



# Women's work / The wages of equality: A world of unfinished business

By Erika Kinetz

<sup>1</sup> In the United States, there are more women in the work force at higher levels than in any other country in the world—and they still make less than their male counterparts. In Sweden, women's wages are high, but their role in the work force remains relatively traditional. In Germany, maternal leave is generous, but many women drop out of the work force once they have children. In Japan, the gap is not just in wages but also in the basic structure of the way men and women are employed.

<sup>2</sup> In good times and in bad, women's wages have become an increasingly important component of household income and consumer spending. The shift toward service-based economies in the industrialized world has favored women in the work force—one reason they have poured into the labor market over the past three decades.

<sup>3</sup> But what they find once they get there differs considerably throughout the developed world. That has less to do with gender politics than it does with macroeconomics, and it results—somewhat surprisingly—in women still being paid less than men in most places and for most jobs.

<sup>4</sup> The reasons for this persistent inequity are complex, and they vary with geography. In many places, discrimination in education and hiring is responsible for a diminishing fraction of the gender wage gap.

<sup>5</sup> These days, having and raising children seems to be a much bigger drag on a woman's earning power. Many women choose to interrupt their careers, working part-time or temporarily dropping out, to raise children. Such decisions can permanently disrupt earning power.

<sup>6</sup> To the extent that discrimination contributes to the gap between men's and women's wages, the gender wage gap is a drain on productivity. And that, economists and labor experts say, could spell big trouble for a global economy struggling to shake off the past and cope with the challenges of the future.

<sup>7</sup> Today, narrowing the gender wage gap is less a matter of empowerment than of economics, and getting women into the work force means paying attention to a host of social policies, like parental leave, taxes, and child care, as well as corporate attitudes and the practices they reinforce.

<sup>8</sup> There has been progress, particularly in narrowing the gender wage gap. According to the Organization for

Economic Cooperation and Development, in the late 1990s, the latest period for which broadly comparable global data are available, the gender wage gap was narrowest in Belgium, France, Sweden, and Italy, where full-time female workers earned 83 to 90 cents for each \$1 earned by men, and broadest in Japan, Austria, and Spain, where full-time female workers earned 63 to 71 cents per male-earned dollar.

<sup>9</sup> The United States, which brims with egalitarian pride, sits near the middle of the pack.

<sup>10</sup> And left largely to its own devices, the free market has increased wage inequality. According to OECD data, wage inequality has remained relatively unchanged throughout much of Europe and in Japan over the last two decades, while it has increased in the United States. In the late 1990s in the United States, the wages earned by the doctors, lawyers, and high-level executives at the 90th percentile of the earnings distribution were 4.5 times higher than the wages earned by the domestics and burger flippers at the 10th percentile. In Sweden they were 2.2 times as high and in France and Germany three times as high.

<sup>11</sup> Despite the head wind of wage inequality, women's wages have closed in on men's faster in the United States than anywhere else in the developed world.

<sup>12</sup> Outside the United States, the gender wage gap has narrowed more slowly. For one thing, real wages for men haven't stagnated as they have within the United States; also, some economists say American women, in general, are better qualified and have made deeper inroads into traditionally male professions.

<sup>13</sup> Among developed nations, Japan is an outlier. Despite women's high levels of education and experience, Japan has the highest gender wage gap in the developed world. According to the International Labor Organization, women in Japan earned, on average, 65.3 percent of men's salaries in 2001, up from 63.1 percent in 1997.

<sup>14</sup> "There are sound economic reasons why governments have a case for intervening and making it attractive to more parents that they engage in paid work." There is no utopia. Each system has its own strengths and weaknesses. Sweden is often held up as a model nation, but it too has its drawbacks. There is no one right answer for how to most efficiently incorporate women into the work force.

## > COMPREHENSION WORK

Choose the best option for each question.

1. The shift toward service-based economies in the industrialized world has been bad / good for women.
2. The wage gap has more / less to do with economics than gender politics.
3. The gender wage gap in the USA is narrow / broad / nor broad nor narrow.
4. Wage inequality is highest in the USA / Germany / Sweden.
5. The free market economy benefits / does not benefit women.
6. Outside the USA, wages have increased / decreased in real terms.

## > VOCABULARY WORK

1a Match a word in the first column with one from the second column to create collocations taken from the article.

Noun–Noun		Adjective–Noun	
1. household	a. gap	6. global	f. world
2. consumer	b. force	7. maternal	g. structure
3. wage	c. spending	8. corporate	h. leave
4. gender	d. income	9. basic	i. attitudes
5. work	e. politics	10. developed	j. economy

1b Complete the sentences with a word from Exercise 1a.

1. In many companies, only 15 percent of the \_\_\_\_\_ are women.
2. In Sweden, fathers commonly stay at home when a baby is born, although \_\_\_\_\_ is more common.
3. It is very hard to change \_\_\_\_\_ as employers usually worry about women taking time off to look after the family.
4. The rise in \_\_\_\_\_ means it is very useful for women in households to generate an income.
5. Japan has the highest gender \_\_\_\_\_ in the \_\_\_\_\_.

2 Vocabulary expansion. What do the following terms mean?

1. macroeconomics \_\_\_\_\_
2. utopia \_\_\_\_\_
3. empowerment \_\_\_\_\_
4. drawbacks \_\_\_\_\_