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Prompt 3: Literature Review on Women and Equal Pay

Dated back since the late 1800s, women on average have earned lower wages and salaries than males. These economic gender gaps, which were salient issues during the women’s movement in the 1960s and 1970s, have been of interest to economists at least since the 1890s. In 1890, 15 percent of women in the United States aged twenty-five to forty-four reported an occupation outside the home (Goldin, 1). Prior to the 1960s, job openings were categorized according to gender and there were separate job listings for males and females were advertised in the newspapers. The jobs that earned a higher salary were available to males only. Between 1950 and 1960, job separation according to gender resulted in a wage gap where women employed with a full time job earned on average between 59 to 64 cents for every dollar a male earned. The wage gape is a statistical indicator used as an index of the status of women’s earnings relative to men’s. In 2015, female fulltime workers made 79 cent for every dollar earned by males creating a gender wage gap of 21 percent. The pay gap exists among males and females with the same occupation, level of education, and race/ethnicity.

Similarly to African Americans in *The Souls of Black Folk*, women live under W. E. B. Du Bois’s concept of the veil. Double consciousness is a term coined by W. E. B. Du Bois to describe an individual whose identity is divided into several facets. As a theoretical tool, “double consciousness” reveals the psychosocial divisions in American society and allows for a full understanding of those divisions (Du Bois, 2). Women live in a nation where people see them differently due to objection, sexual advertisement, or historical events. Pertaining to recent politics, the Democratic National Convention continued to promote Hillary's candidacy as the first time a female has been nominated for president from a major party. They never claimed she was the first female to run for president. Like her or hate her, support her or not, she is breaking the glass ceiling. However, under this concept of the veil and double consciousness, women still face a daunting wage gap that needs to be evaluated.

“The U.S. labor market has recently experienced two dramatic trends: a falling male-female pay gap and a rising level of labor-market inequality,” (Blau and Kahn, 23). The gender wage gap is pervasive among all races and ethnicities. In 2013, Asian women earned 23 percent, white women 18 percent, and black and Hispanic women earned 9 percent less than men of the same race (Kim, 278). Among the gender wage gap of minorities, there are wage gaps amongst men based on race that can be another factor evaluated in this research design. Most literature concludes that direct discrimination, the undervaluing of women’s work, segregation in the labor market, traditions and stereotypes, and balancing work and parenthood are the initial causes of the gender wage gap. Jane Farrell, Sarah Glynn, Ilias Livanos, and Imanol Nunez, evaluated the effect of higher education on the wage gap. Farrell and Glynn’s “What Causes the Gender Wage Gap?” and Livanos, Ilias, and Imanol Núñezs’, "The Effect of Higher Education on the Gender Wage Gap" agree that higher education is associated with higher wages (Livanos and Nunez, 34). The gender gap disparity has also decreased by 7 percent for women who receive and have access to higher education (Farrell and Glynn, 1). Their findings are similar to Sara de la Rica, Juan J. Dolado, and Vanesa Llorens who analyzed the wage distribution in Sweden (Farrell and Glynn, 2).

Research done in Sweden concludes there is distinctive evidence between the patterns of the gaps when males and females are distinguished by high and low educational attainments (Rica, Donaldo, and Llorens, 772). Moving up the wage gap distribution, the gender gap for workers with high (college/master’s/doctoral) education increases. For workers with less (primary/secondary) education, the gap decreases (752). Research has also indicated that the occupations gender gap appears to be narrowing with increases in GDP per capita (Oostendorp, 3). The gender gap decreases in nations with high economic development and nations that engage in trade and foreign investments (2).

Among economic development, it is important to analyze labor market selection for the contribution of family wage gaps to overall gender wage inequality because they are highly related (Cukrowska-Torzewska and Lovasz, 263). The existence of the gender wage gap is largely attributed to gender-specific wage gaps due to parenthood (282). There is a relationship between the family gap and the gender gap. Parenthood differentiates employment patterns between males and females, which in turn, affects their wages differently. Research shows that the wages of women are penalized for motherhood while fathers receive a wage premium (262).

Framing the cause of the wage gap is a main point of convergence in the literature. Some argue the wage gap is a byproduct of the choices women make: taking on lower-paying jobs, working less hours, taking off for maternity leave, or leaving the workforce for longer time periods than male workers. If the argument is framed that way, the statistics appear to be skewed. However, existing evidence in the past decade shows the wage gap is more than a personal choice (Farrell and Glynn, 1). There are two different approaches to this issue. One is a neoclassical model, which believes women are less productive and choose low-paying jobs. This approach also believes that women work less than men and take time off to take care of their families. The neoclassical model states that women choose jobs that provide flexibility and low skill because they may have to take off time for their families. An opposing approach to the neoclassic model controls for all of the factors based in the neoclassical model, such as level of education, hours worked, and parenthood. After controlling for those variables, research still shows the existence of a gender wage gap. The main disagreements within the literature is whether those factors really attribute to the wage gap or not (Kim, 281-282).

A paradox also became apparent while evaluating the research in the literature. In the United States, women compare favorably to those in other countries such as their skill level and high occupational status. Moreover, the United States has several laws implemented at the state and national levels for equal pay and equal employment opportunities. However, the gender pay gap in the United States is larger than most of the countries evaluated in this literature review (Blau and Kahn, 23). Indeed, the overrepresentation in lower-paid jobs and underrepresentation in higher paid jobs continues to reduce women’s wages.

10 percent of the wage gap is attributed to work experience. A woman’s work experience is curtailed if she needs to take maternity leave or for child caregiving. 27 percent of the wage gap is attributed to the differences in wages paid by corporations who dominantly employ males over females. Another theory is that jobs dominated by women are generally paid less than jobs dominated by males. Blue-collared male-oriented jobs such as manufacturing, mining, and construction pay more than blue-collared female-oriented jobs such as service sector or clerical jobs (Farrell and Glynn, 1).

Literature agrees occupation, industry, labor force experience, union status, and race/ethnicity are factors that contribute to explaining the wage gap. Among those, there are other variables that have been examined, such as discrimination. An additional theory presented in the research completed by Ilias Livanos and Imanol Nunez is the discrimination theory. The discrimination theory claims that the wages of women can be negatively affected by stereotypes in the workforce. Some of the stereotypes include: caring nature, low commitment, physical weakness, and lesser need for income. Those who are impacted by these stereotypes tend to believe that women prioritize their families over the workforce (Livanos and Nunez, 35). The discriminatory theory could negatively affect the employment conditions of females, such as their salary, by perceived prejudices on women’s skills and commitment.

The research produced solid conclusions. Livanos and Nunez investigated the effect of an academic degree on gender wage gap, observing different samples in Greece and England. Their research is significant because level of education is a chief cause of the widening or narrowing wage gap. Livanos and Nunez’s research used Labour Force Survey (LFS) data in order to compare the returns for individuals who have received a higher education and those who have received secondary education only (33). Similarly, the studies conducted by Cukrowska-Torzewska and Lovasz, Blau and Kahn, and Rics, Doplado, and Llorens, produced sound results.

In Cukrowska-Torzewska and Lovasz’s work, they investigated whether or not children have a driving impact on the wage gap. In order to produce evidence for their experiment, they did a comparative assessment on the wages in Hungary and Poland utilizing four different equations: for childless women, for mothers, for childless men, and for fathers. The literature contained a well-executed methodology, but the doubts of their conclusions are from the reliability of their results. Their reliability may not be profound because the sample size is different between Poland and Hungary and their wages are calculated differently. Therefore, their results may not be exact due to confounding variables. (Cukrowska-Torzewska and Lovasz, 16). Given that the gender disparities in wages conducted by research may result from bias in all of the literature, policies are needed to remedy these.

Among the conclusions made by the research, the literature itself is quite factual. Some research articles such as Farrell and Glynn’s and Kim’s lack an experiment/study and results to confirm or reject their research claims. However, Oostendorp’s research on globalization and the gender wage gap was quite extensive and empirical. Globalization was assessed as a cause of the gender wage gap and the different contribution factors of globalization. His research indicates the more developed a nation is, the lower the wage gap present. Oostendorp described how his research was successful and how there are gaps that needed improvement. Furthermore, Livanos and Nunez’s work, and Rics, Doplado, and Lloren’s research on higher education, have great content and reach. Both pieces researched the effect of higher education on the wage gap using empirical data. Although each article used a disclaimer at the end to imply their results depend on intuitional factors, such as the difference of the education systems in each country observed, their data is still informative and helpful.

Each research article has plausible claims to the cause of the widening or narrowing gender gap in the world. While the literature is extensive and provides answers to their casual hypotheses, much room is left for improvement and additional research. Oostendorp researched the occupational gender wage gap, which is the female-wage wage difference within an occupation in a given time. However, he was not able to access data to measure the average gender wage gap across workers, which is essential in measuring the wage gap. The unexplained wage gap is the difference between the wages of males and females if gender differences in human capital are not included. This can then be referred to as gender discrimination, which requires additional research (Oostendorp, 12). In assessing the effect of higher education to the wage gap, additional research could extend the analysis and include elements associated with the academic degrees, such as the field of study and concentration, the quality and prestige of the university attended, and the individual’s grades and performance at their university. Additional research will adequately measure the actual levels of discrimination in the work force.

An essential part in evaluating the wage gap is by conducting qualitative research. This type of research will involve descriptive inferences, which will use observations from the world to learn about other observable facts (King, Keohane, and Verba, 8). The writers King, Keohane, and Verba, of “The Science in Social Science said, “Such work focuses on one or a small number of cases, to use intensive interviews or depth analysis of historical materials, to be discursive in method, and to be concerned with a rounded or comprehensive account of some event or unit (4). Among research, Mary Wollstonecraft in her novel brings light to social issues women face in society. “Contending, therefore, that the sexual distinction, which men have so warmly insisted on, is arbitrary,” Wollstonecraft, 106). Inequality should matter to everyone. The cause of the gender wage gap is just one of the many issues women face in American society. Until the objectification of women is recognized as a problem, women will continue to fight for their right in American society.

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