Written evidence submitted by Professor Alison Wolf

I have worked quite intensively on developments in the global labour market, and especially in the labour markets of OECD countries, with particular reference to gender. This work is most developed in my book The XX Factor (Profile Books: 2013): detailed discussion of the points made below, including statistics and references, can be found there.

As a result of my work in this area, I would like to suggest to the committee that the most important change needed, in policy discussions of gender-related pay data, is to recognise the deep differences among women. Today, women differ from each other just as men do. However, we do not normally discuss men as a single group, and should stop doing so for women. Moreover, inequality among women is increasing faster than inequality among men. And what is good for one group of women will by no means necessarily benefit others.

The most important characteristic of modern female labour markets is the pronounced and growing difference between highly educated female professionals, and other women. The second thing to emphasise is that ‘gender pay gaps’ are not, today, the result of overt gender discrimination in the workplace. Focusing on pay comparisons within an individual company does not help anyone to understand the social and economic forces which create different labour markets and pay structures for men and women, and very different ones for highly educated women compared to other women.

A huge amount of media attention is given to the small number of female CEOs in FTSE-100 companies and to female representation in boardrooms. However, in the rich countries of the OECD, half of the well-paid professional and managerial (‘class 1’) jobs are now held by women. Law schools are now 50/50 male and female where just a few decades ago, hardly any women were graduating. Among people under 40, in comparable jobs, with comparable time in the workplace, there is no evidence of continuing gender discrimination in pay. Among cohorts over 40, and especially those now over 50, we can still observe the impact of having started work in more ‘discriminatory’ times, but this is a carry-over.

Inequality among women is increasing much faster than inequality among men. partly because successful women started from behind. When many careers were barred to women, their earnings were more equal, and as doors opened, some women’s earnings pulled away. But there are also two other reasons. More women have quite long breaks in employment and more work part-time,
especially non-graduates/non-professionals: and, except among the professional classes, men and women tend to work in different jobs. While ‘class 1’ jobs are integrated by gender, this is not true of many of the largest occupational groups.

For those who are ‘making careers’ in occupations where progressive advancement and long periods of rising income are the norm, career breaks have a clear impact on speed of promotion and lifetime earnings. This is much less true for the majority (who are ‘doing a job’ rather than making a career). Breaks are generally more common for women and are most associated with child bearing, although among graduates, the length of the average break has been declining rapidly.

Part-time work is consistently associated with lower pay. It is significantly more common among women than men in all OECD countries, although levels and the degree of difference between men and women vary: individual aspects of labour market structure, taxes, and benefits are important. There is considerable debate and argument about the reasons. It is clear that more women than men actively seek part-time employment. This, in turn, is associated with different levels of caring responsibility, especially for children but also for elderly family members, and there is argument about whether women’s greater involvement in caring represents a real choice or is forced on them by social norms. However, we do know that there is also a genuine preference for part-time employment among many individuals (male and female) if financial pressures allow.

The fact that part-time work is both the norm for and sought by large proportions of the non-professional female workforce is the single most important reason for the ‘pay-gap’. The other reason is that many women work in occupations which are relatively low-paid. (These also tend to be occupations where large numbers of part-time occupations are available.)

‘Care’ was, until recently, very largely the task of women in their homes, who contributed a large amount of value to society without receiving any direct financial recompense. Today, our economies employ, for pay, very large numbers of nannies, nursery assistants, care assistants, housekeepers, as well as very large numbers of more or less specialised nurses. This workforce is overwhelmingly female, and there is a strong preference for female employees in most of these roles. Many of them are public sector, and in areas which, during the last few years, have been directly affected by income freezes and cuts. More generally, and internationally, these are sectors where there is little productivity growth. Concentration in these sectors is one crucial reason why so many of the workers on minimum wage rates in the UK are women.
To summarise, today’s female workforce features a professional elite which works in gender-mixed environments. These women no longer encounter systematic gender discrimination although they will find their earnings affected if they take career breaks. (The impact of child-bearing is especially strong in financial and business sectors, less so in eg medicine and science.) The female workforce also features a majority whose work patterns are very different. They do jobs which as far as possible fit with and around their family responsibilities and priorities. These tend to be fairly low-paid, and in occupations which employ very few men. And they are very often part-time. These structural differences underlie the continuing ‘gender pay-gap’ and derive from forces, and choices, which lie well beyond the control of individual employers.

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