





### Pay Fair

## The Wage Gap Barrier to Women's Empowerment

Caribbean Policy Research Institute (CAPRI) Kingston, Jamaica

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### **Acronyms**

CSO Civil Society Organizations

ESG Environmental, Social, and Governance

EU European Union

FAO Food and Agriculture Organization of the United Nations

GDP Gross Domestic Product
GWG Gender Wage Gap

IDB Inter-American Development Bank
ILO International Labour Organization
IMF International Monetary Fund
JCC Jamaica Chamber of Commerce
JEF Jamaica Employers Federation
JLP International Labour Organization

JSE Jamaica Stock Exchange
KMA Kingston Metropolitan Area
MMR Maternal Mortality Rates

NCB Ministry of Health and Wellness, Jamaica

OECD Non-Communicable Disease
SDG National Health Fund

STATIN National Policy on Gender Equality

CAPRI Organization for Economic Co-operation and Development

COVID-19 Pan American Health Organization
ECLAC Planning Institute of Jamaica
ESG People's National Party

GOJ Private Sector Organization of Jamaica
GDP Sustainable Development Goals
ILO Sustainable Growth Initiative
NCB Statistical Institute of Jamaica

OECD United Nations

SDG United Nations Development Programme

STATIN United Nations Economic Commission for Latin American and the Caribbean

NCB United Nations Population Fund

OECD United Nations Entity dedicated to Gender Equality and the Empowerment of Women

SDG World Health Organization
 SGI Sustainable Growth Initiative
 STATIN Statistical Institute of Jamaica

UN United Nations

UNDP United Nations Development Programme

UN ECLAC United Nations Economic Commission for Latin American and the Caribbean

UNFPA United Nations Population Fund

UN WOMEN United Nations Entity dedicated to Gender Equality and the Empowerment of Women

WHO World Health Organization



## **Executive Summary**



In Jamaica, for every \$100 that men earn, women only earn \$61.

his report examines the gender wage gap in Jamaica. It does this by presenting an evidence-based situational analysis of the gender wage gap in Jamaica, based on primary and secondary data, with specific reference to how it intersects with the gender division of labour of unpaid care and domestic work.

Women are poorer than men in Jamaica. In US dollars at purchasing power parity (PPP), female income per capita is given as US\$6,729 and male as US\$11,044. That is, Jamaican women, on average, are only 60% as well off as Jamaican men. Women are more likely to be in vulnerable forms of employment, and less likely to be in leadership positions, both of which can contribute to women's continued disadvantage, particularly with regard to the gender wage gap, where Jamaican women earn 61 cents for every dollar earned by a man.

Why does this disparity persist, despite decades of awareness, and the plethora of legislative and other attempts to remedy it? Among the several reasons put forth for women's continued inequality to men in Jamaica is the gender wage gap. Research has documented, and sought to understand, how and why the gender wage gap persists in Jamaica, often times referencing unpaid care and domestic work. As new data has become available about

the care economy in Jamaica, there are new understandings to be had about the gender wage gap and its persistence.

The study concludes that the gender wage gap in Jamaica is a barrier to women's empowerment. It is one of several, but its impact is far-reaching and negative on multiple fronts. It perpetuates gender inequality, undermines women's empowerment, reduces economic opportunities for women, and exacerbates female poverty. The consequences of the gender wage gap extend to children, which is pertinent in Jamaica where there is a preponderance of single female-headed households, who suffer from reduced access to resources, and all that follows from that lack. Finally, the gender wage gap represents an economic loss that is borne by the entire society, as it hinders productivity and economic growth. The gender wage gap is also a barrier for which there are identifiable policy solutions that have not been attempted before in Jamaica.

Unpaid care and domestic work, which is mostly done by women, constrains women's labour market participation, career advancement, and productivity, and contributes to the gender wage gap. Women's unpaid care obligations are correlated with doing less paid work, and lower income, than obtains for men. Support for workers with care obligations is therefore a way to address the gender wage gap. This can include measures such as flexible work

arrangements, and access to high-quality child care, supported by the state or the employer. Relieving workers of excess unpaid care work, and shrinking the gender wage gap, can improve gender equality, strengthen women's economic security and by extension the well-being of their families, and help to promote economic growth.

The lack of transparency about how much people are paid is an area in which policy change can yield an improvement in the gender wage gap. Companies that disclose how much they pay their employees are more likely to have smaller or no gender pay gaps. Pay transparency is an untried policy initiative in Jamaica, with regard to the gender wage gap (or in any regard). There is a global trend towards Environmental, Social, and Governance (ESG) principles in policy and governance, which some Jamaican companies are following, and which more are likely to adhere to in the near future. Gender equality, women's empowerment, and pay transparency towards reducing the gender wage gap are issues that fit squarely in the ESG rubric. Thus, such a proposal would be appropriate and timely.

A first step to the acceptability and adoption of pay transparency in Jamaica would be for the public sector to implement it. While research has found that there is no gender wage gap in the public sector, this

The per capita income for men in Jamaica is **US\$11,044**, while for women it is only **\$6,279**.

initiative would establish a precedent for other employers to follow. Further, transparency and accountability in the public sector contributes to good governance and public trust more broadly. Providing easy access to salary information can increase public awareness and understanding of government spending. The current public sector compensation reform is an opportune time to increase transparency in government spending in this area. Finally, publishing salary information can help detect and prevent corruption and unethical behavior.

Another appropriate step would be for publicly listed companies to disclose their

salary scales. This could be done by creating a requirement by the Jamaica Stock Exchange for listed companies to disclose their salary scales. It could also be included in the JSE's governance index. At present the index includes environmental considerations, but there is no provision related to gender equality. This measure would be a suitable step towards rectifying that gap.

Addressing the gender wage gap through policies that promote equal pay and fair treatment of women in the workplace is essential to promoting gender equality, reducing poverty, and overall boosting Jamaica's economic prospects. Gender

equality does not only suit women: in its various facets, it is associated with higher economic growth. Support for workers' unpaid care obligations can have a "game-changer" effect on women's labour market participation, productivity, and ability to earn more, including as much as men. Pay transparency alone will not close the gender wage gap and other forms of pay discrimination in Jamaica. Nor will support for workers' unpaid care obligations. However, considering that the other legislative and policy remedies have not had the desired effect, these are unexplored options that Jamaica can employ to address the gender wage gap.



#### Recommendations



The Ministry of Finance should establish an online database that publicly displays all salaries of public sector posts. The website should be easy to access, user-friendly, and the data updated regularly. The database should be regularly audited to ensure accuracy and reliability of the information. The website should also include a clear explanation of the purpose of the database. The policy should be actively communicated and promoted to increase public awareness and access to the information.

The Jamaica Stock Exchange should include in its governance index, as a measure towards improved gender equality via reducing the gender wage gap, that publicly listed companies be required to make known their salary scales.







# Introduction



Unpaid care and domestic work is a big driver of the Gender Wage Gap.

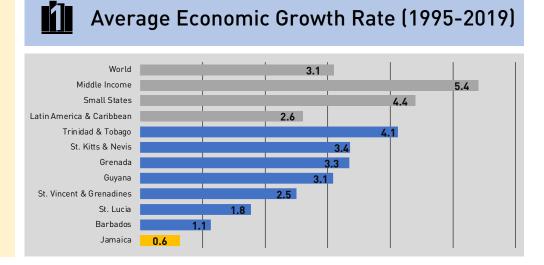
amaica's post-independence economy has largely been characterised by low growth, high unemployment, high debt, high and volatile inflation, and vulnerability to external shocks. Policy reforms over the past 30 years, but especially in the last decade, have slowly increased economic openness and strengthened the country's fiscal and monetary framework. The result has been a steady reduction in debt and inflation, improved resilience to external shocks, and an unprecedented reduction in unemployment to near full employment levels. Nevertheless, Jamaica has done poorly.

Compared to its Caribbean counterparts,

and other countries in the developing world, Jamaica has underperformed economically. Amongst its English-speaking Caribbean neighbours, Jamaica has had the lowest rate of economic growth over the last quarter-century (Figure 1). While the average growth rate for Latin American and the Caribbean over the 25 years before the pandemic was 2.6 percent, Jamaica's growth rate was barely over a fifth of that.

Within this context of unrealized potential and suboptimal economic performance, Jamaican women are worse off than Jamaican men. Nearly 50 years after the landmark United Nations Women's Conference in 1975, and subsequent and ongoing advocacy, activism, and some legislative and policy advances, women are still generally poorer than men in Jamaica. In US dollars at purchasing power parity (PPP), female income per capita is given as US\$6,729 and male as US\$11,044. That is, Jamaican women, on average, are only 60% as well off as Jamaican men. Women are more likely to be in vulnerable forms of employment, and less likely to be in leadership positions, both of which can contribute to women's continued disadvantage, including with regard to the gender wage gap.1 Gender equality does not only suit women: in its various facets it is associated with higher economic growth.<sup>2</sup>

Jamaica has underperformed economically relative to its neighbours and comparator countries.



This report examines the gender wage gap and how it intersects with the division of labour of unpaid care and domestic work.



#### Flexi-Work Act (2014) in Jamaica

The Employment (Flexible Work Arrangements) Act 2014 provides for the establishment of flexible work arrangements in the Jamaican labor market. The legislation allows employees to request flexible work arrangements from their employers, and requires employers to consider such requests in good faith. Flexible work refers to part-time work, telecommuting, job sharing, and other arrangements that allow employees to have a greater degree of control over the timing and location of their work. The Act also provides for the resolution of disputes related to flexible work arrangements through mediation or arbitration.

The disparity between men and women persists, despite decades of awareness, and a plethora of legislative and other attempts to remedy it. Among the several reasons put forth for women's continued inequality to men in Jamaica, the gender wage gap keeps women from advancing to the income and wealth level of their male counterparts. Research has documented, and sought to understand, how and why the gender wage gap persists in Jamaica, often times referencing unpaid care and domestic work. As new data has become available about the care economy in Jamaica, there are new understandings to be had about the gender wage gap and its persistence. The issues involved have been explored elsewhere, and policy solutions have been put forward, some which may be relevant to Jamaica.

This report examines the gender wage gap in Jamaica with reference to its intersection with the care economy. It does this by presenting an evidence-based situational analysis of the gender wage gap in Jamaica, based on primary and secondary data, with specific reference to how it intersects with the gender division of labour of unpaid care and domestic work. Further, practical policy innovations, informed by proofs of concept from similar scenarios in other countries, will be explored. This examination includes:

- 1. A desk review of existing literature.
- Analysis of secondary data on the gender wage gap and on the care economy.

- 3. Insight garnered from an original survey of tertiary educated Jamaicans on the topics of the gender wage gap, investment in education, and migration.<sup>3</sup>
- 4. Examples of policy innovations in other countries.

The broad conclusion on how to improve women's economic status and how to narrow the gender wage gap, concerns pay transparency and support for workers' unpaid care obligations. Based on the evidence and subsequent analysis, this study makes policy recommendations that, if implemented, could bring about the desired change for women in Jamaica to make greater economic progress, and to improve gender equality.

The glass ceiling is a barrier that women face when trying to advance in an organization





# The Status of Women in Jamaica



Men experience greater returns on their investment in tertiary education than Women.

omen and girls in Jamaica benefit from improved gender equality, increased access to empowerment opportunities, and greater protection of their human rights, when compared to decades ago, and to other emerging countries across the world.<sup>4</sup> These are the outcomes, in part, of national and international-level efforts to remove legal and other barriers that previously precluded women and girls from enjoying equal rights and opportunities as men. Jamaica demonstrates low to medium levels of gender-based discrimination across the indicators of

discriminatory family codes, restricted physical integrity, male child bias, restricted resources and assets, and restricted civil liberties.<sup>5</sup> Nevertheless, women are generally poorer than men in Jamaica, and are subject to gender inequality in areas that restrict their upward economic and social mobility, and their human development, and by extension that of their children.

The status of women is usually measured through a variety of indicators, including education, political participation, health, employment, and economic empowerment. Social and cultural norms regarding women's autonomy, agency, and access to ways to improve their life chances are other indicators. One widely recognized and cited index, the World Economic Forum Global Gender Gap Report, which measures gender parity across economic opportunities, education, health, and political leadership, rates Jamaica at 0.75, a marginal improvement over the previous rating. The global average is 0.68; Jamaica ranks 36th out of the 146 countries surveyed. By this measure, Jamaican women are at 75 percent parity with men, across those indicators. (See Table 1.)

In terms of economic opportunity and participation,
Jamaica's scores favourably relative to
Canada and the
United States.



#### Global Gender Gap Index Indicators 2022 - Economic Participation and Opportunity

	Jamaica		Canada		United States	
	Rank	Score	Rank	Score	Rank	Score
Economic Participation and Opportunity	14th	0.80	43rd	0.74	22nd	0.78
Labour force participation rate	64th	0.80	31st	0.87	53rd	0.83
Wage equality for similar work	95th	0.61	71st	0.66	11th	0.77
Estimated earned income	15th	0.81	47th	0.70	61st	0.67
Legislators, senior officials, and managers	1st	1.00	62nd	0.55	29th	0.70
Professional and technical workers	1st	1.00	1st	1.00	1st	1.00

The Gender Wage Gap is defined as the disparity between men's and women's income, including earnings after accounting for factors such as education, experience, age, and industry. As shall be seen in the closer examination of these and other indicators, there are areas where women are doing well, and other areas there have been and continue to be improvements, but there are still several domains in which women continue to experience barriers that forestall their advancement to parity with men, particularly with regard to economic empowerment.

#### **Education**

In Jamaica, women are more and better educated than men. Girls and women dominate school enrollment. Seventy-four percent of women over 25 have at least some secondary education, compared to 66 percent of men aged 25-plus.<sup>7</sup> Around 40 percent of women enter tertiary education, 2.29 times the number of men going to universities and colleges.<sup>8</sup> This results in a gender imbalance in participation in tertiary education, which is comprised of 85 percent females and 15 percent males, despite efforts to increase male enrollment.<sup>9</sup>

There are nevertheless gender-related issues in the area of education that require policy attention and action. With regard to girls' education, there is the issue of teenage girls and early pregnancy. In Jamaica, pregnancy is the highest risk factor for girls to drop out of school.10 In 2019, 13 percent of all births occurred to mothers under 20 years, though this was down from 17 percent in 2014.11 Many of these girls never continue their education.12 The exclusion from education further increases their vulnerabilities and puts them at risk of exploitation, repeated teenage pregnancy, and perpetuating intergenerational poverty.<sup>13</sup> There are also long-held concerns that the female-male disparities in educational achievement have negative societal and other outcomes, and secondary effects.14

#### **Political Representation**

Women's political participation is considered an important indicator of the status of women in a country. It ostensibly reflects the degree to which women have access to and influence in the laws, policies, and decision-making processes that shape their lives and communities.



In 2013, the International Labour Organization identified 15 barriers to women having leadership positions in Jamaica, including more family responsibilities than men.

In 2023, there are more women in Jamaica's House of Representatives than ever before. In the 2020 general election, a record 30 women, 18 from the Jamaica Labor Party (JLP) and 12 from the People's National Party (PNP) contested 63 seats. Of these, 18 won their seats, so that the percentage of women in the Jamaican parliament was at its highest ever, 29 percent.15 Currently, the Speaker of the House is a woman, the second to occupy that role. In the 21-member senate, which is appointed by both political parties, four of the 13 Government Senators are women, while four of the eight appointed Opposition Senators are women.16 However currently, there are only four female ministers in the 21-member cabinet, and only two of the eight state ministers are women. In the judicial branch of government, 68 percent of judges in the country's highest court, are women, the third highest in the Latin America and Caribbean region, where the average is 30 percent.17

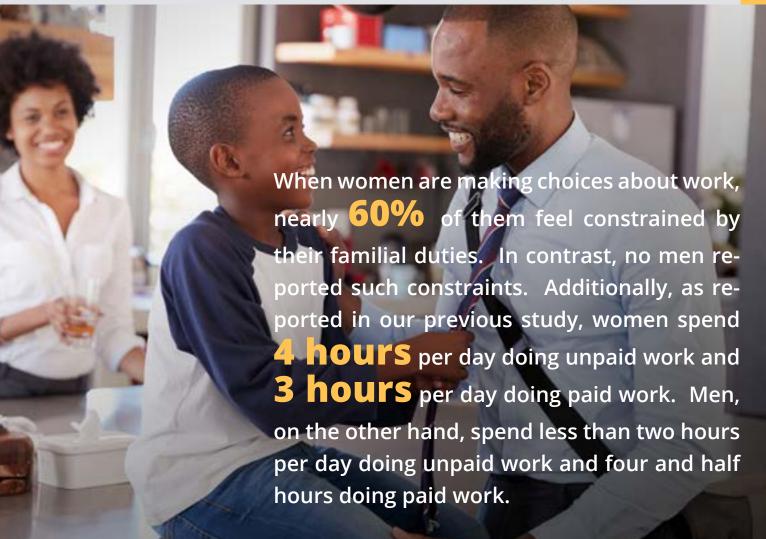
The extent to which women's unprecedented numbers in parliament has led to policies and programmes that address gender or women's issues, however, is not obvious. No progressive legislative innovations or amendments related to women and girls have been proposed or promoted. The 2018 motion to decriminalize abortion has not advanced in any way. Examining the nuances of that complex issue is beyond the scope of this report, but the facts nevertheless remain. A Women's Parliamentary Bicameral Caucus, comprising female parliamentari-

ans from both sides, was, after five years of deliberation, initiated in 2022 with a motion put forward for the amendment of the Standing Orders to establish it. 18 The objective of the proposed caucus is to "provide a collaborative space for all women parliamentarians, regardless of party affiliation, to facilitate dialogue on issues of women's rights and gender equality, and to undertake actions to positively impact the inclusiveness of the legislature, legislative process, and our country as a whole." 19,20

#### Health

Health as an indicator of women's status is usually measured by a country's maternal mortality rates (MMR), access to healthcare, and the prevalence of diseases that disproportionately affect women, such as breast cancer and cervical cancer. Jamaica's MMR has fluctuated over the past decade. It ranged from 72.4 (31 maternal deaths) in 2009 to 115 per 100,000 live births (39 maternal deaths) in 2020.21 Sustainable Development Goal (SDG) 3.1 calls for a reduction in global maternal mortality ratio to less than 70 per 100,000 by 2030.22 The unmet need for family planning, an indicator that speaks to a woman's physical autonomy, decreased from 21 percent to 10 percent between 1989 and 2008.23

Healthcare is available at no charge to all Jamaicans. All Jamaican citizens are eligible for subsidies on many prescription medications under the National Health Fund (NHF). Women in Jamaica thus



generally have access to healthcare, although there are some disparities based on factors such as income and location.<sup>24</sup> Nevertheless, women access health services more than men do.<sup>25</sup> It is well documented that women have longer life expectancy than men (76 years compared to 72 years).<sup>26</sup>

Jamaica has a relatively high incidence of breast and cervical cancer compared to other countries. Breast cancer is the most common type of cancer among Jamaican women, accounting for approximately 30 percent of all cancer cases in women. Its incidence is higher than the incidence in many developed countries. This might be viewed as a paradox, as the incidence of breast cancer is positively correlated with a country's wealth. Cervical cancer is the third most common type of cancer among Jamaican women, accounting for approximately 11 percent of all new cancer cases in women.<sup>27</sup> The standard measure of the

incidence of cervical cancer is called the age-standardized rate, best understood as the rate per 100,000. For Jamaica it is 21.6, while in the rest of the Caribbean it is 13.7, and the global average is 13.3.28 That is, roughly 22 out of every 100,000 Jamaican women will receive a cervical cancer diagnosis, compared to the global average of 13 out of every 100,000 women. There is data suggesting that the incidence declined by 40 percent between 1993 and 2011, but HPV vaccine take-up has been suboptimal, and screening rates are low.<sup>29</sup>

These numbers—relatively high incidence of deadly cancers – are representative of the high incidence of non-communicable diseases (NCDs) more broadly, where women are disproportionally affected by obesity, hypertension, diabetes, depression, and anemia.<sup>30</sup> While the life expectancy for women is higher, health-adjusted life expectancy after the age of 60 shows that women spend more time in illness and

disease than men in Jamaica.31 Though a country's wealth and its incidence of NCDs is positively correlated, in Jamaica, the incidence of NCDs is negatively correlated with income levels. Low socioeconomic status has been associated with higher rates of NCDs in some developing countries, as people with lower income and education levels may have less access to healthy food, healthcare, and opportunities for physical activity.<sup>32</sup> Further, there are several bodies of research that show a positive correlation, with causalities running in both directions, between women's poorer health and their lower economic status than men.33

Social and cultural norms which govern women's multiple role and responsibilities may also factor in to why women suffer more than men do from NCDs. In particular, women spend more time in unpaid work and paid work combined than men.<sup>34</sup> Unpaid domestic and care work

is associated with greater mental health burden and negative effects on quality of life.<sup>35</sup> A large proportion of households in Jamaica are headed by single women, thus the responsibility for caring for and raising children falls largely to them. <sup>36</sup> This likely amounts to less time for women to prioritize their own health and pursue health-seeking behaviours.

Women in Jamaica may have less time to pursue health-seeking behaviours because they have less leisure time than men.<sup>37</sup> In Jamaica, more men are engaged in leisure and social activities, and spend more time in leisure and social activities. than women do. Both men and women participate at a nearly equal rate in leisure and social activities during the week (83 percent), but men spend more time than women do, 161 minutes and 142 minutes per day, respectively.<sup>38</sup> On weekends, more men (88 percent) spend time on leisure and social activities, compared to women (82 percent), and men spend more time on leisure and social activities. on average, than women do (189 minutes and 168 minutes, respectively).39

Research has shown that individuals who have more leisure time may be more likely to engage in health-seeking behaviours.<sup>40</sup> For example, studies using time use surveys have found that individuals who have more leisure time are more likely to engage in physical activity, which is an important health-seeking behaviour.<sup>41</sup>

#### **Social and Cultural Norms**

Attitudes towards women's roles in society, the ability of women to make their own decisions about their bodies and lives, and gender-based violence are social and cultural norms related to women's status. Despite advances, women in Jamaica often face traditional social and cultural norms that limit their opportunities and autonomy. Legal termination of pregnancy is largely unavailable to poor women.42 Women are often constrained in their life choices by the expectation that they prioritize their roles as wives and mothers over their careers, and women do most of the unpaid care and domestic work.43

The high incidence of gender-based violence and violence against women are major obstacles to the achievement of gender equality, women's empowerment, and national development. Violence against women and girls is widespread; more than one in every four Jamaican women between the ages of 15 years and 64 years of age will, over their lifetime, experience intimate partner physical and/or sexual violence. Jamaica also has the second highest rate of femicide of all countries (intentional homicide of females),<sup>44</sup> and one of the highest rates of intimate partner violence in the world.<sup>45</sup>

Jamaica has made several commitments nationally and internationally to reduce gender-based violence, but these have not yielded measurable results.<sup>46</sup> Jamaica is party to seven of the nine core interna-

tional human rights instruments, many of which speak to gender-based violence, and has passed local legislation to complement the protections offered by these conventions.47 Violence against women and girls, and violence broadly speaking, is considered a priority issue by the Jamaican government, its donor partners, and many civil society and non-governmental organizations. Other anti-violence interventions and initiatives include the Domestic Violence Act (1995, amended 2004, and reconsidered for amendment in 2022),48 and the 10-year National Strategic Action Plan to eliminate Gender-Based Violence (NSAP-GBV) launched in 2017.49

#### **Wealth and Wealth Creation**

The principal factors regarding women's economic wellbeing are concerned with the extent to which women can own property, control their own income, and access credit. In 2003, research showed that Caribbean women are less economically empowered than their male counterparts, and experience lower rates of economic participation.<sup>50</sup> The Global Gender Gap report ranks Jamaica fifteenth in the world for gender parity in earned income. In Jamaica women's earned income is roughly 80 percent of men's, ahead of the US and Canada.<sup>51</sup>

Social and cultural norms often shape how income and assets are acquired, controlled, and mediated. For example, the traditional gender norm of the male as the head of the household and the lead

Unpaid care work in Jamaica has been estimated to be valued at least **J\$340** billion. Marketizing some portion of that unpaid care work, and the demand for it, into paid care services would entail formalizing care work and distributing it among people who can do it for a wage.

decision maker is prevalent in Jamaica and may correlate with the man's control of the family's income and resources. As another example, although women can legally own land, there are cultural practices that discriminate against women in property ownership and family inheritance. An example of this is that female farmers who own land are few; the 30 percent of all officially registered farmers who are female only own 11 percent of the land under cultivation.

Women in Jamaica access credit less than men do.56 A lack of access to credit is likely to be a barrier that prevents women from buying and owning property. It also curtails entrepreneurship where many Jamaican women, especially poorer women, earn for themselves via small-scale entrepreneurship.<sup>57</sup> Self-employment provides a source of income, a means of economic participation, and an avenue to self-fulfillment. Self-employment also allows women to meet their child-care responsibilities fall inordinately on women.58 The flexibility to balance paid and unpaid care work is a motivating factor for 31 percent of women who pursue entrepreneurship.59

Financial barriers, and specifically, a lack of access to sufficient capital to begin, sustain, and formalize businesses is a major problem for women entrepreneurs.60 According to a 2020 CAPRI study, while men and women entrepreneurs had similar rates of success getting a bank loan (87 and 85 percent respectively), there is a gap among potential entrepreneurs.61 Eighty-seven percent of men business starters were able to secure a loan, but only 33 percent of women business starters were able to do so.62 Consequently, women were more likely to turn to costly microfinancing options where they were more successful in accessing loans than with larger institutions.63

Attempts to support women entrepreneurs should account for their particular situations, with regard to business. For example, 85 percent of Jamaican women start their businesses in their peak reproductive years, between ages 15 and 39 years old.<sup>64</sup> A 2021 ILO study found that a majority of institutions in Jamaica providing micro, small, and medium enterprises (MSMEs) with financing and business



# Furthermore, the presence of children in the home is linked to lower earnings for women but not for men. Also, after having children, men's income tends to rise, while women tend to lose income.

development services did not consider the specific needs of women entrepreneurs. 65 Several private sector groups including the Jamaica Chamber of Commerce (JCC), Jamaica Employer's Federation (JEF), and Private Sector Organisation of Jamaica (PSOJ), are working to improve the business environment for women. One example is through participation in the UN Women's Win-Win programme, which aims to increase the commitment of companies to gender equality and women's empowerment, and strengthen the corporate capacities to do so.66 In 2021 one private sector financial entity launched a women-specific financial product.<sup>67</sup> However, these and other initiatives supporting women are insufficient to meet the demand and are concentrated in urban areas, which leaves a majority of women entrepreneurs, especially those in rural areas, without the necessary support.68

Another correlating indicator regarding women's lower incomes than men is the gender investor gap. Sixty-three percent of accounts at the Jamaica Central Securities Depository, the entity which holds publicly traded securities issued by the Jamaica Stock Exchange (JSE) are held by men, compared to 37 percent women. This is nevertheless higher than the global average of 76 percent of publicly traded equities owned by men (versus 23 percent owned by women).

And, in spite of the gender investor gap, Jamaica has the fifth highest rate of women holding equity accounts in the world.<sup>69</sup>

#### Women at Work

Women's economic wellbeing is also contingent on their ability to work and to earn. The Global Gender Gap report ranks Jamaica fourteenth (out of 146 countries)

for gender parity in economic participation and opportunity, with a score of 0.798.70 That is, according to this measure, women are 20 percent less likely to have equal economic participation and opportunities than men (or women in Jamaica enjoy only 80 percent of economic participation and opportunities that men do). In estimated earned income, Jamaica ranks fifteenth (out of 146 countries) with a score of 0.81, which means that there is a gender pay gap of approximately 19 percent. Therefore, Jamaican women's income, on average, is estimated to represent 81 percent that of men's incomes.<sup>71</sup> This is ahead of the US and Canada. However, in labour-force participation rate, the US and Canada are ahead of Jamaica. Jamaican women's labour-force participation is lower relative to men's labour-force participation. Jamaica ranks sixty-fourth (out of 146 countries) compared to the US ranking fifty-third, and Canada thirty-first. This highlights that there has been more progress in gender parity for labour-force participation in the US and Canada than Jamaica.

When disaggregated, however, examining the various components of labour-force participation, the types of jobs held by women, the representation of women in leadership positions, and wage differentials between men and women there is a more nuanced picture. In 2022, there have been gains in the share of Jamaican women in senior positions as Jamaica ranks first in legislators, senior officials, and managers (compared to the US ranking twenty-ninth and Canada ranking sixty-second).

Actually, women don't just have greater family responsibilities. They spend more than 2x the amount of time in unpaid care and domestic work than men do.

In Jamaica, women have the right to work, and this is protected by labour laws. Non-gender specific work-related legislation applies equally to men and women. Legislation specific to women dates back to the 1940s, with laws that provide for and support women's right to work. The Employment (Equal Pay for Men and Women) Act (1975) legislates the payment of equal pay for equal work between male and female employees in the same establishment.<sup>72</sup> By law, women receive 12 weeks maternity leave (eight paid) from

their employer (Maternity Leave Act 1979).

Higher female labour force participation directly promotes economic growth. The size of the labour force directly impacts output and productivity, and stimulates higher domestic demand.73 The unemployment rate is higher for women (8 percent) than it is for men (5 percent), but it is also decreasing at a higher rate. Labour force data for July 2022 showed that nearly 80 percent of the increase in employment was accounted for by women, and the growth in the labour force is largely made up of women. The decrease in the number of people outside the labour force, from 767,500 in July 2021 to 739,600 in July 2022 was due to significantly more women (26,200) than (1,700) men.74 Growth in women's labour market earnings and higher participation rates was a main factor that contributed to the reduction in Latin America's poverty in the first decade of the 2000s.75 Achieving gender parity in labour force participation could drive GDP growth as high as 8 percent in Jamaica.<sup>76</sup>

Although there are no formal or legal barriers to women's entry to any occupational group, de facto barriers do exist.<sup>77</sup> The existing barriers to equal labour market participation are primarily driven by social norms, which dictate the occupational activities considered appropriate for men and women. The result is clear gender segregation across the labour force, with women dominating some occupational groups and men others. <sup>78</sup> Women tend to be concentrated in lower-paying jobs, such as in the service and social work sectors. (See Table 2.)



On public participation, the Auditor General's Department provided adequate opportunity for public participation.



#### Jamaica's Employed Labour Force by Industry and Sex 2021

Industry	% of Females	Female to Male Proportion
Female	Dominated	
Education, Human Health, and Social Work Activities	76.6	0.3
Entertainment and Recreation	67.4	0.5
Financial and Insurance	65.1	0.5
Accommodation and Food Services	62.2	0.6
Wholesale and Retail Trade	54.3	0.8
	lanced	
Real Estate/Business Services	52.2	0.9
Public Administration	52.5	0.9
Information and Communication	46.9	1.1
Male I	Dominated	
Manufacturing	32.2	2.1
Mining and Quarrying	27.6	2.6
Primary Renewable*	26.9	2.7
Utilities	24.1	3.1
Transport and Storage	13.9	6.2
Construction	3.3	29.5
Total Employed	44.9	1.2

Source: Statistical Institute of Jamaica, 2022.79

An IMF working paper calculated that closing gender gaps such as equalising the number of women as employers and self-employed workers, and increasing gender equality across occupational categories, could boost Jamaica's GDP by as much as 12 percent.<sup>80</sup>

Jamaica boasts the highest proportion of female managers in the world. 81 This fact is often pointed to as a marker of how Jamaica has achieved gender equality. However, a detailed breakdown, according to management level, presents a more nuanced picture. It found that women comprised 50 percent each of junior and middle management, 40 percent of senior management, and 33 percent of top exec-

utive positions. <sup>82</sup> This is among the highest in the English-speaking Caribbean. In 2010, 24 percent of enterprises had at least one top female manager, and in 2017, 32 percent had a female chief executive officer. <sup>83</sup> It is therefore surprising that the Global Gender Gap report ranks Jamaica first (out of 146 countries) for legislators, senior officials, and managers, and for professional and technical workers. <sup>84</sup> That is, according to this index, there is full gender equality in this area, though other reliable data, including that cited herein, does not suggest that.

With regard to company boards, according to one source, 22 percent of 507 directorships for listed companies in Jamaica

were held by women, but only three of these were chaired by women, in 2017.<sup>85</sup> Another measure found that among the 53 companies listed on the Jamaica Stock Exchange, women make up 17 percent of board directors.<sup>86</sup> A 2017 International Labour Organisation (ILO) survey found that, on average, women represented 25 percent of board members and 18 percent of board chairs in the Caribbean region.<sup>87</sup>

What this data tells us is that despite gender parity at junior and middle management levels, higher performance of women at all management levels compared to most other Caribbean countries, and the highest proportion of female managers in the world, there is still a gender imbalance



On public participation, the Auditor General's Department provided adequate opportunity for public participation.

#### Public Participation in the Budget Process

- Roles assigned by society to men and women
- Lack of flexible work solutions
- Masculine corporate culture
- Women have more family responsibilities than men
- Inherent gender bias in recruitment and promotion
- Lack of company equality policy and programmes
- Women with insufficient general or line management experience
- Stereotypes against women
- Men not encouraged to take leave for family responsibilities
- 10. Few role models for women
- 11. Lack of leadership training for women
- 12. Gender equality policies in place but not implemented
- 13. Management generally viewed as a man's job 14. No strategy for retention of skilled women
- 15. Inadequate labour and non-discrimination laws

Source: ILO global company survey, 2013.88

between men and women with regard to who has higher paying jobs, and more decision-making power in businesses.

Jamaican women have not attained parity with men in part because they have not assumed leadership positions in their respective positions, at the same rate as men have. When Jamaican women were asked about the barriers to leadership, in order of impact, they listed 15 factors:

The barriers ranked 1, 2,4, 9, and arguably 14, (highlighted in purple), refer to the gender division of labour—how work is traditionally and usually distributed between men and women. (See Table 3.) In Jamaica, this takes the form of women spending more than twice the amount of time in unpaid care and domestic work than men do, largely in childcare and domestic tasks.89 The impact of unpaid care work on women's status and wellbeing has always been known in the abstract. There has been empirical research across the world in the past decade, that has made the intersection of unpaid and paid work clearer, and the ramifications for gender equality, and for women's economic empowerment. There is now Jamaica-specific data that delineates more clearly how unpaid care and domestic work correlate with, and may cause, women's lower economic status than men's, and on women achieving parity with men, especially with regard to economic participation and opportunity.

#### **Unpaid Care Work**

Throughout the world, women do more work, of all types, than men do, despite being less well off. They have less time for rest and recreation, and their overall wellbeing and quality of life is poorer than men's.90 In Jamaica, women's total workload of paid and unpaid work is heavier than that of men. Jamaican women participate more and spend more time in unpaid care and domestic work than men, while men participate more and spend more time in paid work than women, irrespective of their consumption quintile, age group, and where in the island they are from. The higher the consumption quintile, the lower the participation rates and engagement levels in unpaid care and domestic work, and the higher the participation rates and engagement levels in paid work, for both women and men.91

The significant and unequal amount of time that women dedicate to unpaid care and domestic work means that their care and domestic activities may carry an opportunity cost, as it reduces their ability to participate in and dedicate more time to paid work, to perform more productively in income-earning work, and to find and keep quality jobs.92 A 2003 study on why women's unemployment rate was so much higher than men's in the Caribbean found that the data and econometric analysis suggested that employers prefer male workers. In suggesting possible explanations, the study stated the possibility that women's child care responsibilities lead employers to prefer men, whom they believe will exhibit a lower rate of absenteeism, and that

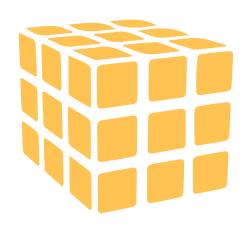
social legislation, such as maternity leave, disadvantages women in employment.93 In one labour market data set (for Jamaica), none of the male respondents looking for work saw familial duties as a constraint on their work choices compared to 57 percent of women looking for work.94 For employed women, the presence of children at home was linked to lower earnings, but for employed men having children at home made no difference. This confirms the significant role of caring responsibilities have on depressing women's income.95 Unpaid care and domestic work also limits women's access to the labour market, often relegating them to low-income and insecure employment.96 Research has shown that a decrease in women's unpaid care work is related to a ten-percentage point increase in women's labour force participation rate.97

Where women in Jamaica of all income levels do more unpaid work and more paid work than men, there are implications not only for income but also for observed gender wage differentials. Not only does more unpaid work leave less time for more paid work, but unpaid care work obligations limit women's career advancement, which also has bearing on income and wage differentials between men and women. While women lose earnings after having kids, fathers' income tends to rise. In sum, unpaid care work undermines women's economic security and is a barrier to gender equality.98

Referring to the list of barriers in Table 3, those marked in blue can be seen to refer to the gender wage gap. Evidence shows that there is a gender wage gap in Jamaica; where Jamaican women earn 61 cents for every dollar earned by a man. 99 The gender wage gap exists because of several factors, but how it correlates to the disproportionate amount of unpaid work that women do has thus far not been fully explored.



# The Gender Wage Gap



The calculation of the wage gap can be **TRICKY** and numerous methods have been used.

he difference between what women earn and what men earn is the gender wage gap (GWG); it exists everywhere in the world.100 Where the wage gap between men and women is unexplained, that is, there is a compensation differential after accounting for factors such as education, experience, age, and industry, it is thought to be due to a bias against women.101 In OECD countries, the gender wage gap had narrowed significantly up to the 1990s, but progress has been limited since then.<sup>102</sup> The largest gaps are to be found in Japan, Israel, and Korea (22, 24, and 31 percent respectively), with the smallest in Bulgaria, Romania, and Belgium (2.6, 3.3, and 3.8). Canada, the UK, and the US had gaps of between 14 and 17 percent.<sup>103</sup> In the Caribbean, the evidence suggests that there is a gender wage gap that favours men, where women earn less than men, on average, for the same work. That is, men are better paid than their female counterparts without a definitive explanation or justification.<sup>104</sup>

A gender wage gap exists in Jamaica and is widely acknowledged. Jamaica's National Development Plan, Vision 2030, refers to "wage differentials [which] persist in favour of males." The Jamaica National Policy on Gender Equality (NPGE - 2011) explicitly acknowledges the gender pay gap when it states that "women often earn lower wages than men for the same or similar types of jobs." NPGE also refers to "wage

## For **Jamaica**, wage gap estimates range between **61%** to **88%**.

differentials associated with the glass ceiling and the glass escalator phenomena."<sup>107</sup>

The size of the gender wage gap in Jamaica varies from one measurement to another, as data on gender wage gaps is inconsistent, and studies differ in estimations of the size of the gap.<sup>108</sup> The most widely cited measure is the Global Gender Gap index, an annual report published by the World Economic Forum. The 2022 report estimates that, in Jamaica, women earn 61 cents for every dollar earned by a man.109 Other measures have found the gap to be narrower. In 1996, research in Jamaica found that the mean average of the salary for women was 80 percent of the mean salary for men in Jamaica.110 Data from a 1997 World Bank survey found that despite possessing similar skill levels (more men completed high school, but more women had post-secondary qualifications), men earned more

than women in all but a few cases among formal and own account workers across Jamaica's 14 parishes.111 (See Table 4). In urban areas, men can earn between 22 and 176 percent more than similarly employed women, while in rural areas men can earn up to 163 percent more than women.112 The Jamaica National Policy on Gender Equality (NPGE) cites a 2010 IDB study that found that males' average earnings surpassed by between 8 percent and 17 percent average females' wages in Jamaica, which suggests a considerably smaller gap.<sup>113</sup> Another 2010 study found that women were paid 12 percent less in Jamaica than men, despite being more qualified, on average, than men.114 A 2019 study found that women earn 17 percent less than men of the same age, education level, number of children, and type of work.115 Of note, a gender pay gap has not been detected in Jamaica's public sector.

A Caribbean-wide study found that women's unemployment was much higher than men's because employers preferred male workers. It is believed that this occurs because women's childcare responsibilities cause a higher rate of absenteeism.

On public participation, the Auditor General's Department provided adequate opportunity for public participation.



#### **Public Participation in the Budget Process**

	Worke	ccount rs with Education 6)	Own Account Workers Income		Formal Workers with Secondary Education (%)		Formal Workers Income	
	Female	Male	Female	Male	Female	Male	Female	Male
Kingston	18	40	11,808	14,444	30	46	7,476	10,747
St. Andrew	38	43	8,042	22,213	68	59	14,881	37,317
St. Catherine	37	31	6,776	11,197	70	56	12,383	17,772
St. James	30	17	10,522	7,172	54	46	10,488	10,674
Clarendon	44	25	7,125	9,208	58	52	3,315	10,192
Portland	0	35	2,564	3,427	12	36	6,581	4,924
St. Elizabeth	7	19	4,954	8,207	32	36	4,736	12,478
Manchester	3	11	4,966	5,382	14	14	7,027	18,363
Sample Average	22	28	7,095	10,156	42	43	8,361	15,308

Source: World Bank's Living Standards Measurement Survey, 1997<sup>118</sup>

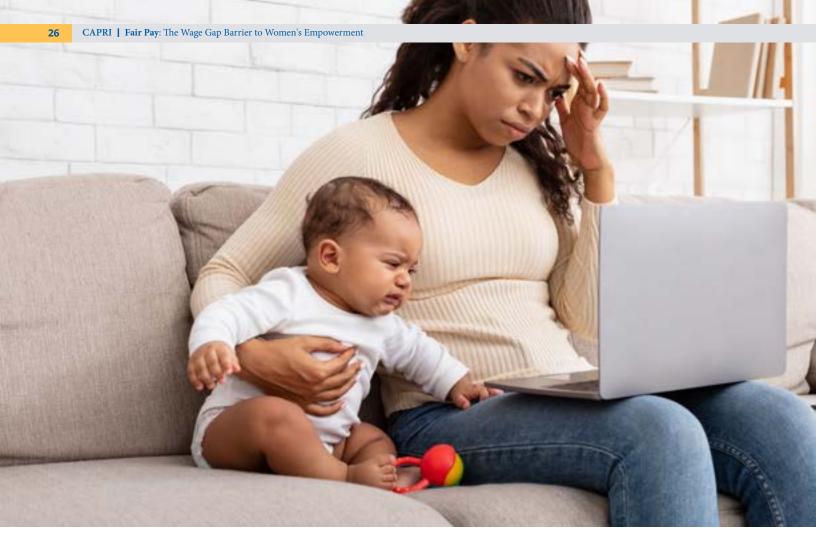
## Based on this information about unpaid work, we can conclude that men are given more opportunities to earn.

The original survey conducted for this report was intended to obtain primary data on the gender wage gap.119 However, respondents were uncomfortable discussing their income, and direct questions about income went unanswered. However, the answers to other questions yielded evidence of a gender pay gap in Jamaica. Just over a quarter of the respondents (n = 710), 88 percent of whom were female, stated that, in their opinion, they had been paid less than someone of the opposite sex for similar work. Where 12 percent of those who consider they were paid less than a member of the opposite sex for the same work were men, this implies that there may be instances where a gender pay gap favours women, but these are far outweighed by when they favour men. Of those who believed there was a wage disparity, approximately three-quarters of both males and females did not act on or tell anyone about it. The implication

here is that when a wage disparity based on gender is noticed, nothing is done about it, which may have the effect of perpetuating it. Roughly 40 percent of the sample knew of someone in Jamaica, other than themselves, who seems to have been paid less than someone of the opposite sex for similar work by the same employer. In just under 90 percent of these cases, it was a female who was paid less.

A gender wage gap might also be inferred from the responses to questions about the value of a tertiary degree. Among those with a tertiary degree, men are more likely than women to say that it (the degree) helped them to get a good job with a good salary (64 percent men, 50 percent women). Similarly, 65 percent of males agreed that completing their tertiary degree was good value for money, while only 46 percent of females had that view. This suggests that men and women experience differ-

ent returns on their investment in tertiary education, with men benefiting more than women do. This is in the context that globally, regionally, and in the Caribbean, higher education brings a pay dividend for both women and men. In Jamaica, however, when women and men were matched for education and age, it was found that women were paid less.<sup>120</sup> That is, despite being far more educated than men, the gender wage gap persists. The available data suggests that the gap is narrower at higher levels of employment, i.e. university/college-educated women are less likely to experience a GWG or it will be smaller than for less-qualified workers. That is, gender pay gaps are highest among the poor.121



## Why the Gender Wage Gap Persists

The explanations for the persistence of Jamaica's gender wage gap are similar to explanations that obtain elsewhere. The point has been made that the wage gap varies depending on the sector and occupation. By this logic, one significant factor contributing to the gap is occupational segregation, where women tend to be concentrated in service jobs, and those vulnerable to financial and economic crises (such as the COVID-19 pandemic). Women are concentrated in certain service industries, and men in more technical and skilled industries, between which there are significant wage differences. 123

The persistence of the gender wage gap is also attributed to social and cultural norms. Empirical studies have found correlations between the gender wage gap and unpaid care and domestic work. A 2003 Jamaica-specific study concluded

that occupational segregation and the earnings gap persists because the social constraints on women are great. That is, the prevailing social norms, where women are disproportionately tasked with unpaid care and domestic work, constrain their job and career choices to occupations which minimize those constraints. Those occupations are generally lower paid, and further the constraints reduce their employability relative to men.<sup>124</sup>

The role of gendered family responsibilities in perpetuating the gender wage gap has been found in other Caribbean-specific research. In Trinidad and Tobago marital status and living arrangement are correlated with income differentials, whereby women living with a partner earned less than their male counterpart living with a partner. The proposed explanation is that women with a partner are more willing to take a job with less pay granting them the flexibility to handle familial responsibilities.<sup>125</sup> This corresponds with a correlation proposed in

another study of Jamaica and Barbados, where it was found that women with no employed partner in their homes tend to be more competitive in the labour force and earn more than women with partners. 126

#### Legislative and Policy Efforts to Address the Gender Wage Gap

The Jamaican government has pursued legislation and policies to achieve gender equality at work: the Equal Pay Act and the Maternity Act of the 1970s, to the National Policy on Gender Equality (2011) which included a number of provisions relating to women and work, and articulated goals relevant to gender and labour.<sup>127</sup>



#### The Equal Pay Act and the Maternity Act of the 1970s

"equal pay" means a rate or a scale of remuneration for work, in which rate or scale there is no element of differentiation between male employees and female employees based on the sex of the em-ployees; "equal work" means work performed for one employer by male and female employees alike in which —

- (a) the duties, responsibilities or services to be performed are similar or substantially similar in kind, quality and amount;
- (b) the conditions under which such work is to be performed are similar or substan-tially similar;
- (c) similar or substantially similar qualifica-tions, degrees of skill, effort and responsi-bility are required; and
- (d) the differences (if any) between the duties of male and female employees are not of practical importance in relation to terms and conditions of employment or do not occur frequently;

"remuneration" means, in relation to any employee, the salary, wages or other compensation, including, where applicable—(a) time and piece work wages, overtime, bonus and other special payments; and (b) allowances, fees, commission and all other emoluments, benefits or wage supplements whether payable directly or in-directly and (whether payable in cash or kind), which that employee is paid or is entitled to in respect of work or services performed by him for an employer.

A 2019 ILO review found little action relating to most of those initiatives. <sup>128</sup> The penalties of the Equal Pay Act in 2023 are meaningless: "a fine not exceeding J\$200 (US\$1.30) or to imprisonment with or

without hard labour for a term not exceeding twelve months and to an additional fine not exceeding twenty dollars (US\$0.13) for each day on which the offence is continued after conviction there-

for."<sup>129</sup> The National Policy on Gender Equality commits to a review of the Equal Pay Act, but this has not yet materialized.

### 3

### Jamaica Gender Rights Advocate, 2019

"I sense that it's just not on the agenda of our lawmakers. [The Equal Pay Law] really has no policy directive, and I really don't know of any one ministry with responsibility for it. The law, while conceptually strong, has lacked teeth and power in preventing discrimination against women even if they performed at equal standards to their male counterparts."

#### Jamaican Gender Rights Advocate, 2019

Jamaica's lack of progress on reducing the gender wage gap is not unique. The gender wage gap has been resistant to change in all countries. A gradual increase in female labour participation in Latin American and Caribbean countries peaked at around 50 percent in the 2000s, almost 25 percentage points lower than the male

rate.<sup>132</sup> Today, women in the region earn 17 percent less than men, despite their higher levels of education.<sup>133</sup> It is a complex issue that is influenced by a variety of factors, some of which have been listed here, such as occupational segregation and social and cultural norms.<sup>134</sup> But this should not forestall continued efforts to

change it; those efforts, however, should be evidence-driven, and based on proof of concept. What those efforts might entail is the subject of the next section.







# Reducing the Gender Wage Gap in Jamaica



While our current legislation and policy have not achieved their objectives, there are other options, that are suitable for Jamaica, that have had measurable and desirable outcomes in other countries.

he intractability of the gender wage gap in Jamaica does not mean it cannot be changed. The Equal Wage Act should be reviewed to better understand how and why it has not achieved its objectives, and to update it accordingly. In addition, there are other policy options that have been shown to yield measurable results elsewhere, and that are suitable for Jamaica.

## **Support for Unpaid Care Obligations**

Over two decades of research and practice have shown that there is a positive relationship between reducing women's unpaid care work and improving gender equality. In Jamaica, unpaid care work is the primary obstacle to women fulfilling their potential in the labour market and engaging in more paid work. Women spend over four hours a day doing unpaid care and domestic work, and just under three hours a day in paid work. On the other hand, men spend just under two hours a day doing unpaid care and domestic work, and four and a half hours doing paid work.135 As a result, women pay a higher opportunity cost in terms of foregone paid work than men do.136 The unequal sharing of care responsibilities limits women's job prospects, and is a major reason behind the gender wage gap. 137

There is no provision of public services or infrastructure to support unpaid care and domestic work obligations in Jamaica. Care responsibilities are a burden to persons who do paid work, and workers would do better work with more care support. Such support can contribute to shrinking the gender wage gap by increasing access to affordable, quality childcare and thus increasing predictability and flexibility in employee work schedules.<sup>138</sup> Therefore, employer-provided as well as state support for workers with care obligations would help to reduce the burden of unpaid care work, and facilitate more time and scope for paid, productive work. 139 Further, policies and measures to reduce women's unpaid care burden are closely linked to broader societal aspects of gender equality. Support for unpaid care work is a societal good, as it is necessary for social reproduction, promotes gender equality, reduces poverty and income inequality, and is conducive to better outcomes for children.140 It is among the biggest opportunities to close gender gaps, along with women in leadership positions, political representation, and financial inclusion.141

In advanced economies, among the fiscal policies that have been shown to close gender gaps are childcare subsidies and paid parental leave. In developing economies, investments that reduce the time women spend on household production has yielded positive results in terms of fe-

male labour force participation.<sup>142</sup> Both precepts pertain to Jamaica, an upper middle income country. Other ways to support workers with care obligations include workplace-based creches and employer-provided care subsidies. The government can also offer support though regulation, guidelines, technical support, tax incentives to private sector employers to provide support for their workers' unpaid care obligations. The government can also raise awareness of existing legislation, such as the Employment (Flexible Work Arrangements) Act (2014), and set an example by implementing it themselves in public sector workplaces. 143

#### **Pay Transparency**

Pay transparency laws have been shown to be effective in increasing awareness about the gender wage gap and providing employees with the information they need to challenge pay disparities. The goal of pay transparency laws is to make it easier for workers to identify and challenge pay disparities, which can help to reduce the gender wage gap and other forms of pay discrimination. Studies indicate that disclosing pay bands helps narrow the gender gap by producing better offers for women candidates, while slightly lowering pay for men. 144

There are different ways that pay transpar-

The Equal Pay Act of 1975, the Maternity Leave Act of 1979, and the 2011 National Policy on Gender Equality can all reduce the gender wage gap in Jamaica.

ency can be legislated. For example, some laws may require employers to disclose the average pay for different jobs within the company, while others may require employers to disclose the pay of specific individuals or groups of workers. Additionally, some laws may require employers to disclose pay information only upon request, while others may require employers to make the information publicly available. Pay transparency laws can be limited by the privacy rights of employees and the concerns of employers, and are generally crafted to balance the goal of pay transparency with the need to protect the privacy and interests of employees and employers. Penalties and enforcement measures appear to be less effective at closing pay gaps. Voluntary pay transparency disclosure appears to be more effective. Research finds that companies that voluntarily practice pay transparency may significantly decrease the pay gap. One study found that at companies voluntarily practicing pay transparency, women earned US\$1.00 to US\$1.01 for every dollar a man earned, almost full parity.145

Pay transparency laws have been implemented in various countries with different levels of effectiveness. There is limited research on the effectiveness of pay transparency laws in reducing the gender wage gap specifically, but there are some examples of countries where such laws have been implemented:

- 1. The United Kingdom: In 2016, the UK government introduced a law requiring companies with over 250 employees to disclose their gender pay gap. <sup>146</sup> The law has led to a significant increase in the number of companies reporting their pay gaps and has helped to raise awareness about the issue.
- 2. Iceland: In 2018, Iceland passed a law requiring companies with more 25 employees or more to prove that they pay men and women equally for the same work. This law is considered one of the most comprehensive equal pay laws in the world, and it is the first to place the burden of proof on employers.
- 3. Germany: In 2017, Germany passed a



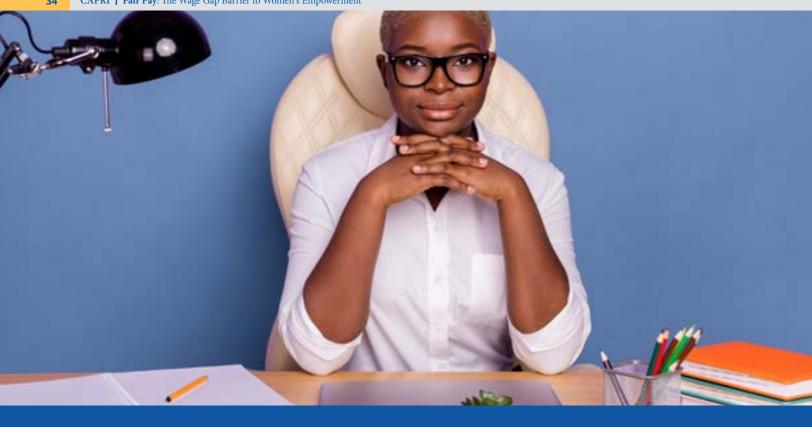
law requiring companies with more than 500 employees to disclose their gender pay gap. 148 The law is considered a first step towards addressing pay disparities and promoting gender equality in the workplace.

- 4. Canada: Since 2021, federally regulated employers in Canada with over 100 employees were required to disclose pay gaps, including their gender pay gap. 149
- 5. Australia: The Australian government requires companies with over 100 employees to disclose their gender pay gap since adopting pay transparency legislation in 2014.<sup>150</sup>
- 6. United States of America: Eight states in the US have implemented pay transparency laws between 2020 and 2023 alone, and 18 states ban employers from asking job applicants about their salary history.<sup>151</sup>
- 7. Peru: In December 2017, Peru prohibited gender pay discrimination and required companies to keep tables detailing employee categories, functions, and pay. The law also empowered employees and the Labour Authority to take legal action against an offending company.<sup>152</sup>

8. Denmark: In 2006 Denmark passed legislation requiring firms to provide gender disaggregated wage statistics. Research found that the law reduced the gender pay gap by approximately two percentage points, or a 13 percent reduction relative to the pre-legislation mean. Despite the reduction of the overall wage bill, the wage-transparency mandate did not affect firm profitability.<sup>153</sup>

In Jamaica, as in other countries, pay transparency laws would likely face challenges such as resistance from employers, privacy concerns, and lack of resources for enforcement. Additionally, Jamaica may face some specific challenges such as a lack of data and information about the gender wage gap, lack of awareness about the issue among employees and employers, and cultural and social norms that may discourage women from challenging pay disparities. Transparency laws may have uneven results, but they do push more companies into adopting transparent pay policies.<sup>154</sup> Pay transparency has benefits beyond the potential to mitigate the gender wage gap. It is a tool which employers can employ to build trust. It is a policy option that Jamaica should consider.155





# Conclusion



**The Gender Wage** Gap in Jamaica is highest among the poor, less among the university and college educated, and is absent in the public sector.

his study has shown that the gender wage gap in Jamaica is a barrier to women's empowerment. It is one of several, but its impact is far-reaching and negative on multiple fronts. It perpetuates gender inequality, undermines women's empowerment, reduces economic opportunities for women, and exacerbates female poverty. The consequences of the gender wage gap extend to children, which is pertinent in Jamaica where there is a preponderance of single female-headed households, who suffer from reduced access to resources, and all that follows from that lack. Finally, the gender wage gap represents an economic loss that is borne by the entire society, as it hinders productivity and economic growth. The gender wage gap is also a barrier for which there are identifiable policy solutions that have not been attempted before in Jamaica.

Unpaid care and domestic work, which is mostly done by women, constrains women's labour market participation, career advancement, and productivity, and contributes to the gender wage gap. Women's unpaid care obligations are correlated with doing less paid work, and lower income, than obtains for men. Support for workers with care obligations is therefore a way to address the gender wage gap. This can include measures such as flexible work arrangements, and access to high-quality child care, supported by the

state or the employer. Relieving workers of excess unpaid care work, and shrinking the gender wage gap, can improve gender equality, strengthen women's economic security and by extension the well-being of their families, and help to promote economic growth.

The lack of transparency about how much people are paid is an area in which policy change can yield an improvement in the gender wage gap. Companies that disclose how much they pay their employees are more likely to have smaller or no gender pay gaps. Pay transparency is an untried policy initiative in Jamaica, with regard to the gender wage gap (or in any regard). There is a global trend to incorporate and practice Environmental, Social, and Governance (ESG) and ESG-adjacent workplace practices, which some Jamaican companies are following, and which more are likely to adhere to in the near future. ESG refers to the three key factors that investors and stakeholders consider when evaluating the sustainability and societal impact of a company. Gender equality, women's empowerment, and pay transparency towards reducing the gender wage gap are issues that fit squarely in the ESG rubric. Thus, such a proposal would be appropriate and timely.

A first step to the acceptability and adoption of pay transparency in Jamaica would be for the public sector to implement it.

While research has found that there is no gender wage gap in the public sector, this initiative would establish a precedent for other employers to follow. Further, transparency and accountability in the public sector contributes to good governance and public trust more broadly. Providing easy access to salary information can increase public awareness and understanding of government spending. The current public sector compensation reform is an opportune time to increase transparency in government spending in this area. Finally, publishing salary information can help detect and prevent corruption and unethical behavior.

A pay transparency law, whereby entities of a certain size (whether number of staff or revenue) disclose their pay scales, could be considered for the future. The exact parameters of such a law would of course be informed by evidence-based research and stakeholder consultation that were beyond the scope of this study, but the principle remains that this would be a concrete step towards reducing the gender wage gap in Jamaica, once the relevant concerns are adequately addressed, and there is a greater acceptance and understanding of the value of such a law.

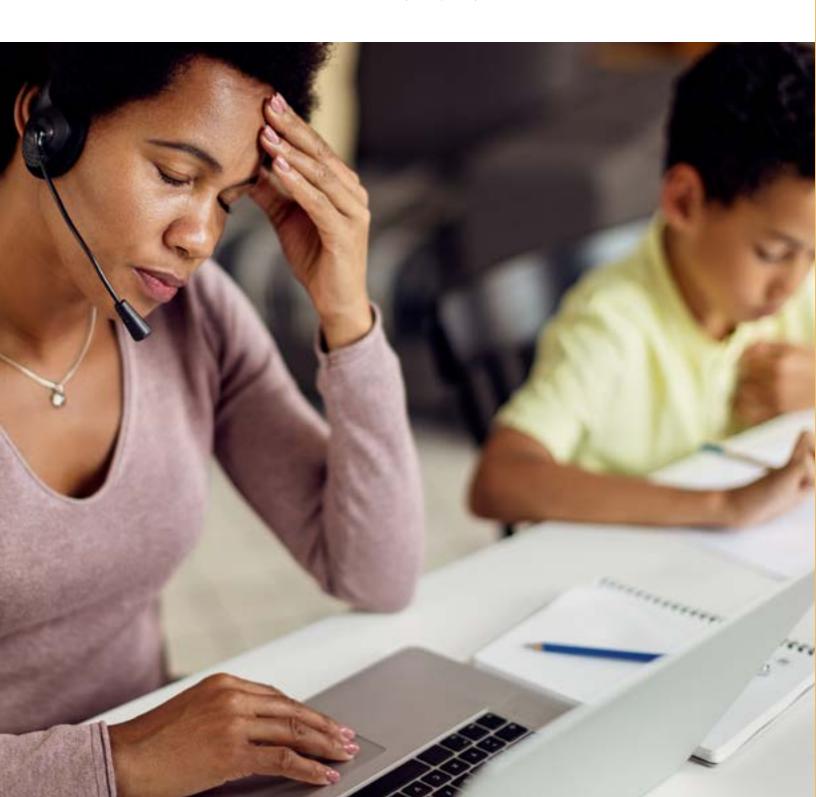
Ahead of that, an appropriate step in the immediate moment would be for publicly listed companies to be required to dis-

Based on the Global Gender Gap composite index, which includes income, women have achieved **75%** parity with men. But given that the gender wage gap is **61%**, it suggests that despite women have near parity with men in education, health and political leadership, they are being pulled down to **75%** because of a large gender wage gap.

close their salaries. This could be done by creating a requirement by the Jamaica Stock Exchange for listed companies to disclose their salary scales. It should also be included in their governance index. At present the JSE's governance index includes environmental considerations, but there is no provision related to gender equality. This measure would be a suitable step towards rectifying that gap.

Addressing the gender wage gap through policies that promote equal pay and fair treatment of women in the workplace is essential to promoting gender equality, reducing poverty, and overall boosting Jamaica's economic prospects. Support for workers' unpaid care obligations can have a "game-changer" effect on women's labour market participation, productivity, and ability to earn more, including as much as men. Pay transparency alone

will not close the gender wage gap and other forms of pay discrimination in Jamaica. Nor will support for workers' unpaid care obligations. However, considering that the other legislative and policy remedies have not had the desired effect, these are unexplored options that Jamaica can employ to address the gender wage gap. As such, the following policy actions are recommended.



#### Recommendations



The Ministry of Finance should establish an online database that publicly displays all salaries of public sector posts. The website should be easy to access, user-friendly, and the data updated regularly. The database should be regularly audited to ensure accuracy and reliability of the information. The website should also include a clear explanation of the purpose of the database. The policy should be actively communicated and promoted to increase public awareness and access to the information.

The Jamaica Stock Exchange should include in its governance index, as a measure towards improved gender equality via reducing the gender wage gap, that publicly listed companies be required to make known their salary scales.





## **Appendix 1: Survey Details**

The data for this study was collected using a random sample of 716 employed graduates from tertiary institutions in Jamaica who were between 20 and 40 years old, and who live in the Kingston Metropolitan Area (KMA) or the Greater Montego Bay Area. The data was collected using an online survey and face-to-face interviews between September and November 2022.

Just under 80 percent of the sample was female with most respondents being aged 25 - 29. The average age is 29.41 years. Most of the respondents (56 percent) were single and 41 percent were in a committed relationship. Additionally, 3 percent had been divorced or separated. Only 5 percent of the sample had migrated and then returned to Jamaica, therefore most of the sample had lived in Jamaica for the majority of their lives. Furthermore, just over 15 percent of the sample (117 respondents) also had a postgraduate degree. Finally, three-quarters of the respondents did not have a parent who had a college degree.

The survey had three main objectives, with the main focus to investigate the gender wage gap among tertiary-educated Jamaicans. This included the calculation of

the gender wage gap among this group and to elicit their attitudes and experiences with the gender wage gap. To achieve this, information on employment, education, and demographics was collected. Furthermore, the survey sought to collect information on income and expenditure so as to properly estimate income for use in the calculation of the gender wage gap. Given the sensitivity of this information, income and expenditure questions were placed at the end of the survey.

Another objective was to determine whether there were differences in the reasons why women and men invest in tertiary education. As such, the survey collected information on perceptions and attitudes of an individual with a tertiary degree, and respondents' job experiences since completing their degree.

Finally, since most tertiary graduates in Jamaica migrate, the survey also collected information on whether respondents were planning to migrate and, if yes, how far they were in the migration process.

We noted that survey respondents opted out of revealing information about their income and expenditure, which hampered our ability to accurately calculate the gender wage gap. This outcome, however, is not unique to this survey as it is known that such questions are many times considered intrusive due to privacy concerns, social stigma, or a lack of trust in the survey organisation. Nevertheless, this did not result in a lack of accuracy or representation in the results presented, as the income and expenditure questions were placed at the very end of the questionnaire. Therefore, attrition only occurred once the interviewers asked questions in this section.

### **Endnotes**

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CAPRI's vision is to contribute to the promotion of informed dialogue on socio-economic development in the Caribbean, in which decision-making in public policy and the private sector is based on relevant and transparent information grounded in verifiable evidence.

#### Mission

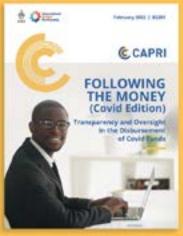
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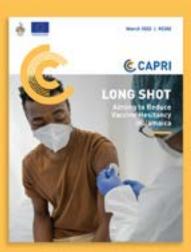
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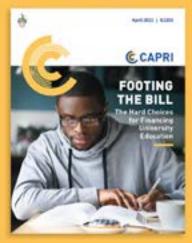
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