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Rising economic and gender inequality: intersecting spheres of injustice
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Shahra Razavi

The evidence for rising income inequality over the past four decades has triggered an array of analytical work, and has also resonated with the wider public. However, gender inequalities have appeared only tangentially in these largely ‘malestream’ political economy debates. Approaching the issue of inequality from a gender perspective raises a number of different questions which are explored in this contribution. A gender perspective broadens the horizon by foregrounding the multidimensional nature of inequality. This involves socio-economic disadvantage, but also misrecognition as a result of discriminatory social norms and violence, as well as constraints on voice and participation.

Gender inequality and class inequality: a view from the malestream

In the mainstream writings on inequality by political economists, some passing references are made to gender inequality (e.g. Atkinson, 2015). These refer for the most part to how women’s labour force participation accentuates or mitigates income inequality. The earliest studies for the USA (from the 1950s up to 1980), for example, found that while the pay distribution was getting wider, it was not accompanied by a rise in the inequality of household incomes. A key factor explaining this seeming incongruence was the influx of women, especially married women with children, into the labour force, because their earnings moderated economic inequality (Atkinson, 2015, ch. 2). However, the impact of women’s employment on household income inequality depended on who was entering the labour force. In the immediate post-war period it seems that increased participation by women had an equalizing effect on income distribution because the women who entered the workforce were married to (or cohabiting with) low-earning men. This is contrasted with the later period after 1970 when increased labour force participation largely came from women with above-average earnings who were often married to high-earning men – a trend that seems to have reversed again in recent years (Atkinson, 2015).
Taking a broader range of countries (seventeen industrialized countries from the Luxembourg Income Study database) Susan Harkness (2013) shows that while as a general rule women with higher earning power are most likely to work in all countries, employment rates among those who are less educated vary enormously, from under 40 per cent in Italy and Spain to over 70 per cent in Finland. While the unequal distribution of paid work among women might suggest that women's employment will reinforce income inequality, her detailed findings do not support this hypothesis. In fact, in all seventeen countries women’s labour force participation had an equalizing effect on income inequality across households with couples, although in countries where women’s participation rates are low, such as in Southern Europe, the equalizing effects are much smaller. However, as she notes in her conclusion, ‘Perhaps one of the most surprising findings here is just how much lower women’s earnings are relative to their partners across all of these countries, including the Nordic ones’ (p. 228).

### Socio-economic disadvantage from a gender perspective

Approaching the issue of socio-economic inequality from a gender perspective, as Harkness alludes to in her remarks above, would help us raise a different set of questions – not about how women’s paid work contributes to income equality or inequality, but instead about the scale of gender inequalities in the economic domain and what its drivers are.

At a time when women’s access to education has converged with, if not surpassed, men’s, why have women’s and men’s economic opportunities and earnings not shown a commensurate degree of convergence? As feminist economist Stephanie Seguino puts it, why has equality in the ‘capability domain’ not been translated into equality in the ‘livelihoods domain’? And ‘why should women’s economic activities on average attract a lower valuation in the market than men’s, for example, if their capabilities are equal?’ (Seguino, 2013, p. 7). To give a broad-brush global overview, the gap between women’s and men’s labour force participation stands at around 26 percentage points, but with significant variations across regions. Progress in closing this gap has stalled in most regions with the exception of Latin America and the Caribbean, and women on average earn about 24 per cent less than men (UN Women, 2015).

It is difficult to understand income inequalities between women and men without delving into the gendered arena of non-market work, including unpaid domestic and care work. This activity is essential for well-being and economic dynamism, and continues to shape and constrain women’s engagement in paid work. On average women do nearly 2.5 times as much of this work as men, and the gender inequalities widen when there are young children in the household (UN Women, 2015). The domain of non-market work, however, remains as parenthetical to political economy today as it was in the past. The failure of labour markets to acknowledge the contribution of unpaid domestic and care work in reproducing labour and enabling the functioning of any economy is a reflection of the fact that labour markets are ‘bearers of gender’ (Elson, 1999).

In low-income countries in particular the lack of basic infrastructure, especially water and sanitation, contributes to the drudgery of the work involved in provisioning for households, work that is mainly done by women and girls on an unpaid basis (UN Women, 2015). This constrains women’s time and energy for paid work, as well as in other activities, self-care and leisure. In countries where this infrastructure is largely in place, the lack of family-friendly policies to support women and men to combine paid and unpaid work can be a major constraint, especially for women who bear heavy care responsibilities. This points to the need for collectively financed paid maternity and parental leave, and for quality childcare services as a major enabler of women’s economic participation. Comparative evidence from across Europe shows that countries that provide comprehensive support to working parents, including the provision of childcare services, have higher rates of female employment than countries without such policies (Thévenon, 2011). These policies may also help mitigate the ‘motherhood penalty’, which accounts for as much as 40 to 50 per cent of the gender gap in pay.

In developed and developing countries alike, public transfer payments such as child and family allowances and pensions tend to narrow, though not eliminate, the gender gap in personal income from paid employment (UN Women, 2015). Atkinson (2015) argues that while tax and transfer policies are clearly important means of redistributing income, today’s high levels of inequality can only be reduced effectively if we also tackle head-on inequalities in the marketplace.
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This is an important observation which should draw attention to the complex ways in which gender inequalities are embedded in markets, and the need for multi-pronged actions to address them.

Socio-economic disadvantage reinforced by discriminatory social norms

Gender pay gaps have often been attributed to women’s lower educational achievements, which are seen as a contributor to ‘human capital’. However, now that women’s ‘human capital investments’ equal or surpass men’s, attention has shifted from years of study to the subjects studied or to women’s underlying ‘motivations’ and ‘commitment’ to paid work, shifting the goalposts and requiring women to change their ‘commitments’ to paid work to become more like men (Rubery and Grimshaw, 2015). This suggests that the previous focus on what we might term the ‘supply-side’ characteristics of workers may have been misplaced. Even economists are discovering that demand-side approaches, informed by sociological perspectives, may provide more useful insights into how labour markets operate and how they reproduce gender stratifications (Rubery and Grimshaw, 2015).

These more sociological approaches understand labour markets to be social institutions shaped by power dynamics, societal valuations, social norms and stereotypes. The persistence of the gender pay gap can be attributed in part to formal rules and informal practices that value male and female labour differently, regardless of the levels of ‘human capital’ they embody. These pay gaps are closely intertwined with gender-based occupational segregation which slots women and men into different occupations that are deemed suitable (horizontal segregation) and at different levels, grades or positions of seniority (vertical segregation). The low value attached to quintessentially female tasks performed in the private domain, such as domestic work, nursing and caring, is carried over into the labour market to devalue the jobs dominated by women. The assumption that these types of work somehow flow naturally from women’s genetic endowment rather than from knowledge and skills acquired through education, training or experience lurks behind the low recognition and rewards they command, as does the continued treatment of women’s wages as pin money to top up the male breadwinner wage.

Occupational segregation is widespread and persistent across both formal and informal labour markets. It is resistant to change, even as countries develop economically. Its most pernicious impact is in maintaining pervasive gender pay gaps, by making it hard for job evaluations to compare like with like when women and men are slotted into non-similar jobs. This applies especially in the current context of individualized pay setting under a broadly deregulation-oriented agenda (Rubery and Grimshaw, 2015). These issues of misrecognition are pervasive, and go beyond the ways in which discriminatory social norms and stereotypes shape labour market hierarchies and drive the undervaluation of women’s paid work. Gender stereotypes, stigma and violence manifest themselves in a variety of settings, in both private and public life, including through intimate partner violence and sexual harassment in the workplace, all of which have the effect of reinforcing gender hierarchies of power.

Women’s agency and collective action

Having access to an independent source of income can give women an exit option from intimate relationships that are abusive and unacceptable (Kabeer, 2000). There is also some evidence to suggest that beyond its impact at the individual level in terms of women’s agency, women’s increased access to economic resources can have the structural effect of shifting social norms and stereotypes in a gender-equitable direction (Seguino, 2007).

Institutional and organizational characteristics can also make a difference. In particular, wage-setting policies, mechanisms and institutional practices that reduce overall wage inequalities influence gender pay gaps. Countries with statutory minimum wages that are set at a relatively high level, workplace agreements that protect low-income workers and higher trade union coverage are also associated with lower gender pay gaps and a lower wage penalty for workers in care-related occupations (Budig and Misra, 2010).

How can women create the countervailing forces needed to reduce gender inequality in livelihoods and access to resources? To build inclusive and effective movements, women have to confront tenacious hurdles stemming from gender-biased governance structures as well as the many cleavages that divide women along the lines of class, race and ethnicity, and immigration status, to name a few factors. In addition to organizing through their own movements...
and organizations, it is also critical for women’s rights advocates to work with and through broader labour and social justice movements in order to amplify their voice and be heard.

While historically, trade unions have often failed to be inclusive of women, seeing women-specific concerns as less of a priority, there has been a sea change in their approach over the past couple of decades. Women’s membership of trade unions has increased since the early 2000s, though their presence is not yet reflected at the leadership level, and there is also greater responsiveness to the kinds of issues that matter to women workers, such as the precariousness of jobs, equal pay, the importance of services, and sexual harassment at work.

As women have strengthened their foothold in the world of work, women’s organizations have also been at the forefront of new forms of labour organization involving informal workers such as domestic workers, street traders and homeworkers. In the context of rising public concern about inequality, movements of domestic workers have been among the most vibrant parts of the labour movement. About 80 per cent of these workers are women, usually from marginalized racial, ethnic and immigrant backgrounds, and they are clustered at the bottom of the pay hierarchy.

What is even more encouraging is the way in which domestic workers’ organizations have built alliances with established trade unions, other workers’ groups and employers, to drive the agenda for social change at multiple levels including the local, national and global (Boris and Fish, 2014).

Notes

1. Substantive equality is often contrasted with formal equality, and refers to the concrete enjoyment of human rights.
2. Seguino’s analysis uses responses from World Value Surveys over a fifteen-year period for seventy countries to analyse the determinants of changes in women’s and men’s attitudes regarding gender norms and stereotypes. Her regression results suggest that women’s increased share of employment has a positive impact on attitudinal shifts in a gender-equitable direction.

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