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Revisiting the gender pay gap

Male-Female Pay Differences, Jordanian Case

Note by Department of Statistics (Jordan)¹

I. Introduction

1. Over the past twenty years, Jordan has witnessed significant advances in improving the status of women especially in health and education. Life expectancy of women has increased, fertility rates and maternal mortality rates have decreased, and women's literacy rates and access to all levels of education have considerably improved. Jordan also witnessed legislative reform as several laws discriminating against women were reformed, while new laws were enacted to protect them and ensure their increasing participation in public life. Nonetheless, Jordan as well as other Arab countries still lags behind in terms of women's participation in public life, with one of the lowest rates in the world both for women's participation in the labour market and political representation. In fact, less than one third of Arab Women participates in the labour force and only 10 per cent is represented in national Parliaments. (The Third Arab Report on the Millennium Development Goals 2010).

2. This paper highlights one of the main challenges that need to be addressed namely ensure women's right to decent working conditions, including equal pay for equal work. Pay differentials remain one of the most persistent forms of gender inequality in Jordan as well as in the Arab region. However, without systematically addressing wage Gaps as an essential element to promote greater economic participation of women, analysis to formulate new policies and propose corrective measures will be insufficient.

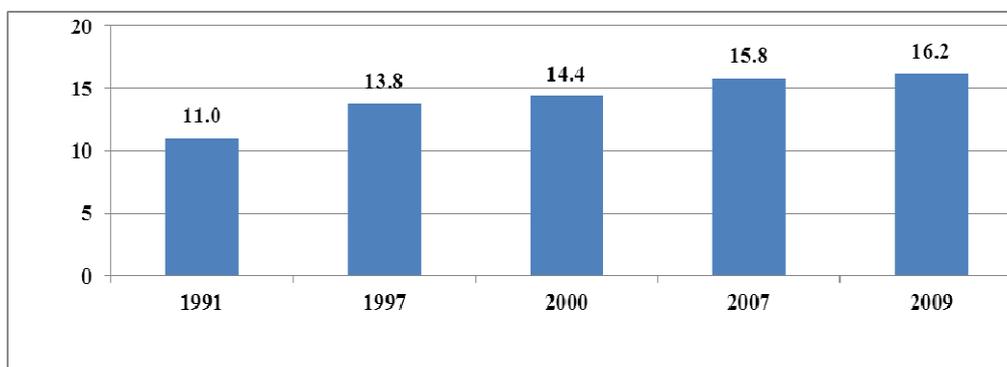
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II. Jordan’s share of women in wage employment in non-agricultural sector

3. Women’s labour force participation in the Arab region remains one of the lowest in the world, at 22 per cent and did not exceed 15 per cent in Jordan (for year 2009). Discriminative legislation, gender wage gaps, lack of access to resources, and cultural barriers contribute to the low level of women's economic participation in the region as well as in Jordan.

4. One of the most important indicators that reflect the benefits of women’s integration into the monetary economy, in terms of greater autonomy, control over household decision-making and personal development is the share of women in wage employment in the non-agricultural sector. Globally, this indicator has slightly increased in the last decade. Worldwide, women account for almost 40 per cent of the total employment in this sector while in Jordan the average increases did not exceed 5 points between years 1991 to 2009, figure 1. (The Third Arab Report on the Millennium Development Goals 2010).

Figure 1: Women share in Wage Employment in the non-Agricultural Sector in Jordan, for selected years

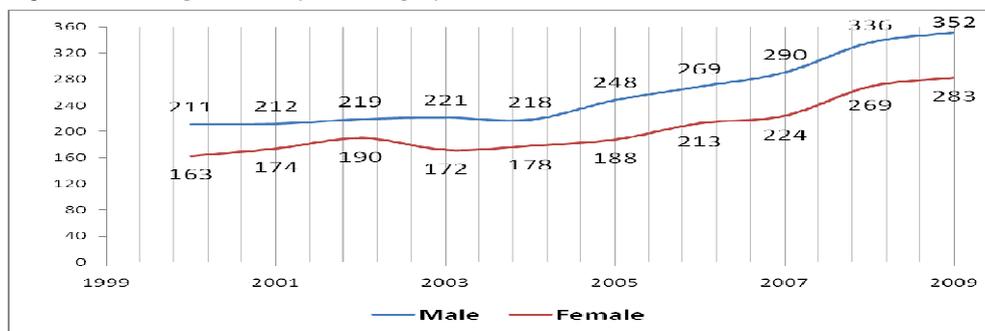


Source: Department of Statistics, Employment Survey

III. Extent and nature of gender pay gap in Jordan

5. Jordan like most other countries records a lower average wage for women than men. The average monthly wage for a woman is 283 JD compared to 352 JD for a man, Figure 2 (Department of Statistics DoS, 2009). After adjusting for the average number of hours worked by men and women, this represents a gender pay gap (GPG) of 9.3 per cent. The gender pay gap (GPG) is defined as the percentage difference between the average hourly earnings of women and men employees.

Figure 2: Average Monthly Earning by Sex 2000-2009



Source: Department of Statistics, Employment Survey

6. The main challenge in determining GPGs is to distinguish between wage discrimination due specifically to gender and differentials in female/male wages that result from different labour market characteristics such as the occupation, educational level, and sector of work.

IV. Gaps in Earnings Persist within Occupational Groups

7. Table 1 presents wages in Jordan by four broad Occupation levels, following the International Standard Classification of Occupation (ISCO). There is a considerable GPG for employees at all skill levels. Hence, in evaluating the Jordanian GPG, it is important to take into account the fact that women employees tend to be more skilled than men employees are. When skill level is taken into account, it becomes evident that women in Jordan are often paid much less than men. For example, women professionals in Jordan are paid a staggering 29 percent less than men professionals are. Importantly, almost half of employed women in Jordan are professionals (Occupation level 4) and earn considerably less than men professionals earn. It is worth noting that the low GPG in low-skill elementary occupations (Occupation level 1) partially reflects the nature of the DoS Employment Survey, an enterprise-based survey that does not include data on domestic workers employed by private households. Domestic workers make up around three quarters of women employed in elementary occupations in Jordan and tend to earn less. Thus, the exclusion of domestic workers from the Employment Survey leads to a significant overestimation of the average wage of women in elementary occupations.

Table 1: Gender Pay Gap by Occupation Level in Jordan, 2009

Skill level	Corresponding ISCO category	Men's hourly wages JD	Women's hourly wages JD	GPG	Share of women employees	Share of men employees
1	Elementary occupations	1.12	1.20	7.1 (in favour of women)	5.6	15.9
2	Clerks, Service workers and shop and market sales workers, Craft and related workers, Plant and machine operators and assemblers	1.27	1.10	13.7	30.4	52.6
3	Technicians and associate professionals	2.21	1.72	22.2	13.5	14.7
4	Professionals	3.33	2.38	28.6	47.1	18.2

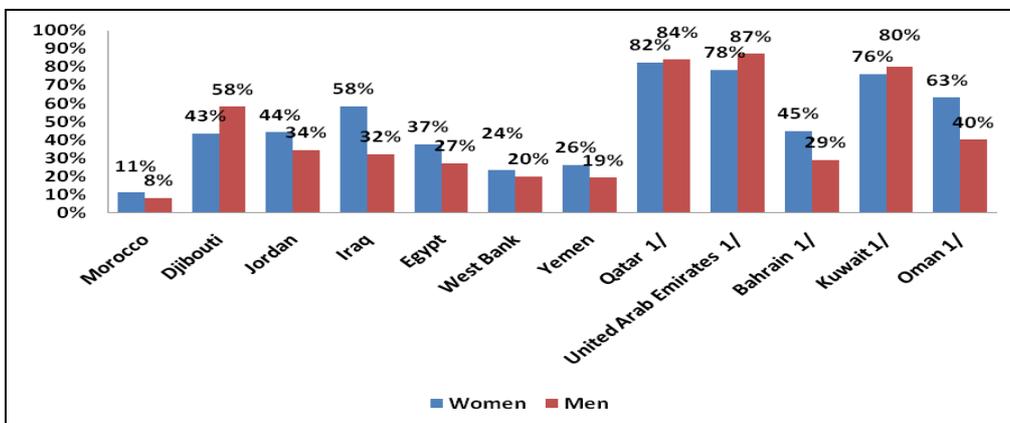
Source: Department of Statistics, Employment Survey

V. Wage difference and GPG among Men and Women in Private versus Public Sector

8. An analysis of employment trends and the distribution of the female labour force between the public and private sectors indicate that in general the public sector has been the major employer of women, in many countries in the Arab region as well as in Jordan. Moreover, the private sector is still generally not able to take advantage of women adequately. Women's labour force participation is directly influenced by the social contract.

The social contract has boosted public sector employment and compensation at the expense of private sector job creation. The public sector on average accounts for 45 percent of total employment in the MENA region and 48.2 Percent in 2009 in Jordan. Public employees are offered higher subsidies, pensions, and relatively more generous working conditions than similarly qualified workers in the private sector (Figure 3).

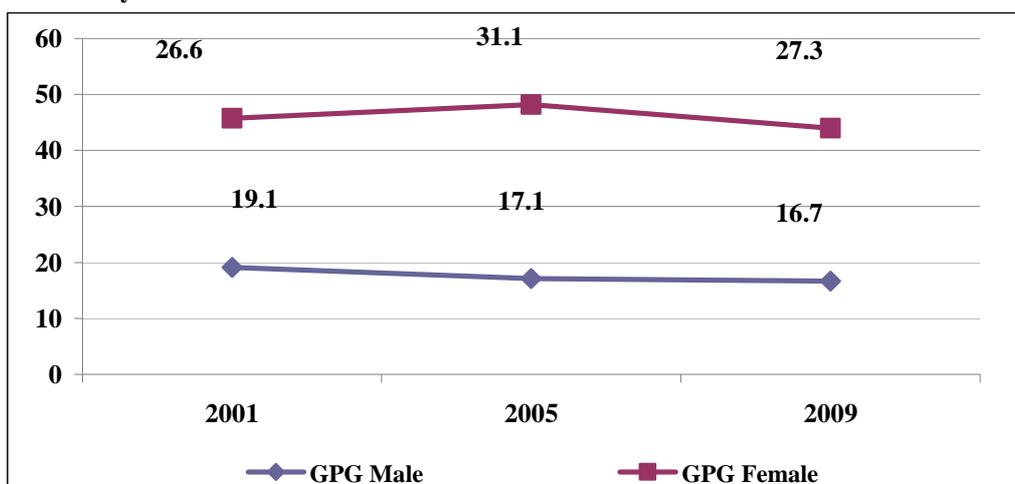
Figure 3: Public sector employment (share of total employment)



Source: Capabilities, Opportunities And Participation, A Companion Report to the World Development Report 2012

9. Figure 4 and table 2 indicate that although there is a GPG in both the public and private sectors in Jordan, the GPG in the private sector appears to be significantly larger. This result may be attributed to the fact that women in the public sector have higher levels of education on average. In addition to that, women tend to study humanities and the arts, partly reflecting traditional gender ideals, and partly in the hope of getting public sector jobs in ‘female-friendly’ fields like teaching and administration. These two factors make educated women relatively less attractive to private-sector employers, who predominantly seek graduates with scientific and technical skills (the GPG for professionals in the private sector (69 per cent) is much higher than that in the public sector (26 per cent)).

Figure 4: Jordan Public Sector Wage Gap, Difference in average hourly earnings for salaried workers in the public & private sectors (% of private sector wages), for selected years



Source: Department of Statistics, Employment Survey

10. Despite this, it is important to note that there is gender-based discrimination in the wage structure of the public sector. Under the Jordanian Civil Service Regulation (No 30 of 2007) a man employee is automatically entitled to a family allowance if he is married. However, a woman employee only qualifies for this allowance if she falls under one of the following categories: She is a widow or Her husband is disabled or she can prove that she is the family's primary "breadwinner" This creates a situation whereby women civil servants have a disadvantage with respect to their entitlement to family allowances and are often paid less for work of equal value.

Table 2: **Gender Pay Gap by Occupation Level, Sector and Sex, 2009**

Skill level	Corresponding ISCO category	GPG	
		Public	Private
1	Elementary occupations	0.4	54.78
2	Clerks, Service workers and shop and market sales workers, Craft and related workers, Plant and machine operators and assemblers	6.6	22.72
3	Technicians and associate professionals	20.8	25.78
4	Professionals	26.1	69.04

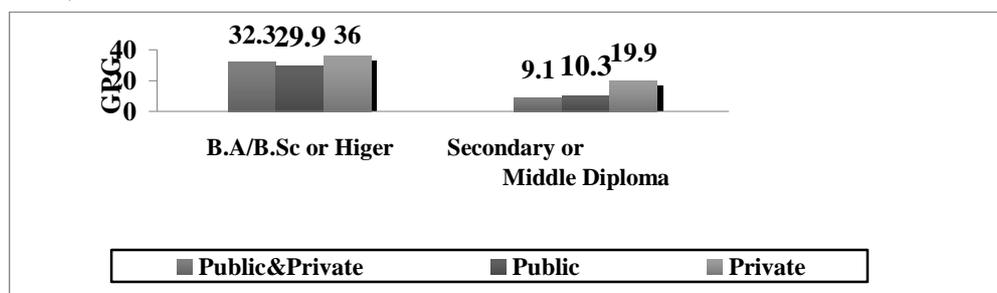
Source: Department of Statistics, Employment Survey

VI. What Difference Does Education Make?

11. Data in Figure 5 indicate that higher levels of education increase women's earnings, just as they do for men. However, there is no evidence that the gender gap in wages closes at higher levels of education. Moreover, since women in Jordan have low levels of labour force participation and tend not to participate in low-skill, low pay employment, education may act as one of the various dimensions that can determine job value. Over 90 per cent of Jordanian women with secondary education or lower are economically inactive, while nearly two-thirds of Jordanian women with a university education are economically active (DoS, 2010b).

12. In addition to the above, the data in the figure 5 show that despite the considerable investment governments have made in education, private sector employers also complain that the education system does not equip young graduates with the skills they need. As a result, the returns to education are higher in the public sector. These factors beside others such as the mismatch between women's educational specialization and the labor market needs and their tendency to enter courses associated with health and education, thus prolonging domestic roles of caring for others, which are less valued in the labor market have made it more costly for private sector firms to hire skilled workers, reducing the amount of jobs they can offer.

Figure 5: **GPG for paid employees in Jordanian Dinar by Sector, Sex and Educational Level, 2009**



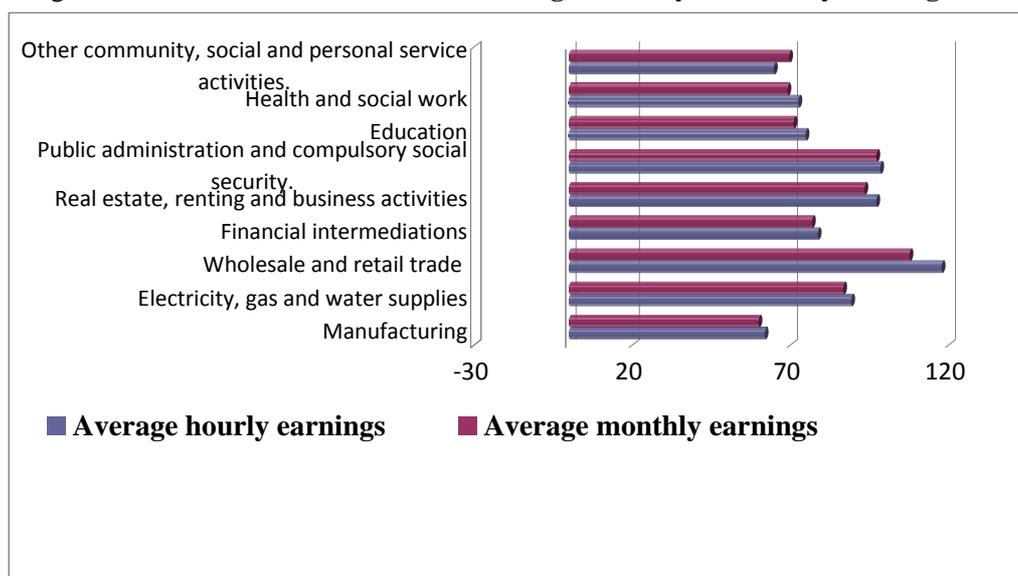
Source: Department of Statistics, Employment Survey.

VII. Do Women Earn Less Because They Work Less?

13. The differences in women’s and men’s income are often explained by the lower degree of attachment that women are supposed to have to the labour force (on average they work fewer paid hours per week and fewer paid weeks per year than men do; their employment is more likely than men’s to be discontinuous) or their work in different kinds of occupation (A book on Women and Men in the Caribbean Community, Facts and Figures 1980-2001). The ratio of women’s to men’s average monthly wage and hourly wages for Jordan in 2009, indicates that except in the whole sale and retail trade branches of activities, women earn 60 per cent to 99 per cent of what men earn (figure 6).

14. In seven out of nine industrial groups, the hourly earnings ratio is higher than the gross monthly ratio by two to four percentage points; however in the activity that is related to other community, social and personal service the average monthly wage is less than the average hourly wages by five percentage points. This suggests that while the fewer hours that women work could account for some of the gap between their monthly earnings and that of men’s, only a small proportion can be attributed to this. In general, data from the table or figure indicates that women’s hourly earnings do not equal that of men in any other sectors except for the whole sale and retail trade, where women earned about 7 per cent more than men, on a monthly basis, and 17 per cent more per hour. Eventually one can conclude that the gender gap in earnings is not entirely due to differentials in working hours.

Figure 6: **Ratio of women's to men's average monthly and hourly earnings 2009**



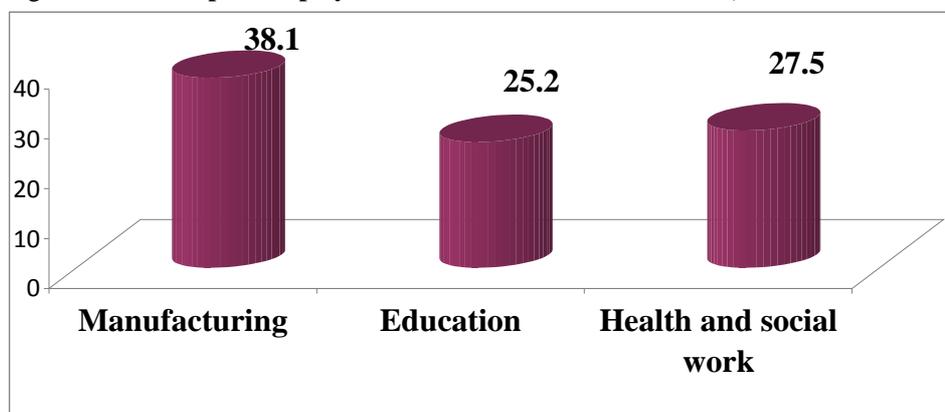
Source: Department of Statistics, Employment Survey

VIII. Pay equity and gender segregation

15. In Jordan, almost three quarters of working women are concentrated in three economic sectors: education, manufacturing, and health and social work. Because only 11.3 per cent of workers are women, they comprise a large share in one sector: education (40 per cent women). The health /social work sector also has a high proportion of female workers (21 per cent women) (DoS, 2010a). In Jordan, contrary to many other countries, wages in feminized sectors are not particularly low (see Figure 7). However, initial analysis reveals a GPG within feminized sectors, for example the GPG for women in the educational sector is 25.2 percent. This pay gap presents a considerable challenge given the high proportion of women employed as education professionals. Almost 80 per cent of women employed in the

educational sector are professionals, and one third of all employed women in Jordan are educational professionals (DoS, 2010a). Significant pay differentials are also evident in the field of health/ social work where women earn 28 per cent less than men. There are also high pay differentials in the manufacturing sector, where women earn 38 per cent less than men.

Figure7. GPG for paid employees in feminized sectors in Jordan, 2009



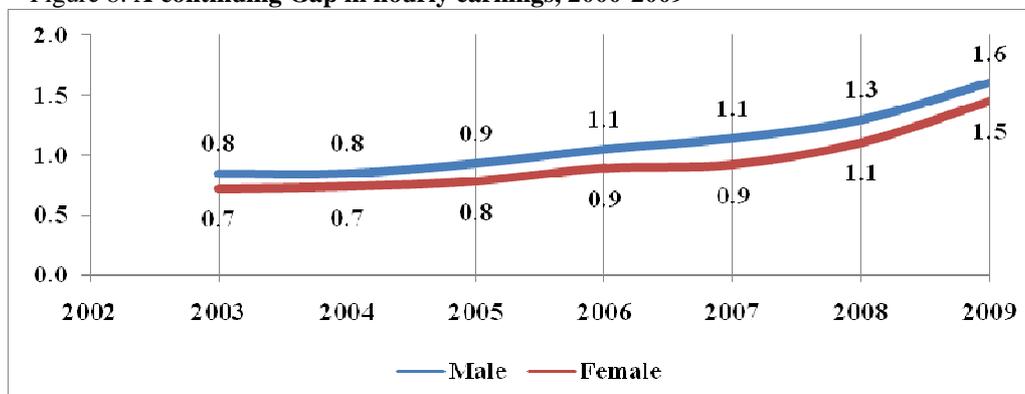
Source: Department of Statistics, Employment Survey

16. Although Jordan has made enormous strides towards achieving gender parity in education there are important differences in educational choices between men and women. Gender segregation in education may lead to gender segregation in occupations, and could be related to lower levels of pay among women. On the one hand, the country has achieved gender parity in enrolment at both basic and secondary levels of education (MoE, 2009), while female students in higher education now outnumber male students. However, in 2008-09 over half the women in universities (54.2 per cent) were in educational sciences, humanities and health and social services compared with 45.8 per cent of men.

IX. Is the Wage Gap Closing? A Question of Value

17. Department of Statistics has made available statistics on women's and men's average hourly earnings for several years. By examining this data, it is possible to get a feel for the changes and trends in earnings. One thing revealed by a simple visual examination of the series since 2003 is how closely the shapes of the two lines parallel each other. The dips and bumps in women's and men's earnings seem to move in tandem. Clearly, similar economic and social forces are at work in influencing the rise and fall of earnings for both sexes.

Figure 8: A continuing Gap in hourly earnings, 2000-2009



Source: Department of Statistics, Employment Survey

18. Another thing that is apparent from figure 8 is that there are some minor fluctuations in the size of the wage gap. For example, the gap appears to be widened slightly as earnings increase since 2003. The only way to get a clear picture of what is happening is to examine the whole series rather than a few years at a time.

19. As many economists with a preference for the “human capital model” would argue, women as a group make lower investments in their working lives, so they logically reap fewer rewards. However, is this what we want to live by? If women and men continue to accept the notion that the domestic and caretaking work traditionally classified as “women’s work” is not important enough for employers to accommodate, the gender gap in wages will never close. A few individual women may be able to avoid the gap by choosing male-dominated occupations, working more hours, avoiding parenthood, being fortunate enough to have a supportive spouse, and carefully following a model of career advancement that was developed to fit men’s needs. These choices occur in an environment full of discrimination: there are more barriers for women than for men to making certain choices, and the consequences of some choices are starkly different for women and men. Moreover, these individual solutions are not effective on a societal level; they work only if the women enacting them remain a minority.

20. To conclude, women’s choices will not be free until their abilities and their work are valued equally with men’s and until women and men reap equivalent consequences for their choices in the realm of work and family. In addition, the most important step in closing the wage gap is to give up the notion that, to be paid fairly, a woman must “make it in a man’s world.”

X. Legal provisions for equal remuneration in Jordan

21. Jordan has a longstanding commitment to achieving pay equity. The Equal Remuneration Convention was ratified in 1966, and the Discrimination (Employment and Occupation) Convention, 1958 (No of All Forms of Discrimination against Women (CEDAW) asserts the right to equal remuneration for work of equal value. In addition to these conventions, it is also worth noting that section 23(ii) (a) of the Jordanian constitution specifies that all workers shall receive wages appropriate to the quantity and quality and work achieved. However, this does not explicitly prohibit pay discrimination that occurs in situations where men and women perform different work that is nevertheless of equal value, as the ILO’s Committee of Experts on the Application of Conventions and Recommendations (CEACR) has pointed out. Moreover, there are no provisions in Jordan’s Labour Law stating the principle of equal pay for equal value of work.

XI. Recommendations for promoting pay equity in Jordan:

22. International Labour Organization made a consultation with the Jordanian officials and came up with many recommendations among them:

A. Create a strong institutional framework for action on pay equity

23. The knowledge base on pay discrimination in Jordan is underdeveloped. Studies and surveys on pay discrimination are needed to facilitate the development of evidence-based policies.

B. Raise awareness of pay equity issues in Jordan

24. An awareness-raising campaign can pave the way by improving understanding of pay equity issues and creating momentum for further action. In particular, an awareness-raising campaign should aim to:

- 1) Raise awareness of pay equity as a core labour right among ILO constituents and the general public;
- 2) Raise awareness of the need for a pay equity article in the Labour Law among government decision makers and employers;
- 3) Raise awareness of the business case for pay equity.

C. Work towards amending legislation to provide for equal remuneration for work of equal value

25. Although Jordan has ratified several international conventions stating the principle of equal pay for equal value of work, there are no provisions asserting this principle in the Labour Law. Moreover, provisions in the Constitution are narrower than the principle as laid down in the Equal Remuneration Convention. In the words of CEACR, this “hinders” progress in eradicating gender based pay discrimination against women at work.

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