Measuring the Gender Pay Gap:
Methodology and Key Findings in Brief

Armenia

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Gender Statistics Focal Point

ArmStat

Co-operation
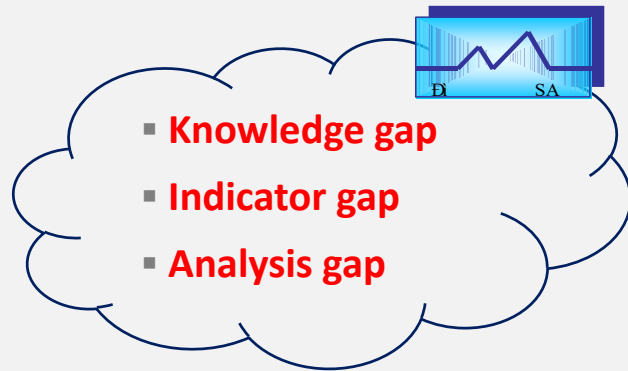
Armenia

- Knowledge gap
- Indicator gap
- Analysis gap

2019

▶ **Technical assistance** in **measurement and analyzing the Adjusted GPG** based on the Labour Force Survey 2018 microdata.

▶ **3-day training**: Introduction of international practice on GPG, Adjusted GPG; STATA statistical analysis software; replication of the adjusted GPG

▶ The report "**Analysis of the Gender Pay Gap and Gender Inequality in the Labor Markets of Armenia**".

What is a **Gender Pay Gap (GPG)**

▶ The **gender pay gap**, abbreviated as **GPG**, refers to the difference in average wages between men and women **for equal work.**
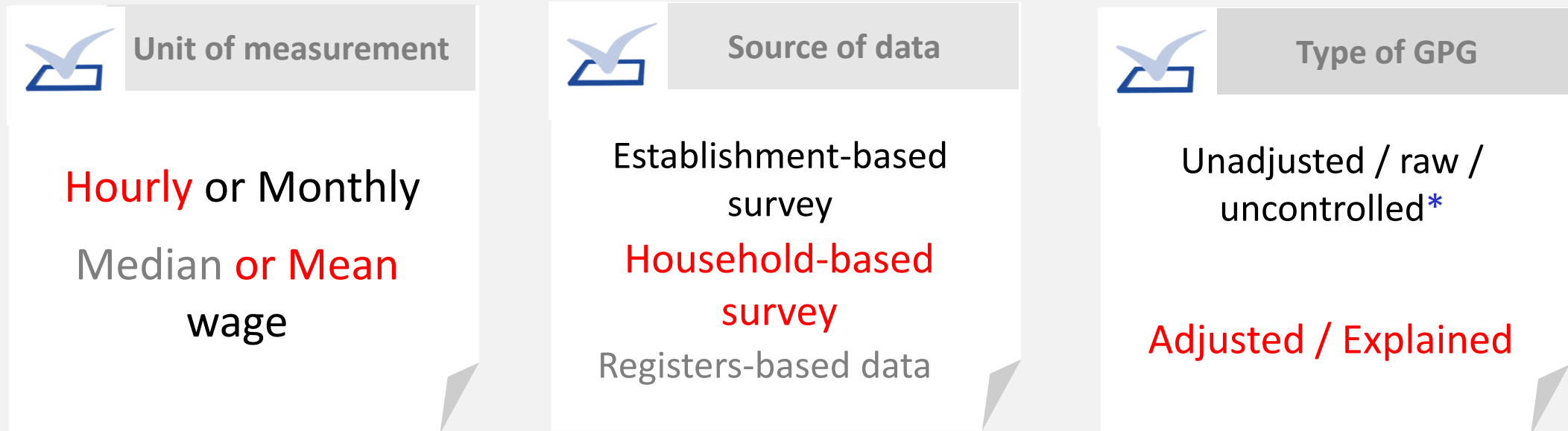

ATTENTION PLEASE **EQUAL PAY FOR EQUAL WORK!**

Measurement of GPG

- **The size of GPG depends on WAYS and METHODS of measurement**

| Unit of measurement	Source of data	Type of GPG
Hourly or Monthly Median or Mean wage	Establishment-based survey Household-based survey Registers-based data	Unadjusted / raw / uncontrolled* Adjusted / Explained

* The simple differences between average men's and women's wages, not accounting for their different endowments.

Measurement of Gender Pay Gap

ARMSTAT's practice

Monthly Mean (Unadjusted) GPG

43.6%

This is not accurate measure of GPG

2017   2018   2019   2020
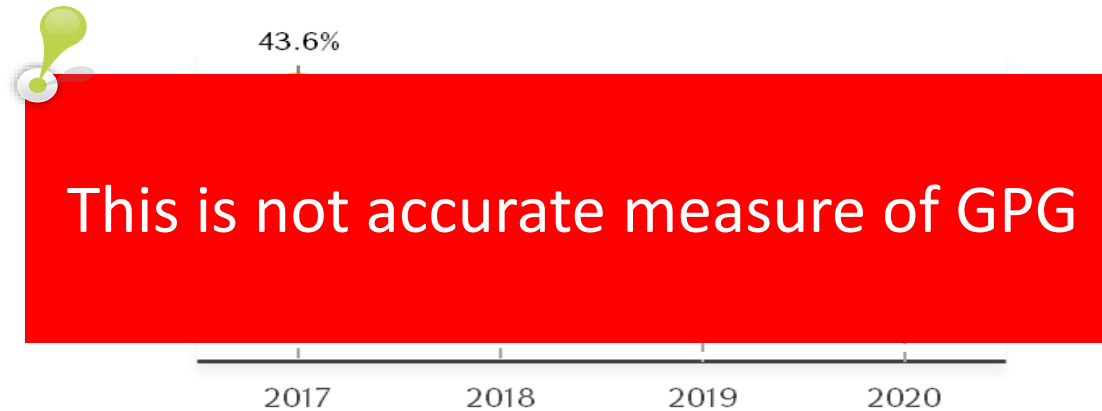
https://armstat.am/file/article/gender_2021.pdf

An average employee WOMEN may not be identical
to an average employee MEN
by level of education, work experience, etc.!

When We Measure a **Monthly** GPG

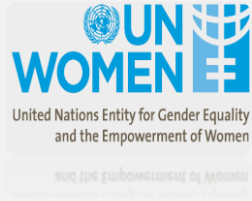We compare the **APPLE** with the **ORANGE**

Unit of measurement

Hourly Mean GPG

Source of data

Household-based survey

Type of GPG

Adjusted / Explained GPG

Methodology behind:
ILO, Eurostat

Key findings

Data for the future. Data are a key resource not just for decision-making now but for future modelling and problem solving...
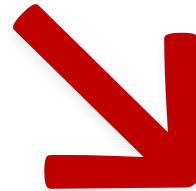
Transition from the Monthly to the Hourly GPG

How much less do women earn than men?

Unadjusted Monthly GPG

-40 %

Where negative, males are exhibiting higher wages than females.
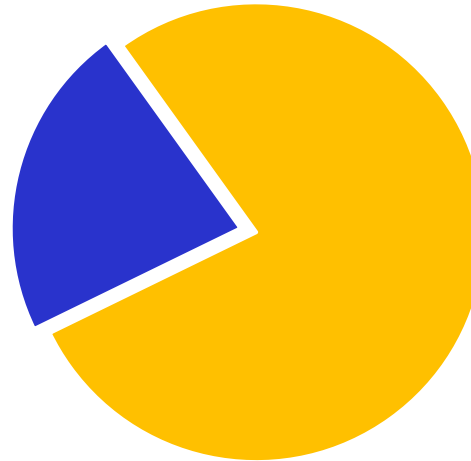
-23.1%

Unadjusted **Hourly** GPG

2018

The calculations were made using data from the Labour Force Survey

Weaknesses of Monthly GPG: **Characteristics**

Part-time employees*

22%
Male

78%
Female

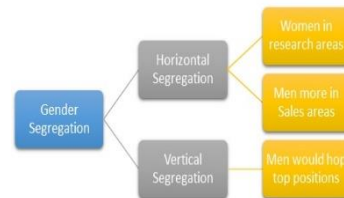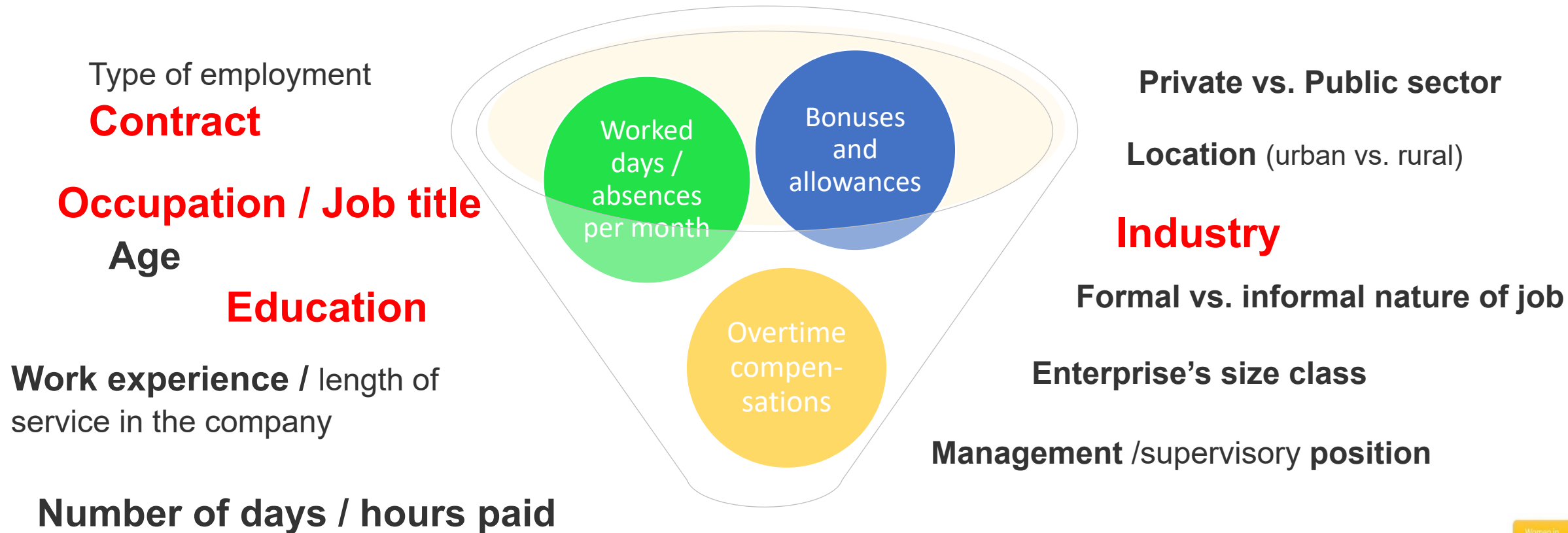**Few Men employees work part-time**

8 in 10 part-time workers are Women

Source: LFS 2018

*** Those who usually work < 35 hours per week.**

Weaknesses of Monthly GPG: **Personal & labour market characteristics**

Composition Factors impact on Monthly Earnings

Type of employment

Contract

Occupation / Job title

Age

Education

Work experience / length of service in the company

Number of days / hours paid

Worked days / absences per month

Bonuses and allowances

Overtime compen-sations

Private vs. Public sector

Location (urban vs. rural)

Industry

Formal vs. informal nature of job

Enterprise's size class

Management /supervisory **position**

Gender Segregation

Horizontal Segregation

Vertical Segregation

Women in research areas

Men more in Sales areas

Men would hop top positions

Do not relay too much on Monthly GPG

So,
many factors can explain the wage differentials.
Personal and labour-market characteristics of
Women could be different than Men.

When We Measure an **Hourly Adjusted** GPG

We compare the APPLE with the APPLE

Average Hours Spent per Week, 2018

Employment
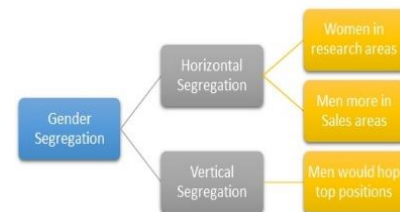(income generated)

35h **42**h

Unpaid housework

32h **12**h
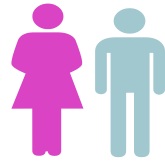
Women spend more time than men
UNPAID WORK at home
reducing their labour force participation
and making them vulnerable to low income, even if they pursuing
higher education in greater numbers.

Source: LFS 2018

Conclusion

Women work fewer hours than men,
and such differences are spread among
ages, occupation and economic statuses.

Gender
Segregation

Horizontal
Segregation

Women in
research areas

Men more in
Sales areas

Vertical
Segregation

Men would hop
top positions

Transition from Unadjusted to the Adjusted Hourly GPG

How much less do women earn than men?

Unadjusted Hourly GPG

-23.1%

Adjusted Hourly GPG

-28.4%

Working women have better labour-market characteristics than men

2018

The calculations were made using data from the Labour Force Survey

Gender Pay Gap, 2018

Adjusted for personal and labour-market characteristics

Gender (Female =1)

Unadjusted GPG	**- 23.1%**
Adjusted GPG	**- 28.4%**
Personal characteristics only (age, education)	- 27.7%
Industry (Sector) only	- 24.6%
Industry + Personal characteristics	26.7%
Occupation only	30.6%

Source: LFS 2018

10%

↓

Could not be explained!

Indicators

Findings

Data

Evidence

Methods

Where negative, males are exhibiting higher wages than females.

Gender Pay Gap, 2018

Adjusted for personal and labour-market characteristics
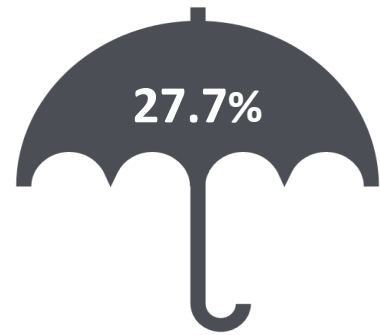
27.7%
Personal
(age, education)

30.6%
Occupation

24.4%
Industry
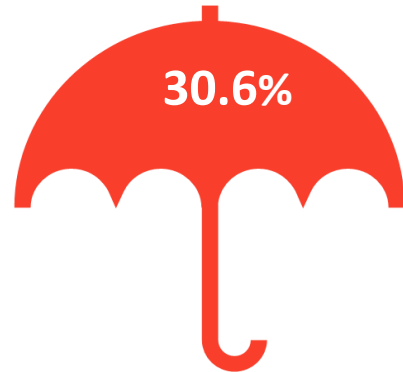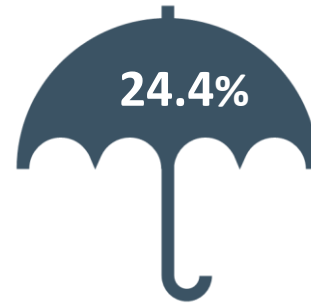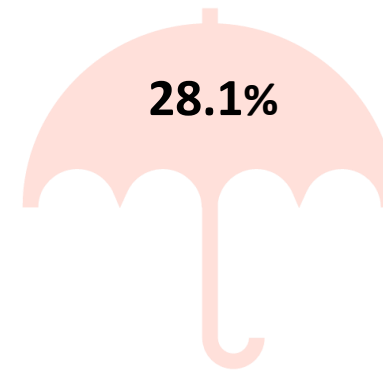
28.1%
Contract

10%
↓
Could not be explained!

The GPG is a result of many factors, such as an occupational segregation, bias against working mothers etc. Consequently, different groups of women **experience very different gaps.**

Gender Pay Gap, 2018

Unadjusted (raw) vs. Adjusted

EXAMPLES

	Raw GPG	Adjusted
by Education		
Vocational	-51.1%	-16.3%
Upper secondary	-30.2%	-15.3%
by Industry		
Agriculture	-23.1%	-14.9%
Construction	-22.1%	-4.2%
by Occupation		
Managers	-24.1%	53.9%
Professionals	-28.0%	50.6%
Clerical support workers	-28.3%	19.6%

Be careful when using data

Source: LFS 2018

Because of the **Gender Pay Gap**
WOMEN has less money for the "rainy days" **today and tomorrow**

WE

28.4%

All

https://www.armstat.am/en/?nid=82&id=2281
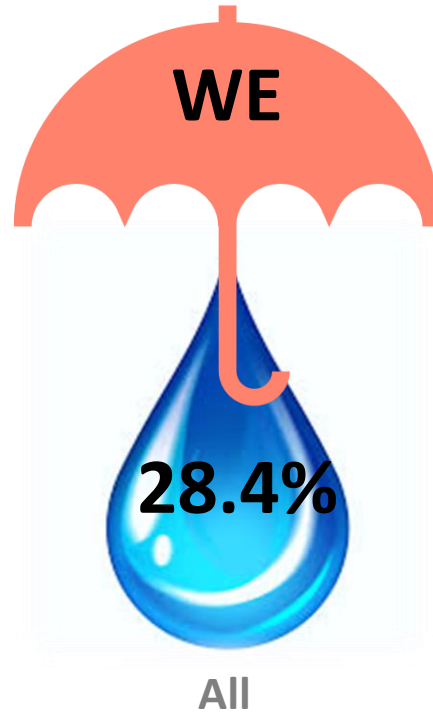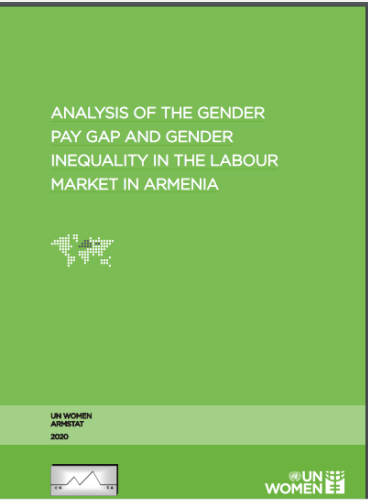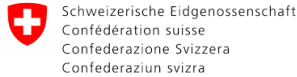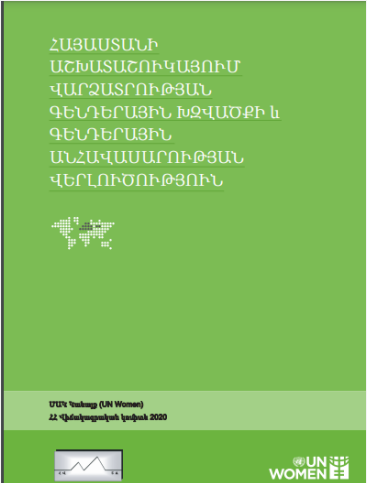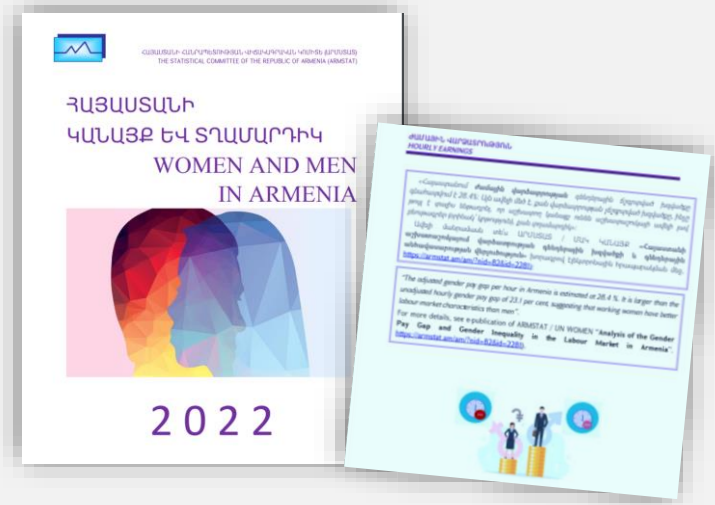
Globally, how deep is the gap?

Gender Pay Gap in OECD countries, 2018
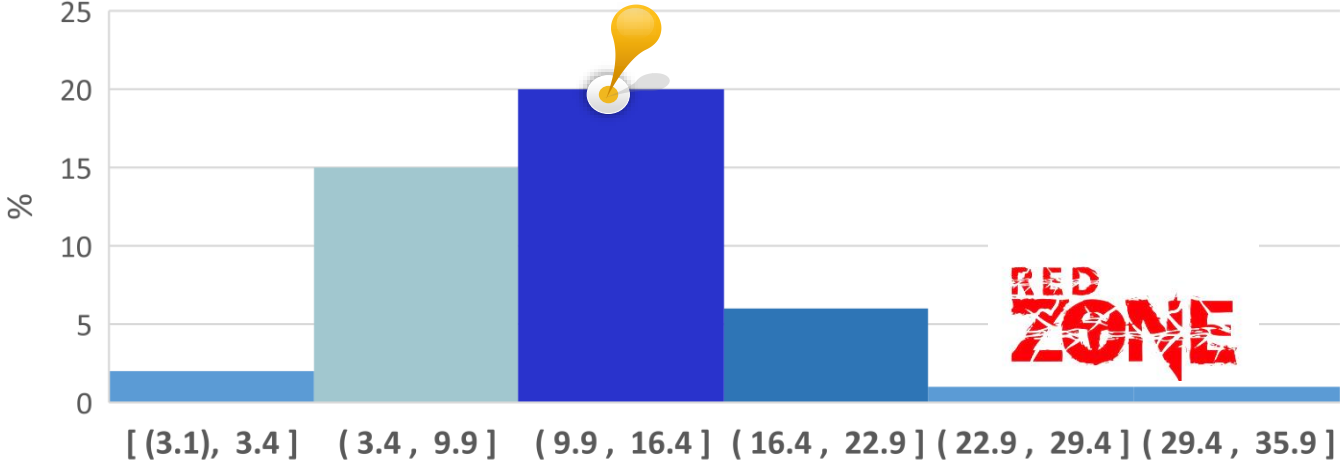
Source: OECD data

The highest GPG in the OECD countries was recorded in Korea (34.1%) and the lowest - in Bulgaria (1.3 %).

Among OECD countries Luxembourg is the only country where Men earn less than Women (-3.1%).

Data dissemination

Open-source database

http://www.armstat.am/en/

Don't miss the opportunity to visit the ArmStat webpage **http://www.armstat.am/en**, **https://armstat.am/file/article/gender_2022_n.pdf**, gain valuable knowledge on socio-economic and gender profile of Armenia, as well.
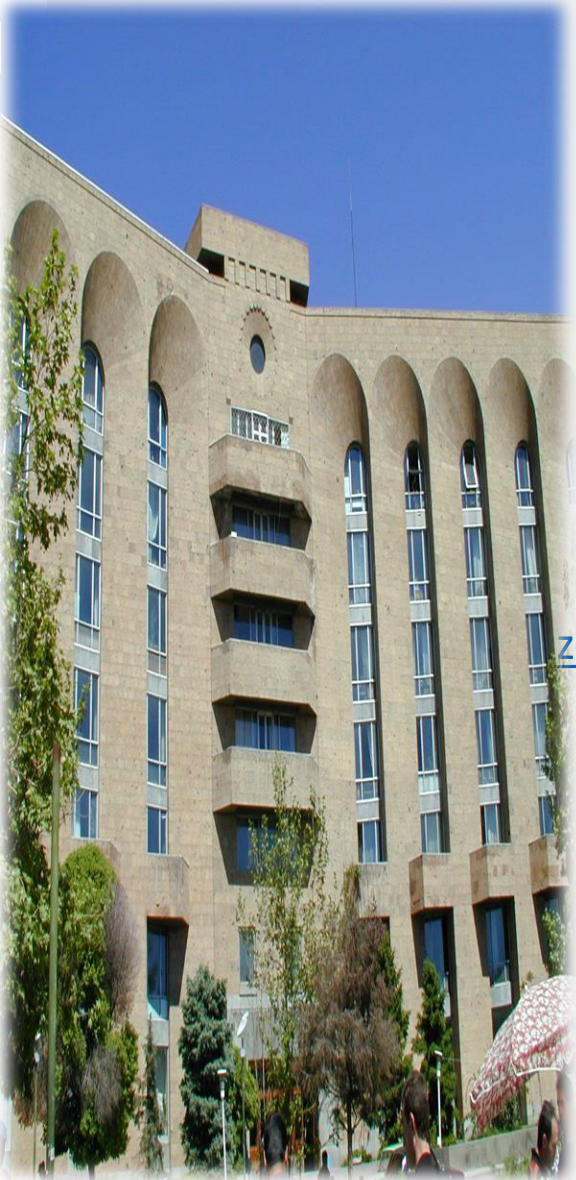
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Q/A

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