

Overview of GPG Research in Iceland, Methods and Results

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*Increased availability of gender pay gap statistics IV workshop
Tallinn, 31 October 2014*

“The answer to the Ultimate
Question of Life, the Universe and
Everything”

The number is:

The number is:

42

The Hitchhiker's Guide to the Galaxy by Douglas Adams

What is Measured?

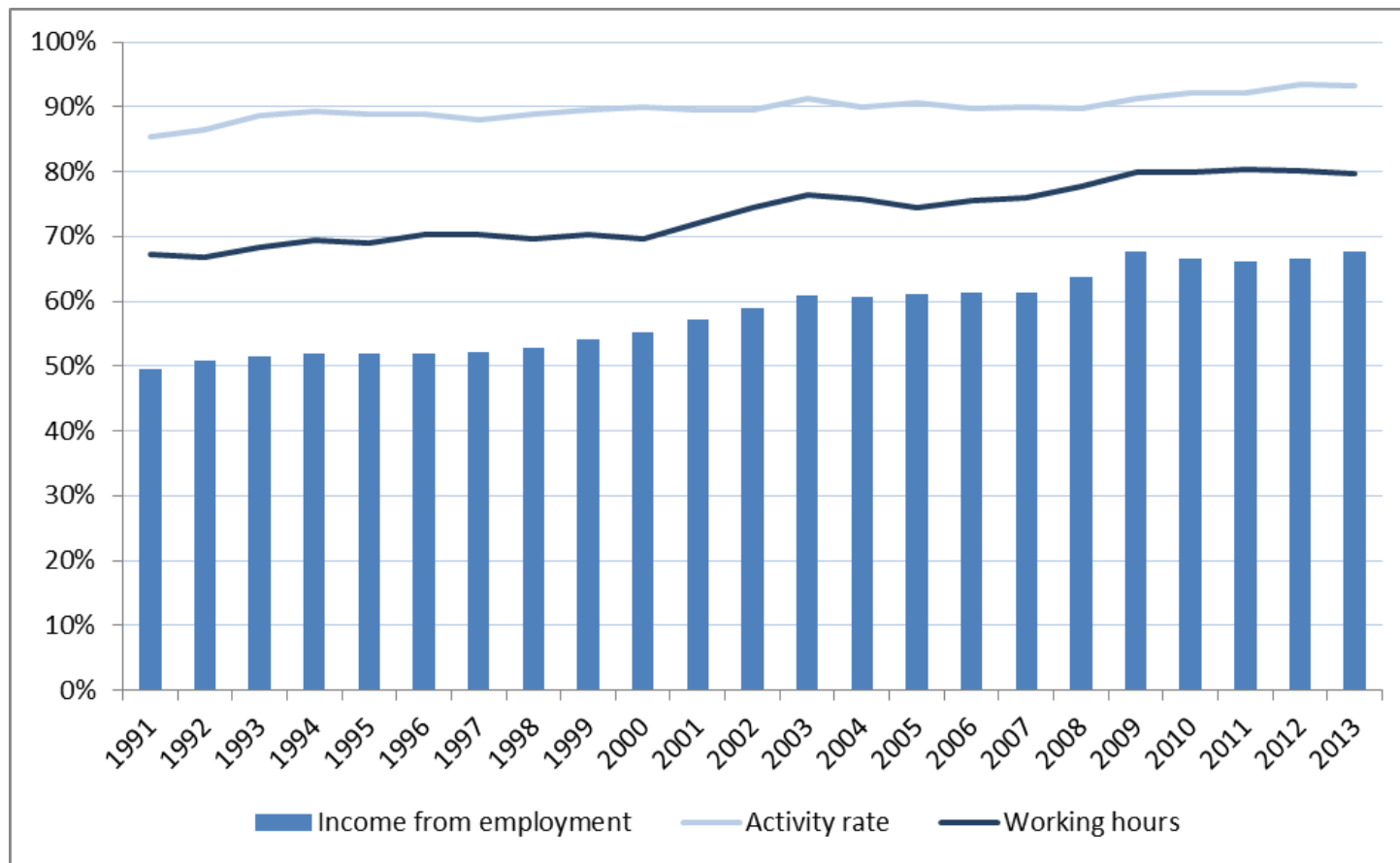
- Income from employment
 - No adjustments made
- Mean earnings within groups
 - One or more variables:
 - Working time
 - Occupations
 - Economic activities
 - Education etc.
- Regression analysis
 - A set of independent variables
 - Many variables – different from study to study
 - Measure the effect of different variables on earnings
 - What variables should be used?

Income from Employment

- Data from tax declarations
 - In 1991 women's income from employment were just under 50% of men's
 - In 2013 women's share had risen to 67% of men's income from employment

Income from Employment

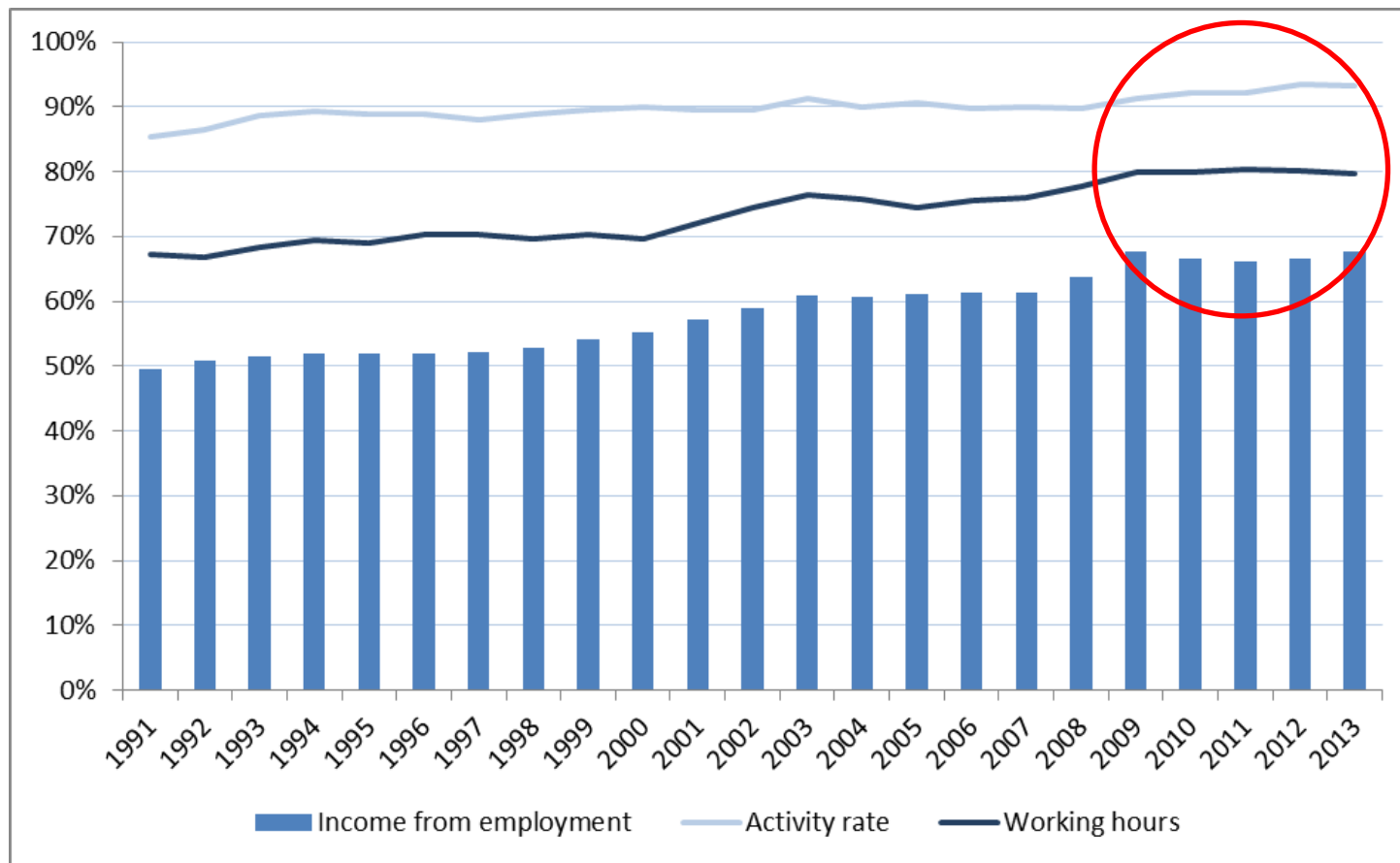
Women's % share of men's



Source: Tax declarations and Labour Force Survey

Income from Employment

Women's % share of men's



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Income from Employment

- Is economic crisis is a good tool to decrease the gender pay gap?
 - Income from employment between 2008 and 2009 declined by 2.9% for men and 1.4% for women
 - The activity rate between 2008 and 2009 dropped by 2.4 percentile points for men but 0.9 percentile points for women
 - The unemployment rate between 2008 and 2009 rose from 3.3% to 8.6% for men and from 2.6% to 5.7% for women
 - The working hours between 2008 and 2009 declined by 5.2% for men and 2.5% for women

Source: Tax declarations and Labour Force Survey

Mean Earnings within Groups

- Eurostat's unadjusted gender pay gap
 - Hourly earnings for groups
 - By sector
 - By working time
 - By economic activities
- Based on the ISWEL survey

(hourly earnings of men – hourly earnings of women)/hourly earnings of men

	2008	2009	2010	2011	2012	2013
Total	20.5	18.0	17.5	18.0	18.1	19.9

Mean Earnings within Groups

(hourly earnings of men – hourly earnings of women)/hourly earnings of men

	2008	2009	2010	2011	2012	2013
Private sector	22.4	20.1	17.8	18.5	18.5	19.9
Public sector	21.2	18.0	16.5	16.3	16.2	15.0
Public sector - central government	18.8	16.5	15.6	15.9	17.5	16.2
Public sector - local government	14.7	10.4	7.5	7.3	7.8	5.6

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Mean Earnings within Groups

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	2008	2009	2010	2011	2012	2013
Manufacturing (C)	22.6	21.4	23.3	22.5	23.5	24.6
Electricity, gas, and steam supply (D)	18.3	19.1	14.0	11.0	14.4	12.1
Wholesale and retail trade (G)	22.3	23.4	20.6	19.1	18.2	17.8
Transportation and storage (H)	23.0	20.0	16.1	16.5	15.4	18.4
Information and communication (J)	18.8	15.1	17.9	17.7	18.8	18.6
Financial and insurance activities (K)	42.8	36.8	32.2	33.9	34.3	37.1
Public administration(O)	16.5	15.6	14.5	13.2	12.3	11.3
Education (P)	21.8	17.3	15.9	15.4	14.7	14.3
Human health and social work activities (Q)	18.5	16.2	13.3	13.8	12.9	9.1

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Mean Earnings within Groups

- Is political awareness and political decisions a good tool to decrease the gender pay gap?
 - The city of Reykjavík (the by far biggest municipality in Iceland) and some other municipalities implemented “Single Status Job Evaluation System” (UK) and the effect is notable
 - The central government made a decision to raise the wages of female occupational groups within the health care system

Other Data

- A number of various research on the GPG has been published
- Different approaches:
 - problems
 - methods
 - groups
 - variables
- This has resulted in a debate that is often incoherent

Union Survey

- A yearly survey initiated by the “The commercial and office workers’ union” from the year 2000 (VR)
 - Same method
 - Mostly same variables
- “Union of public servants” joined in the year 2007 (SFR)
- “Reykjavik’s municipal employees’ association” joined in the year 2011 (St.Rv)

Union Survey

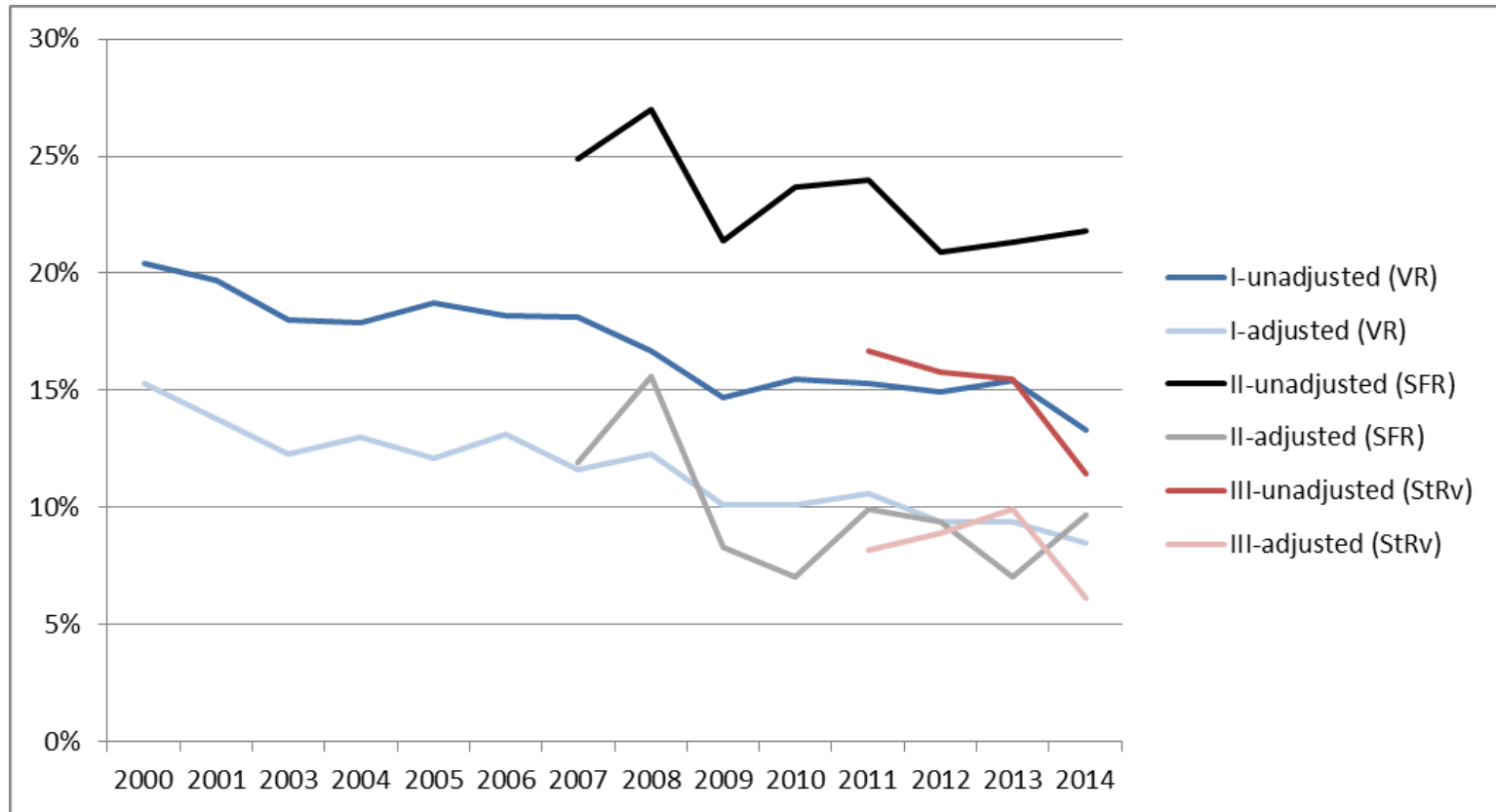
- A survey is sent to every member of the union once a year
 - E-mail to those with registered e-mail
 - Phone call to those with no e-mail
 - A follow up phone call to those who have not answered
- Answer rate is about 50%
- Biases
 - Non-response
 - Attitudes
 - Memory

Union Survey

- Cross sectional regression analysis
- Dependant variable is $\log(\text{earnings})$ with the explanatory variables:
 - Fulltime
 - Working hours
 - Age
 - Education
 - Length of service
 - Occupation
 - Enterprise/economic activity
 - Supervisor
 - Shift premium

Union Survey

Women's wages % lower than men's wages



Union Survey

- Is addressing the problem and presenting it to the public a good tool to decrease the gender pay gap?
 - The results from these studies gain a lot of press attention every year
 - The GPG is perceived as problematic
 - Both the unadjusted and adjusted gender pay gap is decreasing over time

Analysis on Panel Data

- In 2009-2010 Statistics Iceland performed a study on panel data (longitudinal data) from the ISWEL survey
 - For the years 2000-2007 in the private sector
- At present, we are in the final steps of repeating that study
 - For the years 2008-2013 for both private and public sector

Analysis on Panel Data

Stay tuned ...

... we will share some findings later today