

**CENTRO DE ESTUDIOS DE LA
NUEVA ECONOMÍA**



PROJECT: EL SALARIO

THE GENDER PAY GAP IN ARGENTINA

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1. INTRODUCTION

Elsalario is the Spanish name of Argentina's Wage Indicator site. This report is based on the observations of data from mid-2006 to March 2007. In this period 6.989 surveys were completed.

There is much evidence in the literature that men earn in general more than women. Despite the trend towards a reduction in gender pay gap, gender inequalities persist.

One of the main objectives of Elsalario project is to measure the gender gap in Argentina.

The gender gap reflects not only in the fact that women earn less than men but also that men have much more opportunities to reach the top categories in each occupation. Both aspects have been analyzed with the data collected by our project.

2. SUPERVISORS: MEN VS. WOMEN

Elsalario data show that while 37,1% of men are supervisors, only 23,4% of women are. This means that a man, only for the fact of being a male, has almost twice the probability of reaching a supervisory position than his female counterpart. On the other hand, male supervisors tend to have under their command a larger number of people. Women supervising more than 100 people represent only 1,2% of the total while male supervising the same number of people represent almost twice as much: 2,2%.

At the other extreme, women supervising between 1 and 10 people represent 83% of the women supervisors. In the case of men, they represent 74% of the cases.

There are several reasons which explain why men prevail in supervisory positions. The first reason, at least in Argentina, is a cultural tradition according to which the workplace is a place reserved for men as home is considered to be the place *par excellence* for women.

However, this tradition, which had its origin at a time when work meant mainly muscular effort, makes no sense in most occupations today thanks to technological progress. This reflects especially in the services occupations where precisely women had made most advances.

Another trouble women face to reach top positions has to do with the difficulties that motherhood imposes on them. It has to do not only with maternity leave but also with the fact that if someone is ill at home, it is the woman who is absent at work and this constitutes a handicap in the development of her career. In this respect inequality at the workplace reflects inequality at home.

2. GENDER PAY GAP

As far as wages are concerned, men supervisors earn between 30 and 45% more than women supervisors (see Table 1).

TABLE 1

AVERAGE WAGES FOR SUPERVISOR S (in Argentine pesos)				
Number of people under supervision	Men		Women	
	Hourly wage	Monthly wage (40hrs/week)	Hourly wage	Monthly wage (40hrs/week)
1 to 10	17,05	2932,6	11,66	2005,52
11 to 50	18,48	3178,56	14,16	2435,52
51 to 100	21,21	3648,12	14,56	2504,32
101 or more	27,83	4786,76	20,12	3460,64

The overall gender pay gap (including supervisory and non-supervisory positions) is 30%. This means that, in general, a man earns 130 where a woman earns only 100.

However, the existence of this pay gap does not necessarily mean in itself gender discrimination. It may happen that some differences in the characteristics of men and women could explain it. For instance, if most men have a higher level of education than women, then it might be this the reason for at least a part of the pay gap. Equally, women move in and out of the labor force depending on the

needs of their families, so they may end up having less work experience than their male counterparts of the same age. Less experience would then be a reason to explain part of the pay gap.

Thus, we analyzed what happens with these two variables: education and work experience.

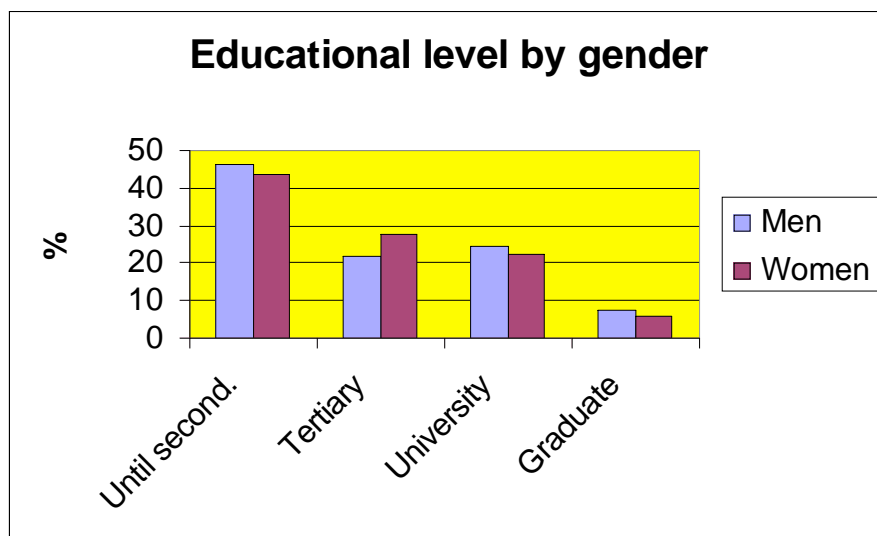
3. THE GENDER PAY GAP AND EDUCATION

As far as education is concerned, a higher percentage of men have a university degree (31,9% against 28,5% for women).

However, the main reason why there is a greater percentage of men with university degree is that most women choose a tertiary career (mainly teachers).

If we consider higher education as a whole, the situation reverses: 56,4% are women and only 53,7% are men.

Figure 1



Thus education does not seem a reason to justify the magnitude of the observed gender pay gap (30% for the workforce as a whole), given the fact that women with higher education predominate although men represent a greater slice at the university level.

Anyway, to throw away any doubt we can analyze women's and men's wages by level of education (see Table 2).

TABLE 2

AVERAGE WAGE BY EDUCATIONAL LEVEL (in Argentine pesos)					
Educational level	Men		Women		Gender pay gap
	Hourly wage	Monthly wage	Hourly wage	Monthly wage	
Until secondary	10,01	1733,73	7,30	1264,36	37,12%
Tertiary (non -univ)	12,20	2113,04	9,22	1596,90	32,32%
University	17,21	2980,77	11,42	1977,94	50,70%
Graduate studies	24,56	4253,79	17,02	2947,86	44,30%

It is clear that education does not explain the gender gap: for the same educational level men earn between 32% and 51% more than women.

The conclusion is straightforward: men earn more than women not because they reach a higher educational level but just because they are men.

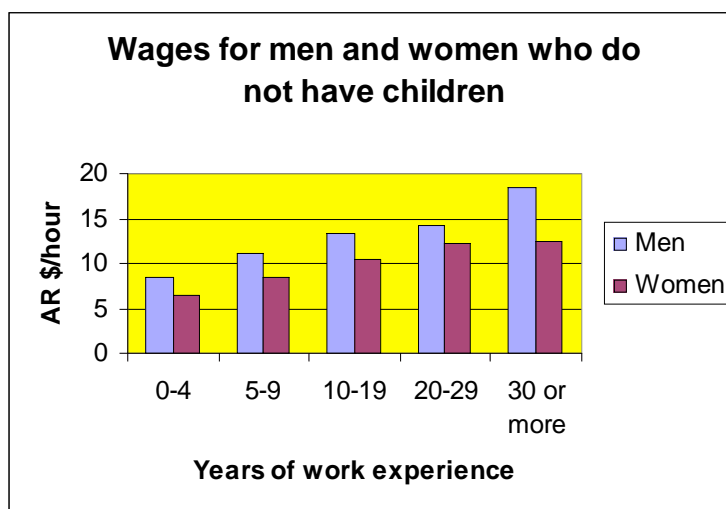
4. THE GENDER PAY GAP AND WORK EXPERIENCE

However, as stated before, it may happen that part of the explanation of the pay gap lies in differences in work experience.

As having children is the main reason why women move in and out of the labor force, we first investigate this issue.

We compare wages for men and women both without children and with the same length of

Figure 2

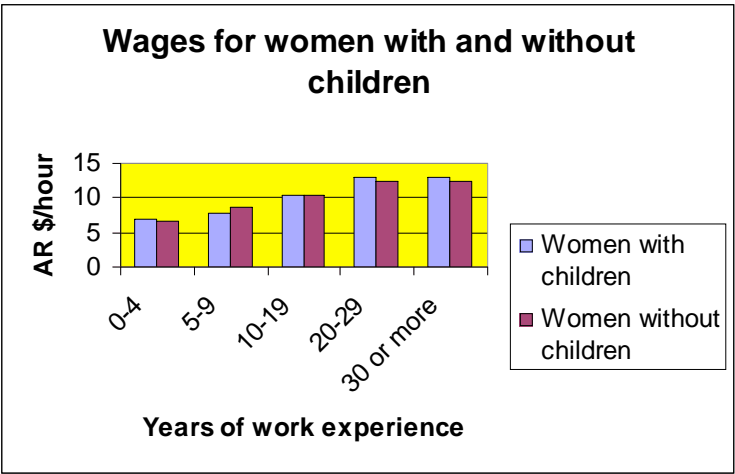


work experience (see Figure 2).

We see that the gender gap maintains for each segment of work experience. This means that it is gender and not work experience which makes the difference.

On the other hand, we compare wages for women with and without children and, surprisingly, in almost all cases women with children earn more than those without children. This means that motherhood does not seem to be a handicap in itself as far as women's earnings are concerned.

Figure 3



Next, we compare wages for women and men controlled by work experience (Figures 4 and 5).

Figure 4



Figure 5



Once again we see it is gender the determinant of the pay gap. In all cases, for the same work experience, men earn around 30% more than women if they are childless and up to 50% more when they have children, as they are paid the children allowance.

5. SUMMARY AND CONCLUSIONS

There is much evidence in the literature that men earn in general more than women.

The gender gap reflects not only the fact that women earn less than men but also that men have much more opportunities to reach the top categories in each occupation. Both aspects have been analyzed with the data collected by our project.

The data confirms that men have more opportunities to become bosses than women have.

This difference in possibilities in the labor market is tied to the gender division of labor in the home.

At least in Argentina, there is a cultural tradition according to which the workplace is a place primarily reserved for men as home is considered to be the place for women. Women still retain primary responsibility for housework and child care in most Argentine families.

To a certain extent, then, inequality at the workplace reflects inequality at home.

The gender pay gap persists even after controlling for education and experience.

The ultimate conclusion is that women earn less not because they are less educated or have less experience but because they are women.