing or inquiring about their wages. The Pay Equity for All Act, in fact, clearly forbids the employer from using salary history to set pay whilst the Fair Pay Act mandates that the employer is ought to provide equal pay for equivalent jobs to help the minimising of gender-wage gaps by occupational segregation. Moreover, since women have been proven to be less inclined to negotiate their wage, a salary negotiation course could

⁴ The information that was used in sub-section '1.6.2 – Other Remedies employed by firms' was referenced from https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/731288/Gender-Pay-Gap-actions_.pdf

aid in solving such a problem both in-person and online. By improving this measure, the workers' collective wage bargaining is safeguarded.

Another measure that can be actively applied within the workplace to ensure fair candidacy is to not only rely on interviews but also present tasks that they would be expected to carry out in the role that they are applying for. In addition to this, using structured interviews allows less room for unfair bias to have power over making such decisions. These types of interviews mainly imply asking the same standard questions and grading the responses using pre-specified, standardised criteria. Furthermore, designating diversity managers may further reduce pay gaps as they review decisions made by internal employees on promotions and recruitment which may in turn improve the representation of women in the company. The above areas of intervention are evidence-based, meaning that these have been tested in the physical world and resulted in positive contributions towards alleviating the gender pay gap.

In order to eradicate the fact that women are predominantly at lower-paid levels in the organisation, the employer should formulate a positive action plan to stimulate in taking upon more senior roles and higher-paid roles. This will eliminate barriers to entry for women when entering higher-paid jobs in male-dominated fields. Other promising remedies that can be introduced in the workplace include the flexibility of hours for men and women, encourage the uptake of Shared Parental leave, recruit returners and setting internal targets. Most governments already have some of these policies in place supporting some of the aforementioned medicines to improve women's participation in the workforce. However, further research needs to be made to have solid actions that are certain of their outcome.

In the above analysis, one can see that in the light of these legislative frameworks and policies that are being implemented, such actions could have promising effects in one country but could have hardly any impact in another. This is because the topic of gender wage gap cannot be thrown all under one hat, thus, depending on the national context. The cultural norms and values of a society highly influences the behavioural shift that such implementation of policies have on the families. In some cultures, for example, it is unpopular for another person other than the woman to take care of the family – therefore increasing the participation of men in caregiving is quite challenging. However, more countries and states are taking action and are paying close attention in building new equity laws and enforcements. One last point that the thesis aims at contributing to this section is the close linkage between the theories behind the gender pay gaps and the policies that are acting as a solution to this problem. In fact, the legislative frameworks implemented by the government try to hit all of these theories whilst

the firm's policies mainly target the Occupational Segregation Theory and Gender Role Theory where the so-called "feminised occupations" are tried to be eradicated by giving both genders equal opportunities to promotions and career progression.

1.8 – Conclusion

This Chapter has structurally extracted the theoretical as well as the practical aspects of the Gender Wage Gap around the world. This topic has strong links to other areas such as social justice and equity, economic mobility and woman emancipation. We looked at the existence of gender pay gaps with close attention to the root of the problem and analysed how this inequality gap has a lasting negative impact on the global economy. Had gender equality been realised and maintained, this would positively be reflected on the macroeconomy.

Notwithstanding the Equal Pay Act that had been made into effect around half a century ago along with other state intervention to eliminate this issue, women still lag significantly behind men with respect to remuneration for their services. The smaller, but persistent gaps that have been recorded throughout these past few years, might be originating from the "mid-life dip" causing a wide opportunity gap, discrimination, undervaluation and differing occupational choices in lower-paying industries. To narrow the wage gap, a range of legal frameworks, public policy and Human Resources measures should be given careful consideration (Aly, 2017). According to the International Labour Office, social policy on parental leave, flexible work hours and compensation in social protection for unpaid care work has the most positively direct impact in closing gender pay gap, with special attention to motherhood pay gap. The effects of such gender-specific social policies are dependent on the country along with its cultural and family systems.

Closing the gap would also lead to a large decrease in unemployment. The study forecasts an increase of 3.5 to 6 million jobs in 2050 as a result of the additional women entering the labour force⁵. Due to higher wages, as a consequence of the economy flourishing, women are more encouraged to enter the labour force leading to a noticeable increase in the productive capacity of the economy and therefore increased employment.

⁵ <https://eige.europa.eu/gender-mainstreaming/policy-areas/economic-and-financial-affairs/economic-benefits-gender-equality/activity-pay>

Chapter 2 – A Comparison between the Gender Wage Gap in Mexico and India

2.1 – Introduction

As an accompaniment to the previous chapter, this part of the research will be dedicated to a more practical point of view of the scrutinization of gender wage gaps. The purpose of this chapter is to link the theories that have meticulously been examined in the previous section, with a close eye to sub-section ‘1.5 – *The Theories that explain why Gender Wage Gaps Exist*’ and apply them to real-life statistics that has a potential in giving a further in-depth explanation concerning this topic. The intention here is to justify these already established theories and what is more to provide additional explanation over and above the theories that have already been studied regarding this matter.

In order to provide a comprehensive and detailed evaluation, this chapter will focus solely on two countries: Mexico and India. These two countries have been chosen as even though both countries are of emerging market nature, their respective country rankings concerning gender wage gaps presented a significant difference which is rather curious to investigate. Undoubtedly, the most crucial part of this chapter is the set of indicators that are going to be brought into question. The analysis between these two countries will be based upon the upcoming quantitative variables which are thought to be of direct relevancy to the solicit gender wage gap matter. The direct variables will be some proxies of gender, human development index, income and employment. Other variables which are not considered to be direct but possess critical pertinence include the type of education provided in that specific country and the standard of living of the respective country. A close assessment on these indirect variables is intended to be done to observe how these variables could have a rippling effect on the progression of eliminating pay gaps.

Moreover, this chapter will comprise of six sub-sections, including the Introduction and Conclusion which will dictate the expectations of the research, the system of methods that will be used throughout as well as the results jointly presented with their respective analysis explaining the statistics. Since this research is dependant entirely on secondary data, the disclosure of the data source as well as the selective indicators that were thought to be relevant to the subject will also be included.

2.2 – Hypotheses

The two countries under discussion; Mexico and India are two nations that are found on completely two different continents with immense differences in cultural backgrounds and beliefs. Despite such a difference in geography, they are both markets which are considered to be not fully developed but rather emerging. However, having said this, even though both Mexico and India fall within the developing country agenda, they are not subject to the same spectrum within this agenda. In other words, it is being implied that even though both countries are considered as economically developing nations, one country is more progressive than the other. From a macroeconomic perspective, the North American continent is statistically more socially and economically developed than the Asian continent. Applying this on a micro level, this is supported by the Social Progress Index Report for 2019. In this case, this source, which is known to be reliable, has shown that Mexico is more developed than India as per the Social Progress Index published in 2019 with India ranking 102th and Mexico ranking 55th out of 149 countries (The Social Progress Imperative, 2019).

In order to have a more detailed overview about the countries' cultural differences, the Hofstede's Cultural Dimensions Theory was used to indicate more accurately the expectations of the results. Hofstede identified six categories that define culture including the Power Distance Index, Collectivism vs. Individualism, Uncertainty Avoidance Index, Masculinity vs. Femininity, Short-Term vs. Long-Term Orientation and Restraint vs. Indulgence. Taking into consideration the most relevant dimensions for the gender wage gap study, the power distance index (PDI) considers the extent to which inequality and power is tolerated. In this regard, Mexico has a much higher PDI than India with rankings 81 and 77 respectively. This means that Mexico indicates a higher level of inequality of power and wealth within society than India. Furthermore, the masculinity vs. femininity dimension is also referred to as "tough vs. tender" and considers the preference of society for achievement, attitude towards sexuality equality and behaviour. Mexico values the gap between men and women as more important. It may also generate a more competitive and assertive female population, although still less than the male population (FLG Consulting, 2011).

The overall interpretation of the cultural and background overview of the two countries show that whilst Mexico is a developing country which still lacks behind in many indicators of gender equality, it is, as the majority of the countries, been in constant progression throughout the years. However, whilst Mexico is a more lenient country with average positive results, India is a more difficult case to be studied. India, as a nation, can be split into two for the sake of

explaining it clearly. Whilst one part, which makes up the majority of the population in India, still lags behind as a consequence of cultural barriers and prevents labour female participation, the other part, which represents the minority of the population, is mainly composed of educated people that work towards equality and to improve their quality of life. This so-called ‘progressive’ part of the Indian population is not conditioned by the cultural differences that India, as a whole, imposes. Moreover, the Indian culture creates many disparities and, therefore, it is a more difficult case in obtaining gender balance. These conflicting variables inflict uncertainty on how the cross-section analysis will turn out.

2.3 – Data Source and Variables in Question

All statistical data that will be presented in Section ‘2.5 – Results’ and ‘Appendix’ is all secondary obtained data and no primary quantitative data was obtained due to the complicated nature of such gathering of data. All data is obtained from two reliable sources that publish world data; ‘World Bank Data’ and the ‘United Nations Development Programme’. The source of the data will be disclosed after every result that will be presented.

The data will take a time period range of 29 years for most indicators i.e.: from 1990-2018. However, this has not been found available for all dimensions that will be portrayed. Some data sets or indicators are only available from the year they were initiated. For example, in the case of Graduates in Science, Technology, Engineering and Mathematics, takes a range of 5 years. This is mainly due to the variable, i.e.: STEM, being a relatively new statistical variable that could be measured. In Table 2.1 below, these time period ranges are specified.

Table 2.1: Time Period Ranges

Variables for comparison	Dimension	Time Period
Gender Inequality Index (GII)	Gender	1995 - 2018
Gender Development Index (GDI)	Gender	1995 - 2018
Human Development Index (HDI)	Human Development Index	1995 -2018
Human Development Index, Male and Female	Human Development Index	1995 - 2018
Estimated GNIs per capita	Income/Composition of Resources	1995 - 2018
Shares of Seats in Parliament (% held by women)	Employment	1995 - 2018
Mean Years of Schooling, Male and Female	Education	1990 -2018
Graduates in STEM, Male and Female	Education	2013 - 2018
Secondary School, Male and Female	Education	1990 -2018
Labour Force, Female (as a % of total participation)	Employment	2018

The main variables that this cross-country comparison will tackle in light of the explanation of gender wage gaps are Gender, Human Development, Education, Composition of Resources/Income, Poverty and Employment. More specifically, Mexico and India will be compared throughout the years on the basis of Gender Inequality Index (GII) and Gender Development Index (GDI) as well as the % of Seats held by women in Parliaments and the possession of female senior roles in both countries. In addition, the Human Development Index (HDI) will also be a direct indicator of the progression in gender wage gaps in said countries. As for income, the estimated GNIs per capita of both genders will be compared time serially to observe the yearly development that took place in these countries separately and then proceed by contrasting the progress there has been cross-sectionally. Labour Force Participation will also be taken as a direct measure of gender wage gaps whereby the aim of this variable is to give a clear view of the reason behind such numerical findings. These are the direct measures for gender wage gaps that this study will tackle.

As for other variables which do not have a direct impact on the gender wage gap but are of utmost significance to this study are Education and Poverty. Mean years of Schooling, Completion of Secondary Schools and Graduates in STEM between both females and males in their respective countries will be considered. Lastly, the Poverty dimension will be compared cross-sectionally and give relevance to this indirect variable to link it with the explanation of the differences in pay gaps in Mexico and India.

2.4 – Methodology

2.4.1 – Introduction

This chapter provides for a theoretical analysis of the approaches and methods used in the research. It is stated that both quantitative and qualitative methods were used and complemented by solely secondary sources to sustain the arguments. With regards to quantitative methods, *‘World Bank Data’* and the *‘United Nations Development Programme’* will be used for the statistical reinforcement of the study. On the other hand, the qualitative part of the results will be used in order to provide an explanation and support the quantitative research that is applied.

2.4.2 – Research Questions

The penultimate sub-chapter will be answering two research questions:

- Why are there significant differences in gender wage gap progress given that both Mexico and India are developing countries?
- How are cultural differences and religion affecting this work on eliminating the pay gap?

The first research question seeks to acknowledge and give proper understanding to the reason behind the noticeable divergence between the progression made by Mexico throughout the last 20 years with India given that they are both emerging markets. The results gathered in this study aim to give a detailed and clear overview of the rationale and meaning to such dissimilarity in statistical figures.

The second research questions will be linked to the first question. However, this aims to closely study how cultural differences and beliefs as a country affects gender pay gaps. The objective is to analyse whether the power that culture and religion has on the country affects the elimination of wage gaps positively or negatively.

2.4.3 – Descriptive Research Data

The research that will be analysed will mainly be analysed by descriptive means. It is essential to use this kind of method in these types of research analysis since this is found to be the most ideal approach in explaining the kind of research questions. This is, therefore, an inevitable part of the research since it is the most applicable measure in this case.

The approach that will be adopted in this study is to take the aforementioned dimensions stated in the previous section '*2.3 – Data Source and Variables*', take the years for which the information data is available and these will be compared time serially to give an observation of the progression made by the two countries. Hence, the percentage of total development will be calculated and juxtaposed cross-sectionally. In order to give the results a more comprehensible view to them, a chart for each indicator will be illustrated followed by a descriptive meaning to the quantitative data. Subject to relevancy of the dimension, the descriptive analysis will contain reliable research on the culture, lifestyle and polity of the two countries with the aim of bringing the numbers alive in the sense to provide supplementary justification of the difference in gender wage gaps.

2.4.4 – Limitations of the Study

A dominant limitation that this study faces is that even though the majority of the data is made available to the public, some data is missing for either both countries or it is accessible only for one country. This factor presents some limitations in analysing the level of development throughout the years and also with cross-sectional research. Although the missing data presents the minority of the whole empirical data that is being used, this makes it more challenging in comparing certain indicators between both countries.

Another constraint that is present throughout this research is that since it tackles two specific countries, the study cannot be applied on a macro level and, thus, it will not give an indication of how gender wage gaps work in other countries but rather for the sole purpose to scrutinise the reason of the discrepancy found in gender wage gaps between two comparable markets i.e.: in this case emerging markets.

2.5 – Results⁶

This section will present the reader with all of the results structured by their dimension. The so-called human indexes, employment and composition of factors are directly related to the explanation of gender wage gaps whilst education and other factors act as secondary variables and even though they do not directly affect pay gaps, they still contribute greatly to this subject.

2.5.1 – Human Indexes

The Gender Inequality Index (GII) is an index which measures gender disparities. Moreover, it measures the human development costs of gender inequality. Thus, a country with a higher GII value experiences more disparities between males and females and thus, more loss to human development. In the time period taken, from 1995 to 2018, the World Average for the GII Index declined gradually from 54.7% to 43.9% over the time frame of 29 years. This brings about an overall percentage decline of 19.47%. Taking the World Average as an indication, it is evidently portrayed in the Figure 2.1 overleaf that Mexico is well-below this average whilst India is still found to be significantly above this index.

⁶ All data that is presented in this sub-section is taken from World Bank Data and the United Nations Development Programme

Even though Mexico affected more changes towards Gender Equality throughout the years, in recent years, the percentage decrease from 2017 to 2018 was more evident in India than in Mexico with Mexico holding a 3.47% decline and India with a 4.02% decline. This means that even though India has still a higher value in human development costs i.e.: a higher GII value, more rapid changes are being recorded in India than in Mexico. In fact, the average % decline in the last 5 years that has recorded (i.e.: taking years from 2013 – 2018) was found to be 2.02% and 3.19% for Mexico and India respectively. This indicator implies that assuming India maintains this progression towards the gender equality, it could potentially reach Mexico in a couple of years.

In fact, this factor is also reflected in Figure 2.2 Gender Development Index (GDI). This dimension specifically measures gender gaps in human development achievements by accounting for disparities between the two common genders in three basic dimensions of human development – health (measured by female and male life expectancy at birth), knowledge (measured by female and male expected years of schooling for children and mean years of adults aged 25 years and older) and living standards (measured by female and male GNI per capita) (United Nations Development Programme, 2019). The graph clearly illustrates that while Mexico has reached a ‘stagnation’ towards gender development, India has recorded a much higher positive change in gender development score in recent years. Whilst the World Average is at 94.1%, Mexico records a 95.7% GDI in 2018 whilst India documents a value of 82.9% in the same year. Despite this, over 29 years Mexico only managed to improve this index by 5.1 percentage points whilst India recorded a positive change of double the amount Mexico

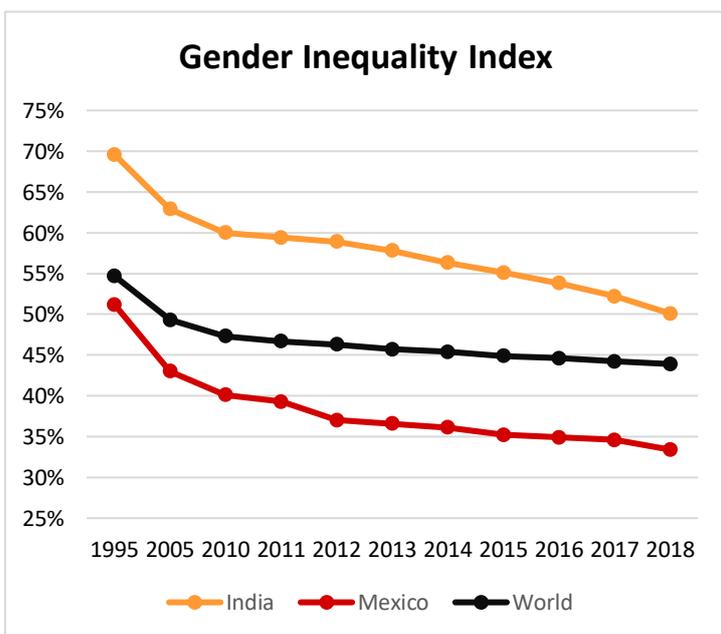


Figure 2.1: Gender Inequality Index, 1995-2018

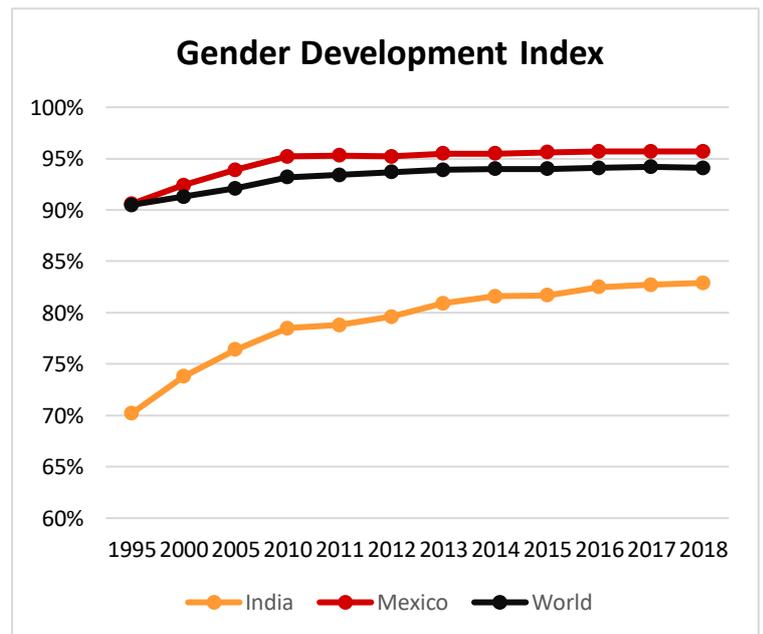


Figure 2.2: Gender Development Index, 1995-2018

recorded, that of 12.7 percentage points. This trend is typical since any additional effort that is made by countries that would have previously made the most significant changes in contributing to this index, like Mexico, will only result in minimal changes to the GDI.

Human Development Index (HDI) is an index that measures key dimensions of human development. Similarly, GDI uses the same indicators as HDI; a long and healthy life, access to education and a decent standard of living. As seen more evidently in the illustration below, Mexico is above the world average with 0.767 and India is still 0.12 below this, ranking at 0.647. Similarly, we also see a bigger percentage change of human development in India than in Mexico since the scatter graph conveys a relatively flat line than the steeper one which India reports. The HDI complements the previous two indicators, with the same rapidity and gradual increase in both countries.

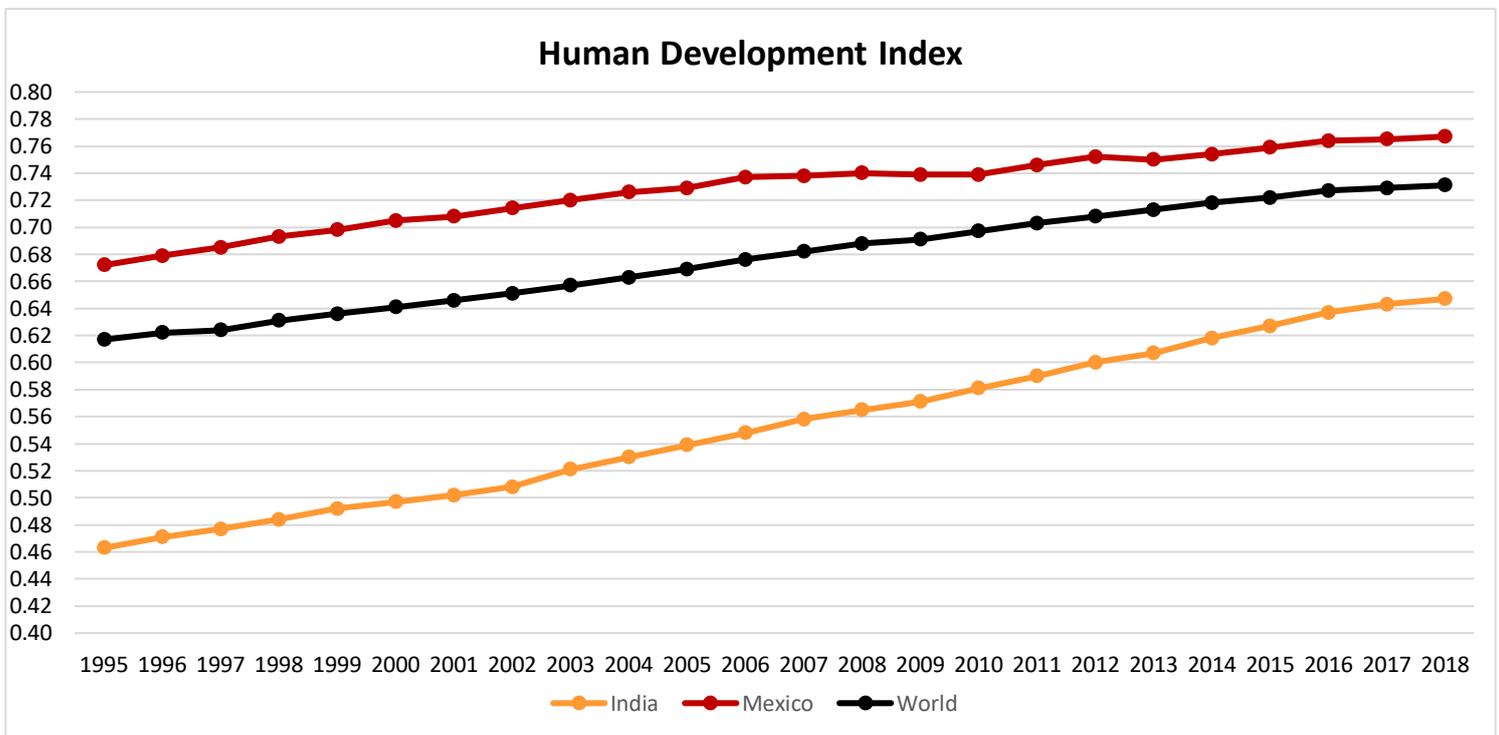


Figure 2.3: Human Development Index, 1995-2018

Looking at the Human Development Indexes by gender, one can easily point out that the Human Development Index for women is found to be smaller than that of men in both countries going even below the World Average. Such indication already gives a clear indication of the dire improvements that need to be made in order for both genders to be considered equal. As suggested clearly by the vertical gaps found on the charts above, there is a greater gap between the genders in India than there is in Mexico. In fact, for the year 2018, India records a gap between females and males of 0.118 whilst Mexico only records a gap between the sexes

of 0.034. This suggests that the latter has a more gender equal human development. To give an idea of the situation, according to this statistic, a female in 2018 has more or less the same HDI as a male in 2005.

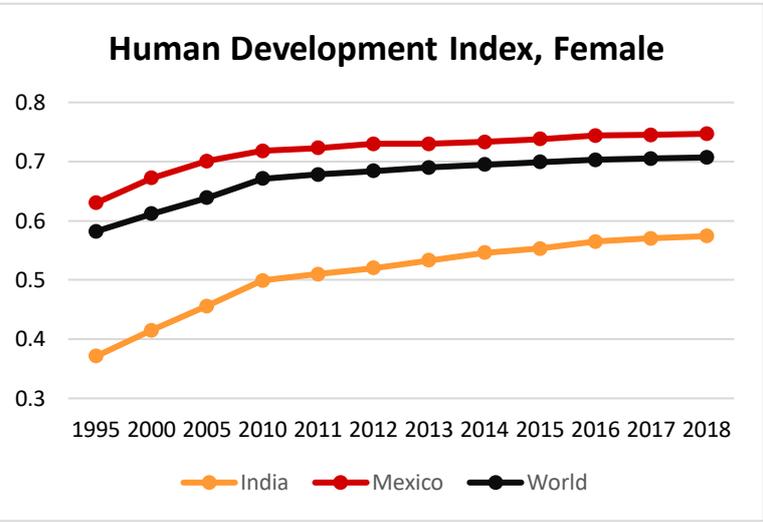


Figure 2.4: Human Development Index, Female 1995-2018

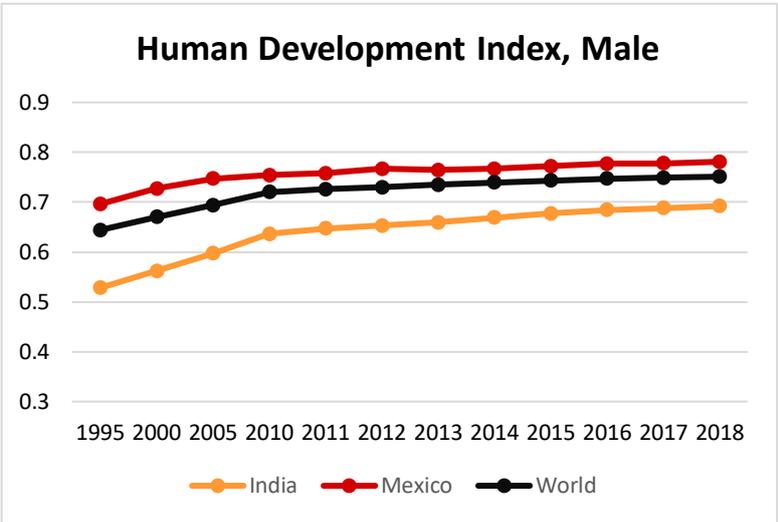


Figure 2.5: Human Development Index, Male 1995-2018

2.5.2 – Employment

This sub-section from the Results will tackle the employment dimension which is a direct variable to the explanation of gender wage gaps. The first indicator that this study will analyse is the share of seats in parliament that are held by women.

In the 1990s, Mexican women were largely unrepresented in politics shown by the low numbers in the Figure below. In fact, they held less than 15% of the seats in the Chamber of Deputies. In 2012, after having established a gender quota policy, the number of women in the Chamber of Deputies rose about four times higher, standing at nearly 50% two decades and a half later. In fact, the dramatic increase recorded in the share of seats in parliament held by women put Mexico in a top 20-position in the world as of 2015 (Schwindt-Bayer, 2018). For a country that conveys a rather ‘machista’ society, and in which women were hardly taken into consideration in formal decision making, it is a rather remarkable achievement. Women in India, on the other hand, are still under-represented with the latest statistic recording only 11.7% of the seats in parliament held by women in 2018; this is a slight increase over 24 years, an absolute value of 4.4%.

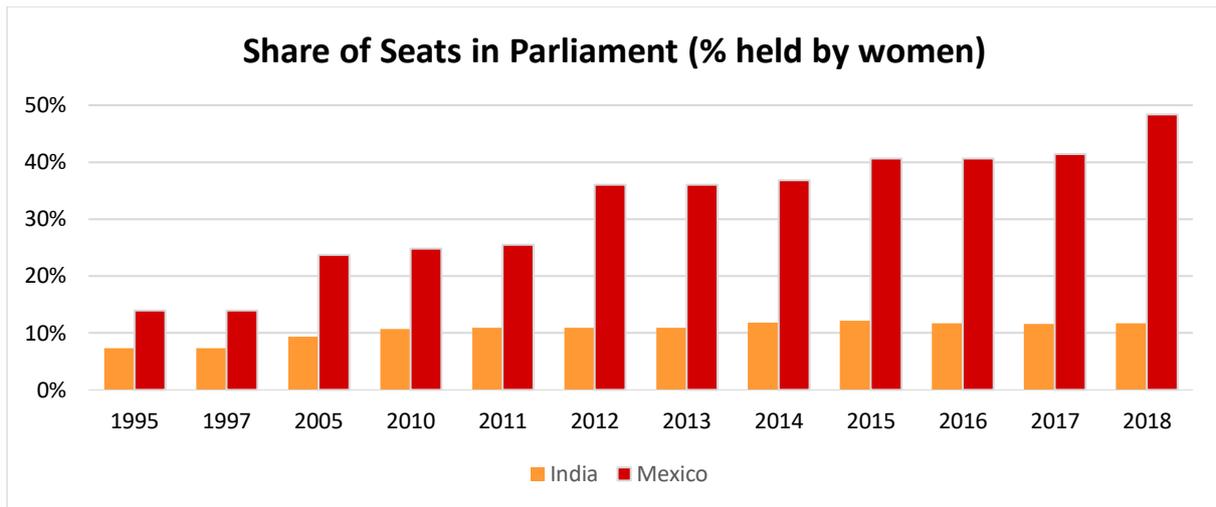


Figure 2.6: Share of Seats in Parliament (% held by women), 1995-2018

One of the most important indicators which justifies gender wage gaps is the female labour force participation. Both countries do not even surpass the 50% mark of female labour force which is a common factor of underdeveloped countries. An interesting remark that this illustration makes is that whilst Mexico rises slightly throughout the years, India's female labour participation actually decreases. In fact, labour force participation rate for women aged 15 years and above fell by 10.1 percentage points as compared with the previous survey round, corresponding to 22.6 million fewer women in the labour force in 2010 than in 2005.

These declines in participation occurred at a time when India was experiencing high average annual GDP growth of around 8 per cent (World Bank, 2012). In contrary to the expected new job opportunities corresponding such a GDP growth, such a sharp decline have been recorded since (Mahapatro, 2013). The overall female participation rate in India has been persistently low in comparison with other countries in the world being ranked almost last in terms of the rate of female participation for several years. The ILO Research Paper indicates that such a decline could be attributed to several causes like lack of technical skills of older cohort of women, household responsibilities and higher level of participation in education of the younger generation (Kapsos, et al., August 2014). In fact, this makes sense since the figures shown in the next section which tackles education suggests higher mean years of schooling throughout the years as well as higher rates of graduates.

However, there are regional and demographic differences across the country. Rural employment which makes up almost 70% of the population record higher female labour participation rates than their urban counterparts. Married women, less educated women, as well as women coming from higher castes are less likely to participate in the labour market. Both

economic and cultural reasons explain women’s falling out of India’s labour force. The latest evidence suggests that the number of jobs in India is on the decline as at 2019. Such an issue imposes a significant structural problem for a country with an increasing young population. *“In particular, India has struggled to create labour-intensive manufacturing jobs, many of which favour women.”* (Sharma, May 2019). Moreover, the number of women staying in school from both rural and urban areas has augmented resulting them to stay out of the labour force for a longer period of time. However, this is still a concerning issue as the female labour force participation is still well below India’s peer country with particular attention to Bangladesh which experienced a booming export-led manufacturing sector resulting in more job opportunities to women (Sharma, May 2019).

Additionally, in light of the recent events of the global pandemic in 2020, experts are predicting that whilst there will be fewer jobs for moderately educated women in India, the less educated women who work in rural-related employment still have a chance. Considering the fact that 7 out of 10 people in India live in rural areas, increase in female employment should be recorded at least in the next 5 years.

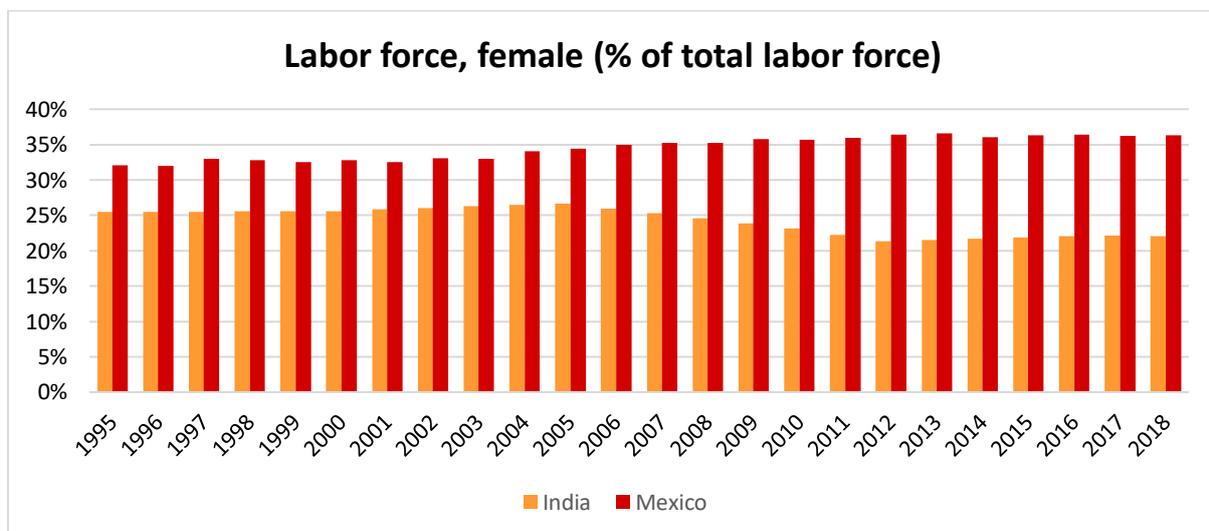


Figure 2.7: Female Labour Participation (as a % of total labour force), 1995-2018

2.5.3 – Composition of Factors

The Estimated Gross National Income per capita is the dollar value of a country’s final income in a year divided by its population. It tends to be closely linked with other indicators that measure social, economic and environmental well-being of the country and its people. This dimension directly narrates the gender wage gap. The table below gives an absolute estimation of the GNI per capita for both genders. In 1995, males used to earn 2.78 times more than

females in Mexico whilst males in India earned 3.16 times more than females in general. Nowadays, from the latest statistic from 2018 that was made available shows that Mexico and India still record a gap of 2.16 and 4.08 respectively. Over 20 years these matters worsened for India while a slight positive improvement was seen from Mexico. The increasing gaps in the Estimated GNI that are recorded by India along the years, directly contradict the decreasing figures depicted in Figure 2.1: Gender Inequality Index in sub-section ‘2.5.1 – Human Indexes’.

The main theories that explain gender wage gap can be used here to explain such discrepancies in GNI per capita by gender. As the gender role theory states that expectations and norms are embedded within society, it also links the roles within the family. Since women are usually expected to stay at home with their children, it interrupts their career at its peak and therefore, according to the human capital model, as the person’s expected lifetime labour participation is directly related to a person’s earnings, such a family-orientation nature prevents both genders to earn equal remuneration for their jobs. Another theory which may contribute to the discrepancies in the figures between men and women’s income as depicted below is the undervaluation theory whereby the work that is produced by women is socially and economically undervalued. Hence, since pays are “socially constructed” by social and economic pressures, women’s work is being undervalued.

Table 2.2: Estimated Gross National Income per capita (2011 PPP\$), 1995-2018

	Mexico		India	
	Females	Males	Females	Males
	\$	\$	\$	\$
1995	6,907	19,224	928	3,353
2000	8,869	22,965	1,147	4,101
2005	9,460	22,453	1,514	5,114
2010	10,061	22,139	1,783	6,819
2011	10,403	22,369	1,780	7,169
2012	10,704	22,689	1,772	7,517
2013	10,624	22,455	1,875	7,886
2014	10,718	23,065	2,008	8,367
2015	10,937	23,486	2,159	8,919
2016	11,094	23,873	2,331	9,533
2017	11,166	24,183	2,493	10,097
2018	11,253	24,287	2,625	10,713

2.5.4 – Education

Education is relevant in explaining pay gaps as with the development of knowledge, a higher-paid job is guaranteed and such wage discrepancies could potentially be reduced to zero or at least minimise the gap as much as possible for the time being. As disclosed in the Figures

below, one can clearly see how the gap in mean years of schooling is close in males for both countries but there is a significant gap between the mean years of schooling for females in Mexico and in India of almost 4 years. It is an interesting point to mention that for both genders in both countries have experienced a rather flat progression in the last 4 recorded years with ultimately a decrease in the mean years of schooling for Indian women. According the World Education News, “*India’s school system remains plagued by problems like high teacher-to-student ratios, poorly educated teachers, and mediocre learning outcomes*” (Trines, September 2018) apart from the troubling dropout rates.

A similar trend is also seen in Mexico which is propelled by high dropout rates and low quality education as well as teachers that feel that they are demonised. In fact, for both genders a decrease is recorded after 2011 which recuperates itself after 2015. The underlying reason for this is somewhat political as the educational budget was cut of by more than 11%. However, in 2013, the Mexican government was planning a major reform in the Mexican educational system in order to improve standards in educational system. Nonetheless, such reform saw no effect explaining the no-progression flat line present in both genders.

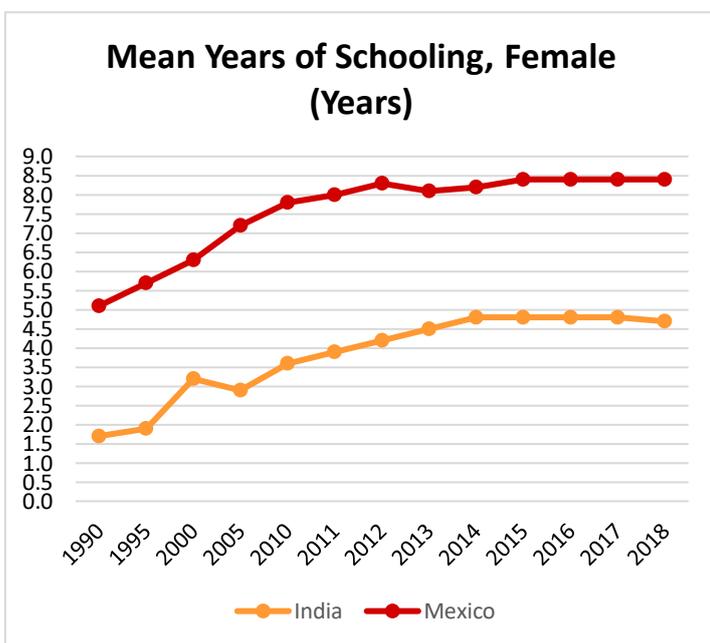


Figure 2.8: Average Years of Schooling, Female, 1990-2018

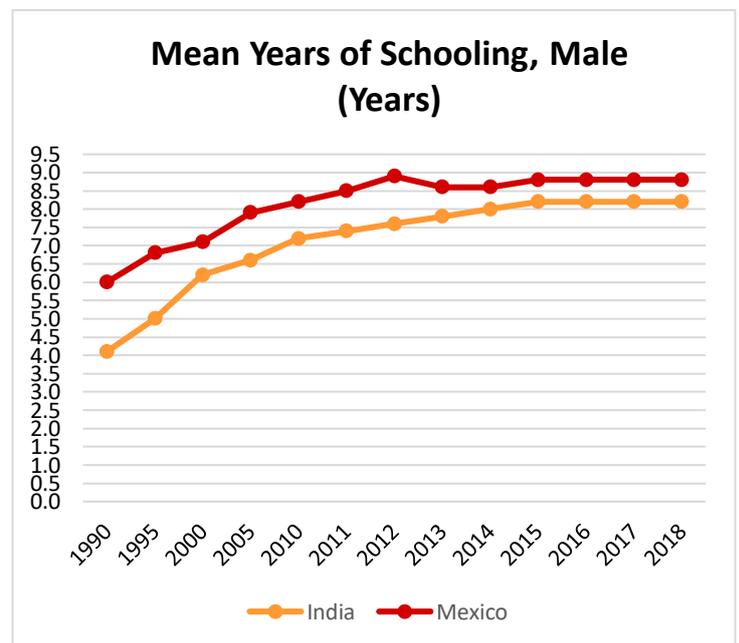


Figure 2.9: Average Years of Schooling, Male, 1990-2018

For this indicator, male secondary students in India surpass that in Mexico in every period. However, such indicator is still low for females as Mexico reaches more than 50% of the female population attending secondary school whilst India barely reaches 40% of women attending secondary school. India’s low figures in education for women could be a reason why

gender wage gaps are prominent when compared to Mexico. This is, however, contrasted by the higher female graduates from tertiary education than male graduates in both countries. In fact, statistics show that from 2013 to 2017, there was a higher female graduate percentage than male graduates from tertiary education.

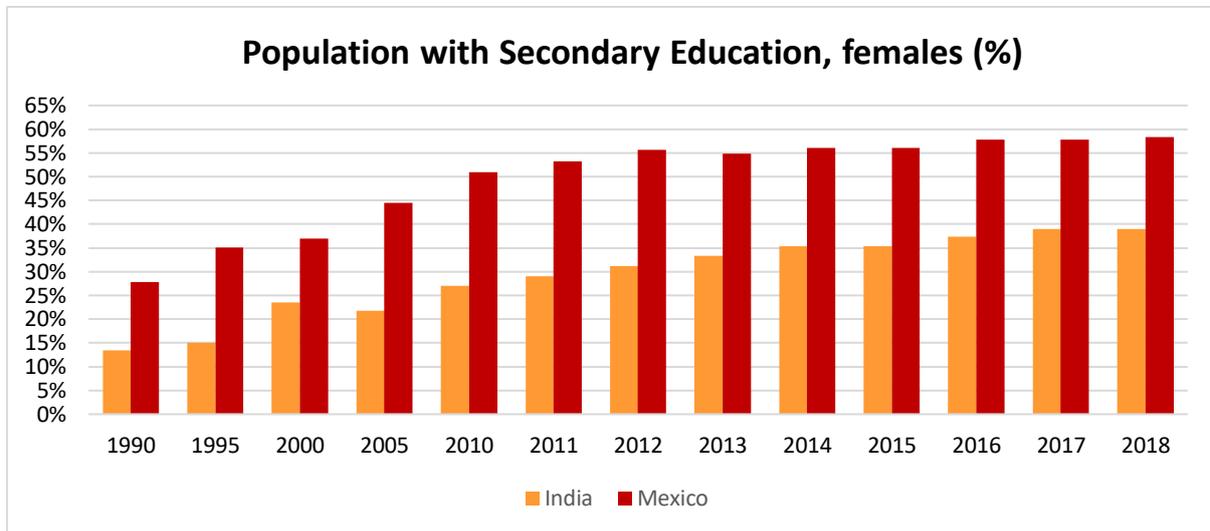


Figure 2.10: Secondary Education, Females (%), 1990-2018

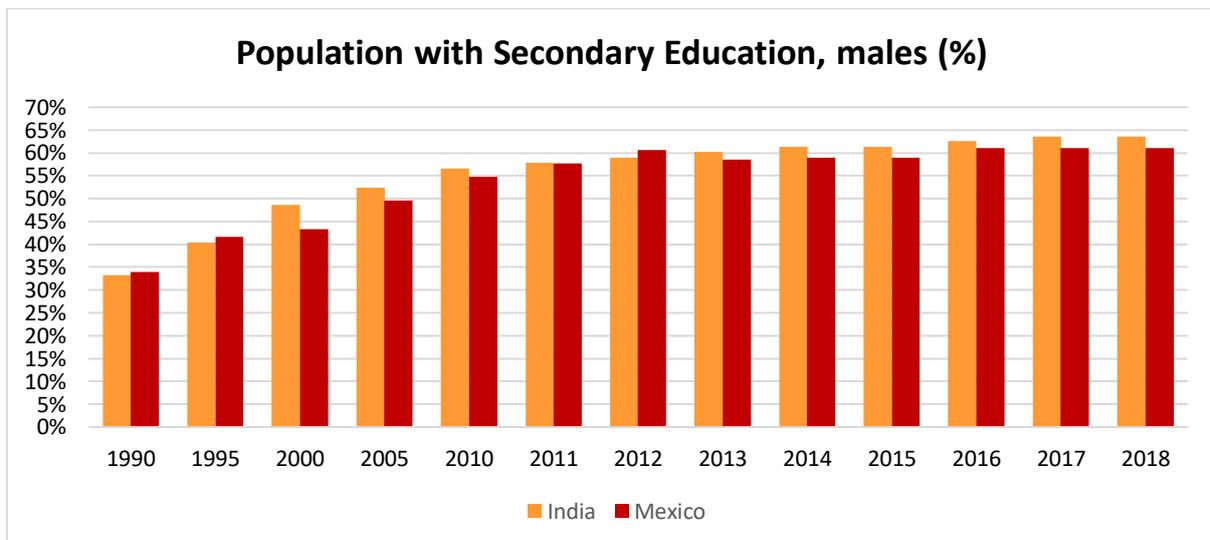


Figure 2.11: Secondary Education, Males (%), 1990-2018

Taking into consideration the above education statistics, it is very overwhelming to find out that India exceeds Mexico in the female share of graduates in Science, Technology, Engineering and Mathematics (STEM). Only roughly 30% of the female population in Mexico graduate in these higher paying fields whilst almost 45% of females in India graduate from STEM. On the other hand, Mexico surpasses India for the male share of graduates in STEM. Over the years, however, in both countries, the percentage share of female STEM graduates is

still somewhat stationary and no significant progress have been made during the recorded years.

This is the only statistic that deviates in the opposite direction, in the sense that Indian females surpass Mexican females in this field. In fact, Business Insider published an article ranking India #1 in the world in producing female graduates in STEM but ranks 19th in employing them. *“While girls enrolling in science for higher studies in India has seen an increase, the number of women entering the workplace is not in the same proportion.”*, the UN commented. Women, in fact, represent a minority in the world of science at a mere 30%. One of the major reasons for the surprisingly low participation contributes to the gender pay gap. *“Despite the ground-breaking research and performance, women in the field of STEM are known to be paid less for their research work compared to men – not progressing much in their careers thereby.”* (Sindwani, February 2020)

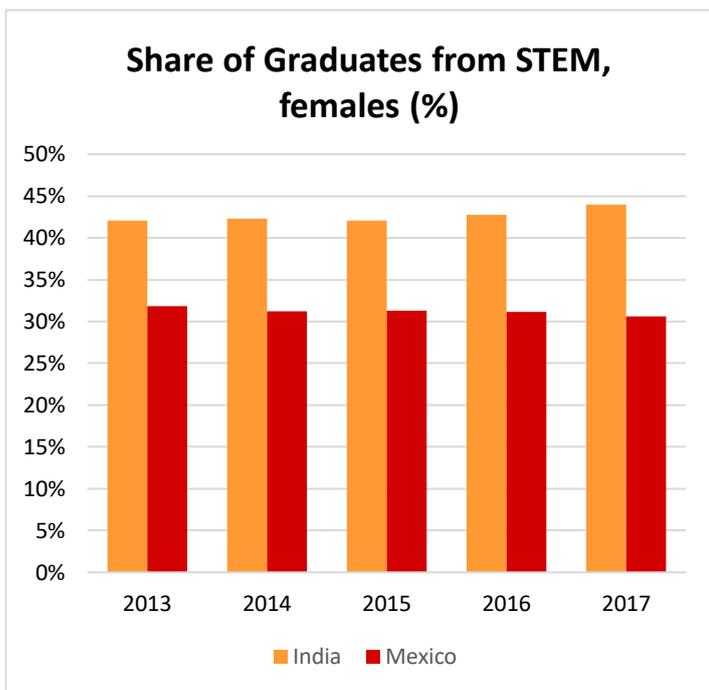


Figure 2.12: Female STEM Graduates (%), 2013-2017

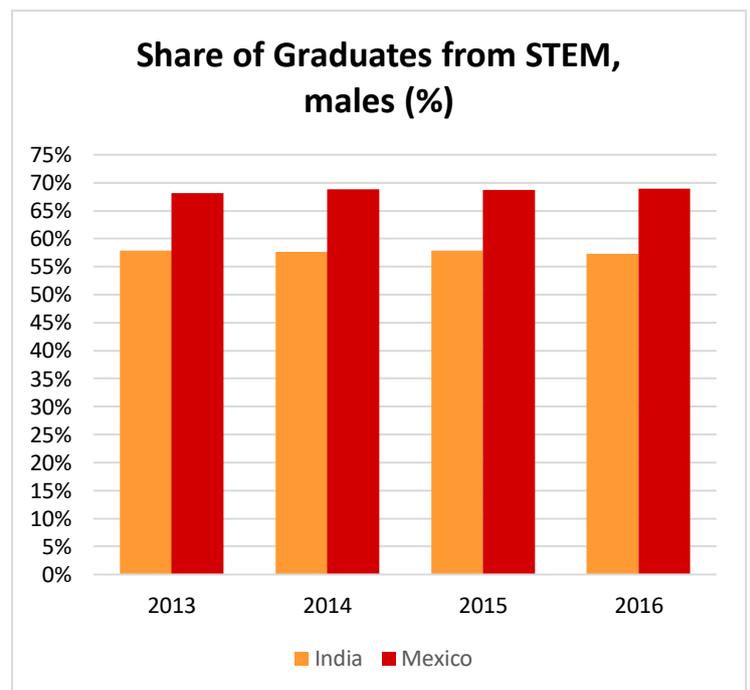


Figure 2.13: Male STEM Graduates (%), 2013-2017

2.5.5 – Other Factors

Other factors also can be an indirect determinant to the elimination of gender wage gaps. For example, the cost of business start-ups is the same for both males and females for both countries so there is no incentive or favourism towards one gender in becoming entrepreneurs. Likewise, even the procedure to apply for a job is the same for both genders in both Mexico and India.

However, there are some factors which were applied along the years and, therefore, contributed positively to the wage disparity. The prohibition of dismissal of pregnant women from their workplace has always been present since 1961. However, this prohibition only came into place in Mexico since 2014, according to World Bank Statistics. Also, even the law stating the prohibition of discrimination in employment based on gender was only implemented in 2014 in Mexico. In India, this measure was put into effect long before.

Another pivotal factor which directly affects wage gaps is that women in India, unlike in Mexico, cannot work in the same industries as men. This puts the woman in an occupational disadvantage as these industries can pay higher than the industries usually engaged by women. The occupational segregation theory, in fact, explains the tendency of women and men working in dissimilar industries according to societal norms. Professions which are usually occupied by women usually pay a lower than average wage and, thus, could explain the discrepancy in wages. Additionally, in both countries, the law does not mandate equal remuneration for females and males for work of equal value i.e.: equal pay for equal work is not stated by the law which automatically puts the inferior gender at a disadvantage.

The gender gap in wage employment participation varies widely across the social and religious groups. According to a research done in the University of Vermont, it is found that religiosity is indeed strongly linked with gender inequitable beliefs. For instance, Hindu women workers in India were in a better position than Muslim women, which is the second dominant religion, partly because of religious customs and partly due to religious discrimination. However, different religions have varying effects on gender attitudes and outcomes, some which are positive and some which are negative (Seguino, December 2010). Therefore, although different religion and cultural background may negatively affect women's emancipation and development in earnings equal wages as men, conclusions still seem to be unclear.

2.6 – Conclusion

This study compares the gender wage gaps of two developing countries, being Mexico and India at different areas of study namely, human indexes, employment, income, education at different levels and other relevant factors, including laws and mandates, which contribute to the explanation of gender wage gaps. This study takes a time period range of thirty years, starting from 1990 with the last recorded published data being 2020 when found available. The

descriptive nature of this study allowed room for more in-depth analysis and providing the reader with intrinsically detailed insights of the situation in both countries. The theories that were discussed in preparatory to Chapter 2 have been utterly useful in explaining some of the indexes and variables in question giving a relevant backstory to the figures

The overall analysis shows that whilst Mexico has been giving a quite consistent developing structure throughout the years in question, India has been sending rather contradictory messages with regards to gender equality and human development. Even though India dominates the female STEM graduates, the HDI, GDI, GII and the Estimated GNI per capita all clearly conclude that India is still below World Average in almost all indexes. As stated beforehand, India can be explained by splitting it into two parts: the ‘regressive’ part and the ‘progressive’ part. In other words, the former part lags behind due to cultural barriers and the rural nature of the population. It is safe to say that the Indian population is mainly composed by this part due to the rurality of the land that it forces the residents to continue working in the agricultural industry. Moreover, also the great bulk of the workforce in the manufacturing sector is composed of people with low levels of education and receiving low salaries. The latter part, on the other hand, is that portion which is rapidly progressing in technology and science thanks to the high level of education often obtained in foreign universities. However, this part of the population only represents the minority of the population and is, therefore, too little and almost trivial in affecting the averages of the whole country.

Thus, whilst, as a whole, Mexico inevitably surpasses India in almost all variables scrutinised in this chapter, it is of utter importance to say that the minority part which is progressing in India is increasing at a much more rapid pace than Mexico. The reason which may be part of the explanation behind such results is the reverberation of the cultural barriers in India. Even though Mexico embraces their culture, it does not impact the female progression the way India does. Therefore, in light of this uncovering variable that comprises a substantial part of the Indian culture, it is substantially not enough to look at the statistics on their own as this may give off a misleading interpretation at first sight.

Bibliography

- Global Gender Gap Report 2020*, 2020, World Economic Forum, Cologny/Geneva, Switzerland.
- Agenjo-Calderón, A. & Gálvez-Muñoz, L. 2019, *Feminist Economics: Theoretical and Political Dimensions*, vol. 78, no. 1.
- Aly, Y. 2017, *The Gender Wage Gap: Causes, Consequences, and Remedies*, Bridgewater State University.
- Bisello, M. & Mascherini, M. 2017, *The Gender Employment Gap: Costs and Policy Responses*, vol.52, no.1, pp.24-27.
- Browne, I. 1997, *Explaining the Black-White Gap in Labor Force Participation among Women Heading Households*, vol. 62, no. 2.
- Brynin, M. August 2017, *The gender pay gap*, Equality and Human Rights Commission, Manchester, United Kingdom.
- Dabla-Norris, E. & Kochhar, K. 2019, *Closing the Gender Gap*, vol. 56, no. 1.
- Diekman, A.B. & Schnieder, M.C. 2010, *A Social Role Theory Perspective On Gender Gaps In Political Attitudes*, 2 November 2010, vol. 34, pp. 486-497.
- Kapsos, S., Silberman, A. & Bourmpoula, E. August 2014, *Why is female labour force declining so sharply in India?*, International Labour Office 2014, Geneva, Switzerland.
- Mahapatro, S.R. Feb 2013, *Declining Trends in Female Labour Force Participation in India: Evidence from NSSO*, no. 44373.
- Polachek, S.W. April 2004, *How the Human Capital Model Explains Why the Gender Wage Gap Narrowed*, no. 1102.
- Polachek, S.W. & Xiang, J. October 2014, *The Gender Pay Gap Across Countries: A Human Capital Approach*, no. 8603.
- Rubery, J. & Koukiadaki, A. 2016, *Closing The Gender Pay Gap: A Review Of The Issues, Policy Mechanisms And International Evidence*, International Labour Organisation 2016, Geneva, Switzerland.
- Sengupta, A. & Das, P. May 2014, *Gender Wage Discrimination across Social and Religious Groups in India*, vol. 49, pp. 71-76.
- Singhal, S. 1995, *Development of Education, Occupation, and Employment of Women in India*, First Edition edn, K.M. Rai Mittal for Mittal Publications, New Delhi, India.
- Social Progress Imperative 2019, *2019 Social Progress Index*.
- United Nations Development Programme 2019, *Human Development Reports*, UNDP.

Sitography

- 2018, [Homepage of World Economic Forum], [Online]. Available: <https://www.weforum.org/agenda/2018/08/chart-of-the-week-equal-pay-remains-a-global-issue> [2020, March 3].
- Equal pay for work of equal value* [Homepage of UN Women], [Online]. Available: <https://www.unwomen.org/en/news/in-focus/csw61/equal-pay> [2020, March 2].
- Bhattacharya, S. 2020, 02 March 2020-last update, *How women can bridge the large gender pay gap* [Homepage of The Economic Times], [Online]. Available: <https://economictimes.indiatimes.com/wealth/earn/how-women-can-bridge-the-large-gender-pay-gap/articleshow/74414900.cms> [2020, March 2].
- Corporate Finance Institute , *What is the Hofstede's Cultural Dimensions Theory?* [Homepage of Corporate Finance Institute], [Online]. Available: <https://corporatefinanceinstitute.com/resources/knowledge/other/hofstedes-cultural-dimensions-theory/> [2020, May 15].
- Databank.worldbank.org. 2020. Databank | The World Bank. [Online] Available at: <https://databank.worldbank.org/faq/html/databank-faq.html> [2020, May 15].
- Equality and Human Rights Commission 2018, 8 August 2018-last update, *What is the difference between the gender pay gap and equal pay?* [Homepage of Equality and Human Rights Commission], [Online]. Available: <https://www.equalityhumanrights.com/en/advice-and-guidance/what-difference-between-gender-pay-gap-and-equal-pay> [2020, March 2].
- Graf, N., Brown, A. & Patten, E. 2019, 22 March 2019-last update, *The narrowing, but persistent, gender gap in pay* [Homepage of Pew Research Center], [Online]. Available: <https://www.pewresearch.org/fact-tank/2019/03/22/gender-pay-gap-facts/> [2020, March 2].
- Heathfield, S.M. 2019, 25 June 2019-last update, *Women and Work: Then, Now, and Predicting the Future* [Homepage of the balance careers], [Online]. Available: <https://www.thebalancecareers.com/women-and-work-1919356> [2020, March 29].
- Lakhani, N. 2017, Aug 2017-last update, *'The help never lasts': why has Mexico's education revolution failed?* [Homepage of The Guardian], [Online]. Available: <https://www.theguardian.com/inequality/2017/aug/15/the-help-never-lasts-why-has-mexicos-education-revolution-failed> [2020, June 2].
- Lynkova, D. 2019, 7 May 2019-last update, *Women in Technology Statistics: What's New?* [Homepage of techjury], [Online]. Available: <https://techjury.net/stats-about/women-in-technology/#gref> [2020, March 29].
- Mercadante, K. 2019, 25 December 2019-last update, *Gender Pay Gap In 2020: The Long And Winding Road To Parity*. Available: <https://www.moneyunder30.com/the-gender-pay-gap-in-the-21st-century> [2020, April 4].
- Neate, R. 2018, 18 December 2018-last update, *Global pay gap will take 202 years to close, says World Economic Forum* [Homepage of World Economic Forum], [Online].

- Available: <https://www.theguardian.com/world/2018/dec/18/global-gender-pay-gap-will-take-202-years-to-close-says-world-economic-forum> [2020, March 6].
- Petter, O. 2020, 10 January 2020-last update, *What Is The Gender Pay Gap And How Is It Different From Equal Pay?* [Homepage of The Independent], [Online]. Available: <https://www.independent.co.uk/life-style/women/gender-pay-gap-equal-pay-women-paid-less-motherhood-a8856121.html> [2020, March 3].
- Riley, G., *Gender Pay Gap (Labour Markets)* [Homepage of tutor2u], [Online]. Available: <https://www.tutor2u.net/economics/reference/the-gender-pay-gap> [2020, March 6].
- Sharma, S. 2020, Feb 2020-last update, [Homepage of Financial Express], [Online]. Available: <https://www.financialexpress.com/economy/no-jobs-for-moderately-educated-women-in-india-less-educated-women-still-have-a-chance-world-bank/1874983/> [2020, June 1].
- Sharma, S. 2019, May 2019-last update, *The conspicuous absence of women in India's labour force* [Homepage of The Conversation], [Online]. Available: <https://theconversation.com/the-conspicuous-absence-of-women-in-indias-labour-force-109744#:~:text=Reasons%20for%20the%20drop,India%20is%20on%20the%20decline.&text=The%20number%20of%20women%20staying,of%20the%20workforce%20for%20longer.> [2020, June 1].
- Sindwani, P. 2020, Feb 2020-last update, *India tops the world in producing female graduate in STEM but ranks 19th in employing them* [Homepage of Business Insider], [Online]. Available: <https://www.businessinsider.in/careers/news/india-tops-the-world-in-producing-female-graduates-in-stem-but-ranks-19th-in-employing-them/articleshow/74117413.cms> [2020, June 2].
- Tembon, M. 2019, 7 March 2019-last update, *Why We Care about Closing Gender Wage Gaps in the South Caucasus* [Homepage of The World Bank], [Online]. Available: <https://www.worldbank.org/en/news/opinion/2019/03/07/why-we-care-about-closing-gender-wage-gaps-in-the-south-caucasus> [2020, March 30].
- Trines, S. 2018, Sep 2018-last update, *Education in India* [Homepage of WENR], [Online]. Available: <https://wenr.wes.org/2018/09/education-in-india> [2020, June 2].
- Vagins, D.J. 2020, *The Simple Truth about the Gender Pay Gap* [Homepage of American Association University of Women (AAUW)], [Online]. Available: <https://www.aauw.org/research/the-simple-truth-about-the-gender-pay-gap/> [2020, March 2].