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Economic and Social Council

COMBATING THE WAGE GAP

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PERSONAL INTRODUCTION

Dear Delegates,

My name is Dorita Dimitriadou, I am 17 years old and I attend the 12th grade in Arsakeia Schools of Psychiko. In the 6th session of the Campion School Model United Nations it'll be my honor to serve as a co-chair of the Economic and Social Council. Altogether I've attended six conferences, and this is going to be my third time chairing. I'm proud to be a part of the MUN community as it has offered me an overall knowledge about the issues of our world and has guided me towards my goals in life.

This year's agenda includes some of the most crucial issues of our era considering gender equality. The delegates are being provided with the chance to debate and introduce implementable measures and solutions on the issue of the wage gap. This study guide offers you some basic information about the topic. As an expert chair I will guide you through your research, I aspire for a fruitful debate and to make this conference to you a memorable one. However, you should further research the topic and not base it only on the study guide. Specifically, it's important to extend your research according to questions, such as: Why does wage differences still occur even when individuals have the same education level and working experience? Does the gender wage gap take race into account? Why does pay disparity matter?. In case of any questions related to the topic do not hesitate to contact me at my email address dorita doritos@hotmail.com.

I'm really looking forward to meeting you all.

Best regards,

Your chair,

Dorita Dimitriadou.



INTRODUCTION

Gender parity is essential for the success of the economies and societies. However, despite the fact that women earn college degrees in a higher rate than men, they are often made to undergo subtle discrimination in the workplace and continue to gain an income considerably less than men. Even when focusing on elements of experience, education, industry and working hours, yet women and men get paid differently on account of marginalization. The wage gap has a great effect on women from all backgrounds, at all ages and of all educational levels and it's even broader when it comes to bonuses and promotions gained by personal judgments, a situation where women are estimated to get paid 35% less than men.

The phenomenon of pay inequality doesn't affect all women the same. It's larger for women of color and different racial and ethnic minorities. For example, black women earn significantly less than their white counterparts firstly because of job market discrimination and secondly because employers are concerned about the advancement of their business as citizens are usually afraid of someone being a little different. It's also larger for women living in more religious states as the wage gap becomes more intense in places with high religiosity due to the fact that religious beliefs have the power to shape not only employers' decisions about who to hire or not but also social interactions and thus economic behavior. Lastly, pay disparity increases with age as companies' managers and employers are more likely to hire younger people as they are thought to be more concentrated and motivated than older women, who usually become pregnant and have many family obligations.

WOMEN OF COLOR AND DIFFERENT ETHNICITY

Researches carried out by the National Women's Law Center, have shown that women of color constitute 33% of the lowest paid jobs, such as retail, fast food, personal care aides and home health aides. The discrimination starts even before they start working because when applying to jobs they are less likely to receive a callback from the employer. For instance, according to research finds, by researchers at Northwestern University, Harvard, and the Institute for Social Research in Norway, white applicants receive 36% more callbacks than equally skilled African-Americans, and 24% more callbacks than Latinos. Women of color face double discrimination both for being women and being people of color, which leads them being extremely restricted and constrained, especially when it comes to leadership and decision-making positions.

• WOMEN LIVING IN RELIGIOUS STATES

Even though more religious states claim that religiousness and faith protect human rights and especially equality, they are the ones that have a larger gender pay gap. Tradition and religion often force girls into customary gender roles which lead them growing and living up to those expectations. As a result, women



are expected to take part in more domestic affairs, while men are expected to take part in more industrious affairs.

• WOMEN LIVING IN RURAL AREAS

Individuals raised in rural areas earn much lower income than those living in urban areas. These flows are a result of a world, where the population is classified by its geographic location, which leads to assumptions about the population's skills and educational level.

WOMEN OF OLDER AGE

The gap increases with age, specifically after the age of 24, when the majority of individuals have completed their education. Furthermore, older women aren't contemplated to be as attached to the labor force as equally qualified men, especially during childbearing years, which is thought to signify that they are less likely to work long hours.

The reasons for reduced pay include both voluntary and involuntary options. Voluntary by deciding to work part-time when full-time is available and involuntary by working a low-skill job because of being incapable to access higher education even when having the same education level and work experience as men. Even though the pay gap is partially caused by men comprising the majority of higher paid jobs and more women working part-time and in professions with lower pay, there are some main reasons why the wage gap exists.

UNDEREVALUATION OF WOMEN

The undervaluation of women's work has been identified as a huge threat for the gender pay gap and is really frequent. Their possibilities are not being recognized and there are too many stereotypes and prejudices about their capabilities, which lowers their confidence and therefore they are less likely to negotiate their salary. Even when they do the existence of many reactions is borne out.

PREGNANCY

Women face workplace marginalization due to pregnancy or because their employers think that they may become pregnant and in order to be prepared they don't give them a lot of responsibilities. Being pregnant is considered to be expressed by less working hours and a result of lower competence and dedication, as the separation of labor at home is still uneven between spouses, especially when both of them are working full-time.

IDEOLOGIES

Despite women's efficiency in higher education, graduate schemes are unjustly dominated by men. Men's accomplishments are regarded as of greater value than women's, mainly in the workplace. For example, when two employees are implicated in a collaborative or equal work, the man is most likely to receive all credits or be awarded for his achievements. It's the patriarchy's little bias and ideology that is



being involved in everything we do and offers men authority. Consequently, men are constantly promoted above their female colleagues and have more opportunities for professional development.

Pay disparity can have far reaching consequences not only to women themselves but also to societies and companies.

PUBLIC POLICY PERSPECTIVE

Even when the reason is completely voluntary pay inequality can be really damaging for the society as a whole.

One of the most important ramifications is that it reduces economic output, as women are fundamental for the development of a community. Researches have shown that they are inclined to allocate resources more intelligently, in particular they own an accurate judgement and have the ability to choose the correct process and strategy for the use of rare resources in goods and service production. In addition women have the tendency to disburse a large amount of their income on nourishment and education for their children. Therefore, their economic empowerment directly benefits the next generation.

Another remarkable repercussion the wage gap causes to society is hunger. If women were given the opportunity to have the same access in food production as men agricultural output would increase significantly. They not only form more than 40% of the agricultural labor force but also the economically active population in that field is mostly women. Thus, the number of undernourished people in the world could reduce importantly.

<u>WOMEN'S PERSPECTIVE</u>

Equal pay would significantly eradicate poverty among working women in order for them to be able to support themselves and their families. Due to the pay gap women are more likely to depend on welfare payments, especially when in older age. Namely, they seek for the government's economic and social support, as they constitute the poor citizens and residents of the society that don't receive enough income in order to support them and their family's basic human needs, such as food, shelter etc. Therefore, they are being provided with a certain level of well-being by the offer of a free or subsidized supply of goods and services, like healthcare an education.

<u>COMPANIES' PERSPECTIVE</u>

For companies the existence of gender disparities can have a great impact on the company itself, the employee relations the interaction with stakeholders. Firstly, pay inequality puts the company's reputation on the line and it lowers its moral. The relations of the employees are damaged and rest on competitiveness, jealousy and unclear communication. This way the workplace is overpowered with bad energy and negativity in the environment, which is the exact opposite than what clients and suppliers seek for. Moreover, the pay gap affects investment decisions, as investors become more focused on executive pay within organizations.



DEFINITIONS OF KEY TERMS

<u>Discrimination/Marginalization:</u>¹

"The unjust or prejudicial treatment of different categories of people, especially on the grounds of race, age, or sex."

Gender disparities/ Gender inequality:²

"Social process by which people are treated differently and disadvantageously, under similar circumstances, on the basis of gender"

➤ Salary:³

"A fixed regular payment, typically paid on a monthly basis but often expressed as an annual sum, made by an employer to an employee, especially a professional or white-collar worker."

Wage gap/Pay inequality/Pay disparity:⁴

"The difference between the amounts of money paid to women and men, often for doing the same work."

¹ <u>https://en.oxforddictionaries.com/definition/discrimination</u>

² <u>http://www.oxfordreference.com/view/10.1093/acref/9780198568506.001.0001/acref-9780198568506-e-2834</u>

³ <u>https://en.oxforddictionaries.com/definition/salary</u>

⁴ <u>https://dictionary.cambridge.org/dictionary/english/gender-pay-gap</u>



Adjusted pay gap:

The pay gap that considers some factors, which affect the gap's existence, for instance divergences in education, job experience and position, number of hours worked and marital and parenthood status.

Unadjusted pay gap:

The pay gap that measures the raw difference between men and women's proceeds.

> <u>Collective agreements/collective bargaining:</u>⁵

"Negotiation between an employer and a labor union usually on wages, hours, and working conditions."

⁵ https://www.merriam-webster.com/dictionary/collective%20bargaining



BACKGROUND INFORMATION

During World War II, due to many American women working in the war industries, employers were encouraged by the National War Labor Board, which was established by the US government in order to mediate labor disputes during war, to voluntarily make "adjustments which equalize wage or salary rates paid to females with the rates paid to males for comparable quality and quantity of work on the same or similar operations." However, instead of carrying out the request, till the end of the war the majority of women were excluded from their jobs in order for them to be replaced by returning male veterans.

In 1960 employment started being classified according to gender, with higher level jobs addressing to men and indistinguishable jobs for males and females having unequal pay scales. As a result, between 1950 and 1960, full-time working women gained an income approximately 59-64 cents for every dollar their male counterpart received by doing the exact same job.

In 1963 with the passage of the Equal Pay Act, which started being in effect in 1964, the lower paying of women for the same job due to their gender was declared illegal, as sex could no longer be viewed as a disadvantage in one's CV.

Even though there has been significant improvements in narrowing the wage gap, the problem hasn't changed radically. Women earned 59% of men's wages in 1963, while in 2012 they earned 80.9%. One explanation is considered to be that women from an older generation are now a part of the pay gap equation and when working they undergo the attitudes and conditions of the past.



TIMELINE

Date	Description of event
1911	First International Women's Day celebrated, a principal point in the movement for women's rights, held in Austria, Denmark, Germany and Switzerland.
1919	Establishment of the International Labor Organization (ILO) by the Peace Conference in order to deal with international labour_standards, social protection, and work opportunities for all.
1946	Formation of the United Nations Commission on the Status of Women to promote the advancement of women throughout the world.
1951	Equal Remuneration Convention convened by the Governing Body of the International Labour Office.
1958	Discrimination (Employment and Occupation) Convention, which is one of eight ILO fundamental conventions and focuses on anti-discrimination.
1963	Equal Pay Act, which is a United States labor law signed by John F. Kennedy.
1975	International Women's Year, when women received global recognition for equal rights.
1975	Passage of the Pregnancy and discrimination Act, which covers discrimination "on the basis of pregnancy, childbirth, or related medical conditions."
1979	Convention on the Elimination of All Forms of Discrimination Against Women is a human rights treaty adopted by the General Assembly of the United Nations, usually described as an international bill of rights for women.
4 April, 1996	Creation of the Equal Pay Day, which started by the National Committee on Pay Equity (NCPE).
2009	The Lilly Ledbetter Fair Pay Act, a federal statute that was signed into law by President Barack Obama.
2010	Establishment of UN Women, which was voted unanimously from the UN General Assembly.
2010	Equality Act, which aims to provide a more consistent and effective legal framework for preventing discrimination.



POSSIBLE SOLUTIONS

As previously mentioned, equal pay between the genders is one of the most vital implements in the contemporary world as it has the capability to alleviate a lot of the challenges faced in life and is continuously offering various opportunities, especially to less developed countries. Therefore, delegates can take into account some of the following measures in order to enhance the situation.

Firstly, women who believe there has been unfair treatment towards them in the workplace and has been a victim of marginalization have the capability to document their verdict and file charges with a commission or agency related to the problem, such as the Equal Employment Opportunity Commission, which inspects and investigates the claim and decides the way it'll proceed.

Moreover, the offer of Mentoring Programs, where both male and female mentors will be provided, is vital as women of all ages will be taught on:

- how to negotiate their salary and working conditions,
- how to reconcile maternity and work.

The existence of transparency in salary is of high importance. Female workers knowing what their colleagues are earning in order to ensure that they aren't making less than their male counterparts can considerably ameliorate the situation. Therefore, it would be good to let everyone know their co-worker's salary.

Lastly, the most efficient and implementable solution to combat pay inequality would be collective agreements, as in most countries they are contemplated to be the most important mechanisms for wage setting. Social partners can exercise collective bargaining so as to uncover pay differences between the genders or even prevent them from occurring in the first place.



MAJOR COUNTRIES & ORGANIZATIONS INVOLVED

Organizations

Equal Employment Opportunity Commission:

EEOC was created in 1965 and is responsible for "enforcing federal laws that make it illegal to discriminate against a job applicant or an employee because of the person's race, color, religion, sex (including pregnancy, gender identity, and sexual orientation), national origin, age (40 or older), disability or genetic information."

International Labour Organization:

ILO was created in 1919 and is a UN agency that "brings together governments, employers and workers of 187 member States, to set labour standards, develop policies and devise programs promoting decent work for all women and men."

UN Women:

UN Women was established in 2010 and focuses on priority areas and aims for gender equality and "working to develop and uphold standards and create an environment in which every woman and girl can exercise her human rights and live up to her full potential."

UN Women also collaborates with governments and civil societies in order to create laws, policies, programs and services and ensure that women receive an equal treatment.

American Association of University Women:

AAUW was founded in 1881 and aims at reinforcing pay equity laws, urging employers to set fair pay practices and training women in salary negotiation.



Countries

India:

In India sex is one of the basic criteria_that determine one's salary. Women receive an income of 20% less than men. Due to the fact that women form less than 48% of the population, in addition to unequal pay, there is also uneven participation, which is even more intense in rural areas, where labor is strictly divided according to gender.

In order to improve the situation the India technology arm of HSBC (Hong Kong and Shanghai Banking Corporation) established a recruitment program, which offers the opportunity to women that have taken a break from working to restart their career.

USA:

Even though USA has formally prohibited unequal pay between the genders since 1963, women still earn an income of 78% to 82% less than men.

In 2009 president Obama signed the Lily Ledbetter Fair Pay Restoration Act, which gives the capability to victims of pay discrimination to file a grievance with the government within 180 days of their last salary.

<u>UK:</u>

UK has one of the most wide gender pay gaps, as 90% of the female population still works for a company that pays them less than their male counterpart for the same job, while men have a higher possibility to obtain higher paid jobs.

In the past female workers have tried to confront the gender pay gap by launching a campaign called PayMeToo, which aims at women joining forces and advising on another in order to tackle this serious problem.

Jordan:

In the Jordanian labor market gender-based differences in wages is a problem of high significance, as women gain 89% of men's earnings. This unequal treatment is more obvious in the private than in the public sector.

In 2011 with the support from the ILO (International Labor Organization) the National Steering Committee on Pay Equity was established in order to ensure pay equity for workers of both genders.



Afghanistan:

Although the country's efforts to advance women's rights, Afghanistan remains a place difficult to be a woman. Women in Afghanistan face a lot of restrictions, some of them being lack of job experience, employment skills and education and just 19% of them have access to the labor force.

In 2009 Afghanistan adopted the Elimination of Violence Against Women (EVAW) law, but its implementation was extremely weak.

Angola:

Angola has one of the most intense gender pay gaps, scoring a 0.64 out of 1, as its workplace is maledominated, which affects considerably women's wages.

Laws in Angola are nondiscriminatory and has established the General Labor Law, which aims at paid maternity leave, equal pay etc.



UN INVOLVEMENT: Relevant Resolutions & Treaties

Equal Remuneration Convention, 1951:

One of eight ILO fundamental conventions, which focuses on equal pay for work of equal value for men and women.

Discrimination (Employment and Occupation) Convention, 1958:

The Convention concerning Discrimination in Respect of Employment and Occupation is an ILO convention that requires states to empower legislation which forbids all kinds of discrimination on any basis, including race, colour, sex, religion, political opinion and revoke laws that don't promote equal opportunities.

Convention on the Elimination of All Forms of Discrimination against Women, 1979:

CEDAW is an international treaty adopted by the United Nations General Assembly. It defines discrimination against women as "...any distinction, exclusion or restriction made on the basis of sex which has the effect or purpose of impairing or nullifying the recognition, enjoyment or exercise by women, irrespective of their marital status, on a basis of equality of men and women, of human rights and fundamental freedoms in the political, economic, social, cultural, civil or any other field." and establishes an agenda in order to end such marginalization.

The Lilly Ledbetter Fair Pay Act, 2009:

The Lilly Ledbetter Fair Pay Act of 2009 is a federal law in the US signed by the President Barack Obama. The law clarifies that pay discrimination based on age, religion, national origin, race, sex and disability can be reported by the victim so as to seek rectification under anti-discrimination laws.



International Labor Organization Resolution, 92nd session, June 2004

"1. Calls upon all governments and social partners to actively contribute – in their respective fields of competence:

(a) to eliminate all forms of gender discrimination in the labour market and to promote gender equality between women and men and to dismantle barriers which prevent women from obtaining economic autonomy through their labour market participation on an equal footing with men

(b) to analyse the impact of gender segregation on the labour market;

(c) to provide all employed women with access to maternity protection;

(d) to consider how women workers not covered in the previous subparagraph, especially those in vulnerable groups, can be provided with access to maternity protection;

(e) to take into account the impact that policies on matters not strictly related to labour issues may have on questions of gender at work."

"4. Calls upon workers' organizations to carry out capacity building, training and advocacy

programs on all aspects of pay equity."



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