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ABSTRACT OF THE TALK

'Gender Wage Differentials in Asia and Europe: An Overview of Issues and Findings'

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Despite the diversities in economic development between the two regions of Asia and Europe, many economies are experiencing **steadily increasing trends of female labour force participation**.

Along with this increased participation in the formal sector and the awareness of the need to empower women, has come the concept of gender as an overarching socio-cultural variable, seen in relation to other factors such as age, class and ethnicity. Gender however, is not synonymous with women, nor is it a zero-sum game implying loss for men. Rather, **gender wage equality** refers to a wage differential that only measures the extent of both men and women realising their full potential in terms of economic participation and position and is not determined by the fact of an individual having been born male or female.

Achieving gender wage equality is a slow process as it challenges one of the most deeply ingrained of all human attitudes. Despite the intense efforts of many agencies and organisations and numerous inspiring successes, the gender wage differential still persists. Internationally, on average, women typically earn only two-thirds (or approximately 67%) of male incomes. All European countries still experience this gender wage gap, despite some progress. Women in Eastern and Central Europe have wages approximately 20% lower than men. This figure is not too distinctly different from Asia where on average women's monthly earnings range from 70% to 85% of men's monthly earnings. However the gender pay disparity tends to be smaller in Asian economies such as Hong Kong and Singapore than in Japan Korea and Taiwan despite them being modern capitalised economies. One of the plausible factors contributing to the larger gender wage gap in the latter economies could be the impact of cultural influences for example. This lecture will

further elaborate on identifying the various factors that impact the wage differentials in the various countries of Asia and Europe.

From a policy perspective, this lecture will enable one to determine whether the focus of policy to narrow the gender wage gap should be upon **enforcing equal pay within occupations** or **redistributing female employees between occupations**. Occupational discrimination requires policies related to pre-market entry while within-sector wage effects requires policies related to post-market entry. This issue is especially important for economies in their labour supply development. Although increasingly women have managed entries into non-traditional area of the workforce, if they are restricted in job opportunities, paid less than their male counterparts and discouraged to progress up the hierarchy of occupations then they might not invest in education and training sufficiently and that would put them particularly vulnerable to the risk of poverty. Most importantly, for the economy as a whole, there could be allocative inefficiency that under-utilises this source of human capital.

Is the size of the gender wage gap similar in Asia and Europe? What are the explained factors that determine the gender wage gap in Asia and Europe? What is the major distinction between the occupational-segregation wage differences and the within-sector wage differences? These are among the questions that Teo Siew Yean will address during her lecture.