



TECHNICAL BRIEF

# WHY WOMEN EARN LESS

## GENDER PAY GAP AND LABOUR-MARKET INEQUALITIES IN EAST AND SOUTHERN AFRICA

### Introduction

Despite progress in women's economic and political participation, formal employment and education attainment, the gender pay gap remains a pervasive labour-market feature across the world. More and more countries - both industrialized and developing - have passed laws mandating the equal treatment of women in the labour market, with the objective of reducing gender economic inequalities.

The gender pay gap is a broader reflection of the work-related and economic inequality of women in the labour market, including their lack of economic independence, lack of decision-making power both in the household (e.g. spending decisions) and in society (e.g. managerial decisions), and experience of violence. Understanding the gender pay gap and its determinants would support awareness-raising among employees, employers

and policymakers; lead to actions for the mitigation of economic inequalities; support women in realizing their productive potential; and ultimately support growth.

The objective of this brief is to present an understanding of the gender pay gap and labour-market inequalities in 10 countries<sup>1</sup> of East and Southern Africa (ESA). The brief presents findings of the 2023 study "Why Women Earn Less" by UN Women.

The study analyses the gender pay gap and other labour-market inequalities in the region using quantitative techniques from labour economics, allowing a comparison of wages as a function of education, age, marital status, sector and occupation, job informality status and gender. The estimates were then used to determine how much of the wage differential could be explained by the observable

<sup>1</sup> Ethiopia, Kenya, Malawi, Mauritius, Mozambique, Namibia, Rwanda, the United Republic of Tanzania, Uganda and South Africa.

differences in the characteristics of women and men. Likewise, several related measures were estimated to explore other labour-market inequalities by gender, including employment gaps and horizontal gender segregation.

## Main Findings

### Countries in East and Southern Africa have heterogeneous raw and adjusted gender pay gaps

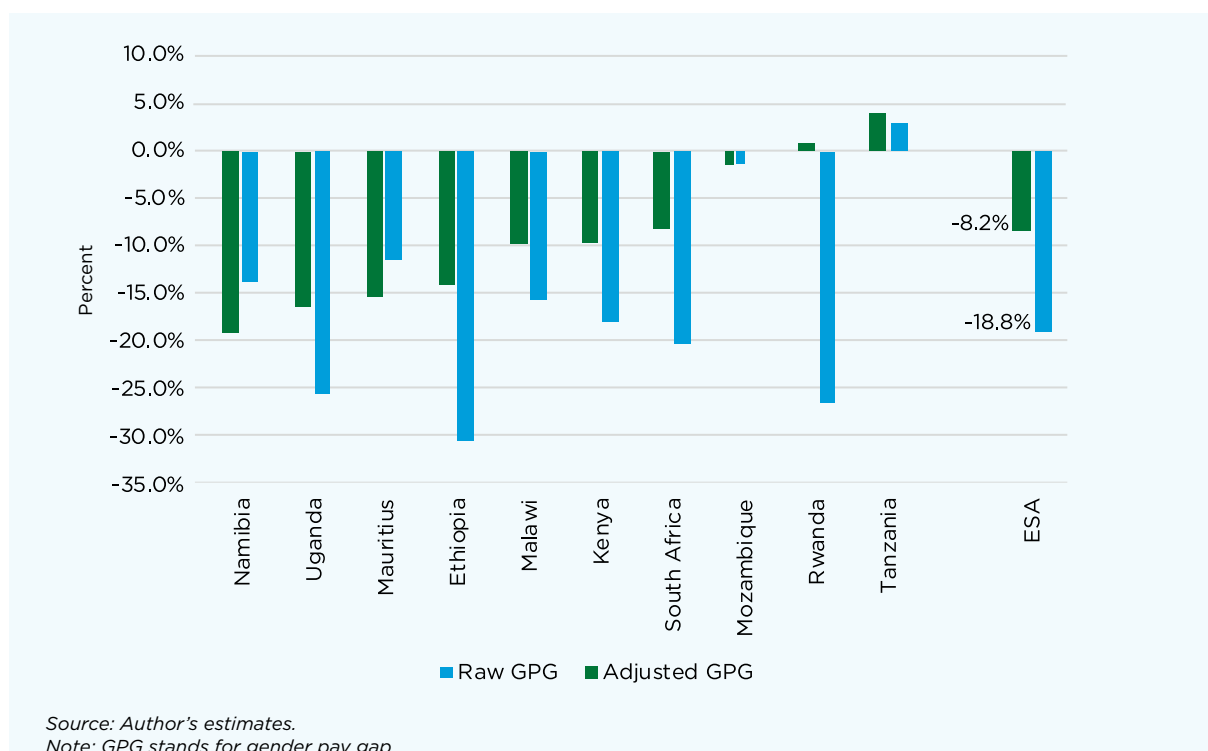
**Women in ESA earn only about 81 cents for every dollar earned by men**, on an hourly basis. This means that the raw (also called unadjusted) gender pay gap in ESA is 18.8 per cent (**Figure 1**), which is slightly lower than ILO’s global estimate of 20 per cent for 2019. This leads to lifetime income inequality between women and men, and further contributes to higher levels of poverty among women.

The raw gender pay gap does not consider the personal or labour-market characteristics of individuals, which are important determinants of the pay gap. Hence, the gender pay gap may exist simply because individuals differ in, for example, educational level, experience

or age. When these observable characteristics are considered, the gap becomes “adjusted”, that is, adjusted for individual and labour-market characteristics. The adjusted gender pay gap provides a more accurate reflection of gender pay inequality in the labour market than the raw gender pay gap. When considering factors that determine pay, such as age, education and type of job, **women earn 92 cents for every dollar that men earn per hour**. Thus, when such a gap is adjusted for individual and labour-market characteristics, it reduces for the whole region, to 8.2 per cent, 10.6 percentage points lower than the raw pay gap.

In six out of 10 countries, the observed differences in characteristics could explain part of the pay gap. For example, in Rwanda and Malawi, they explain all of the gap, while in the other countries the explanatory power varies. In Mozambique and Tanzania, the gap is statistically insignificant at a 5 per cent significance level, and is hence considered zero. In two countries – Mauritius and Namibia – the gender pay gaps increase when adjusted, by 3.8 p.p. and 5.3 p.p., respectively. This shows

**FIGURE 1**  
Raw and adjusted gender pay gap, by country



that working women in these countries have better individual and job characteristics than working men, and hence these characteristics cannot explain the gap.

**Women work shorter hours in wage employment, which explains part of the monthly gender pay gap**

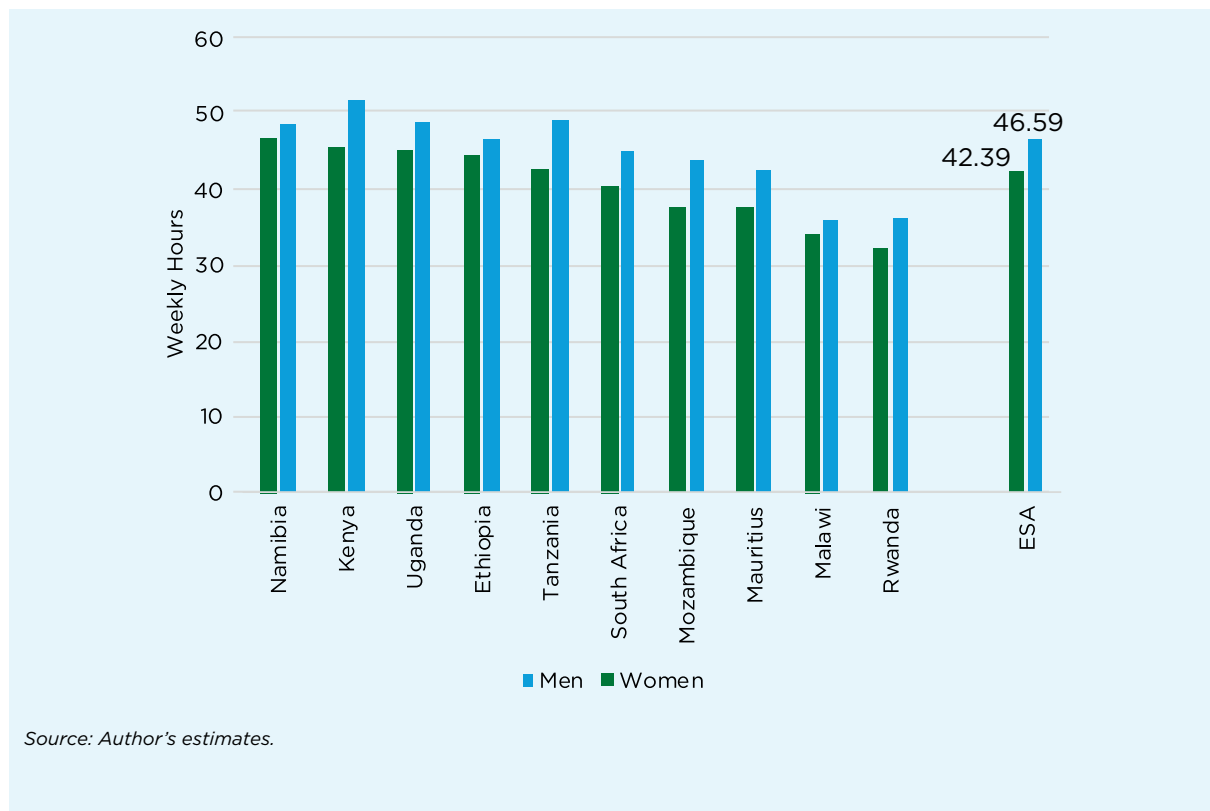
**Figure 1** uses hourly wages to allow comparison with the International Labour Organization’s measurement of the gender pay gap, hence ruling out the influence of different hours worked. However, women in ESA work for fewer hours in paid employment on a weekly basis than men (**Figure 2**). The gender difference in hours worked per week for the whole region is 4.2 hours, ranging from the smallest in Malawi (1.6 hours) to the largest in Kenya and Tanzania (6.5 hours each). This gender employment gap in terms of hours worked can be attributed to various reasons, including but not limited to women’s disproportionate unpaid care work responsibilities, discriminatory practices prevalent in the labour market,

labour-market structure and individual/household preferences.<sup>2</sup>

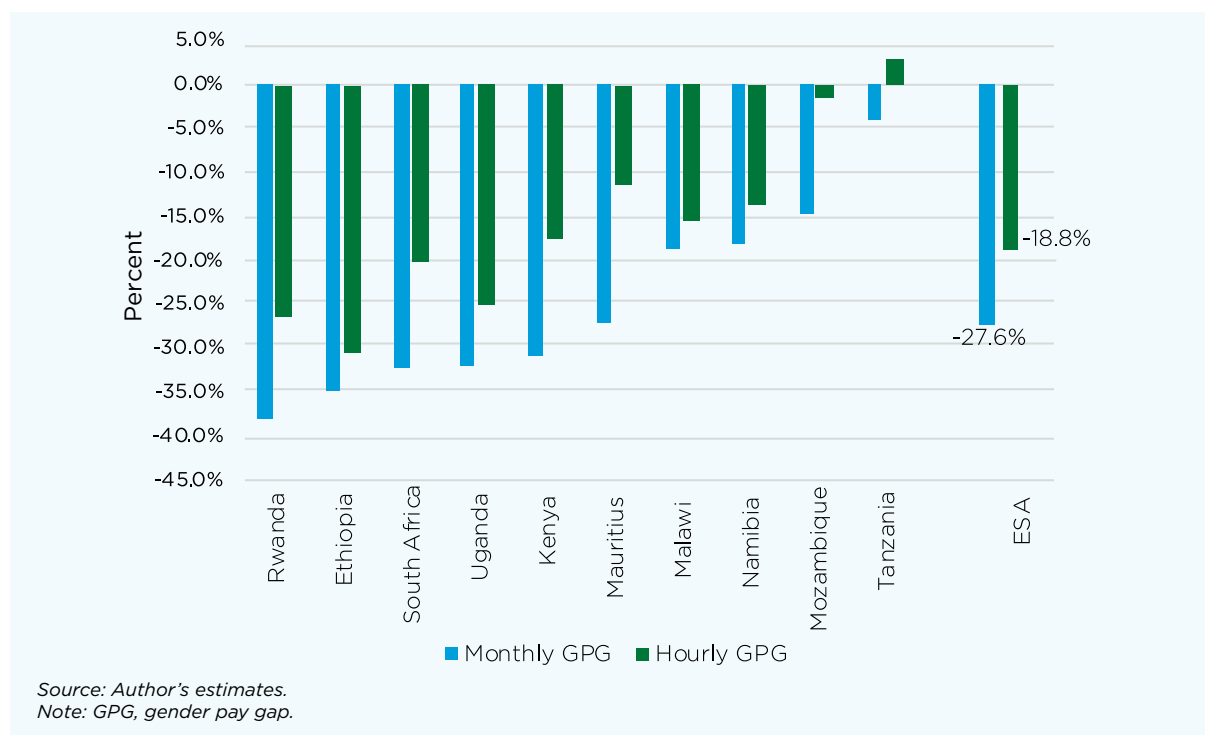
**On a monthly basis, women earn about 72 cents for every dollar that men earn.** In other words, the raw monthly gender pay gap is 27.6 per cent, compared with the raw hourly gender pay gap of 18.8 per cent (**Figure 3**). This difference is because women spend fewer hours in paid work every week. They spend 42 hours per week in paid jobs, while men spend 47 hours per week in paid jobs. These shorter hours spent in paid jobs by women explain different portions of the monthly pay gap in each country, ranging from explaining the gap in its entirety in Mozambique to explaining only 3.5 percentage points of the gap in Malawi. Women’s disproportionate unpaid care work responsibilities, compared with men, limit the time they can spend on paid jobs.

<sup>2</sup> It should be noted that the difference in hours worked might change if non-wage employment was also considered. Due to limited data availability, information on non-wage workers like contributing family workers could not be included.

**FIGURE 2**  
Hours worked per week, by gender and country



**FIGURE 3**  
**Monthly and hourly raw gender pay gap, by country**



**The gender pay gap is more frequently explained by unobservable characteristics of individuals than by education, age, marital status, sectors and occupations**

Majority of the gender pay gap in ESA cannot be explained by observable characteristics (individual and job characteristics) alone. Observable characteristics explain significant portions of the gender pay gaps in Ethiopia, Malawi, Rwanda, South Africa and Tanzania (Figure 4). In the cases of Mauritius and Namibia, which had a larger gender pay gap when adjusted, the explained parts are zero or closed to zero, suggesting that the entire gender pay gap in these countries remains unexplained.

**The gender pay gap is widest for the least-educated individuals**

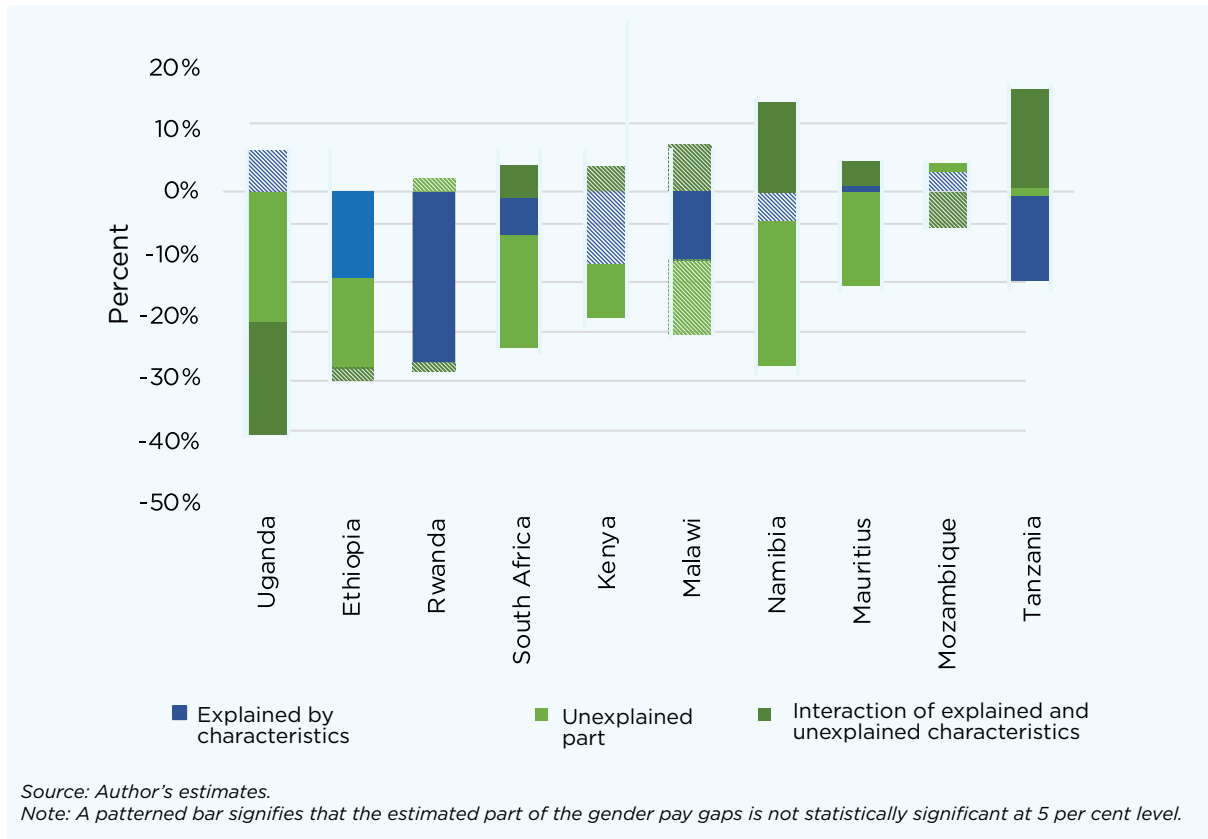
**Women with tertiary-level education face a smaller gender pay gap than women with primary-level education.** Women with tertiary-level education earn 18 per cent less than men with the same level of education, while women with primary-level education earn 31 per cent less than men with the same level of education (Figure 5). This suggests that women in ESA with

lower educational levels suffer more in terms of low remuneration than men in the same educational groups. This group of workers is associated with low-skill, low-productivity and low-pay sectors and occupations, more frequently found in precarious/informal jobs with limited or no social protection coverage and without union representation, which altogether leads to larger gender pay gaps. However, there are differences between countries. For instance, in Rwanda, the gender pay gap is the largest among secondary-educated employees.

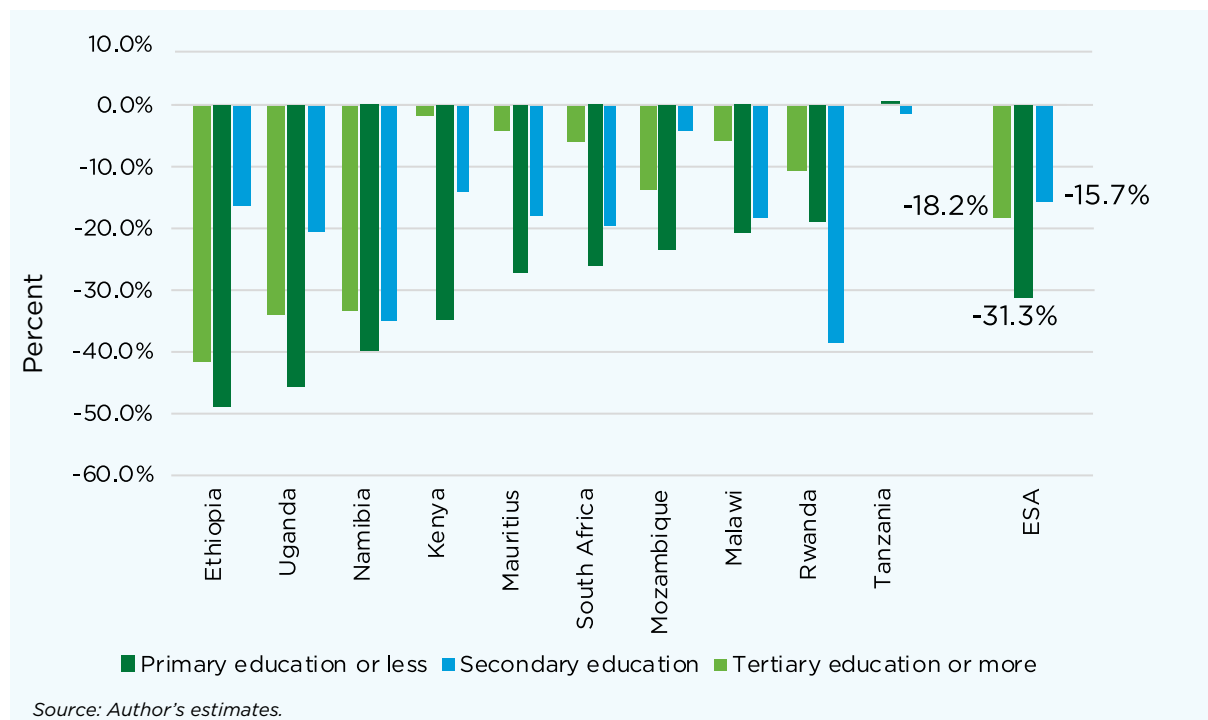
The gender pay gap in ESA is, on average, larger for single individuals than for married<sup>3</sup> individuals. However, there is some heterogeneity among countries. In Ethiopia, it is larger for single individuals than for married individuals, while in Kenya, Mauritius and Rwanda it is larger for married individuals than for single individuals. (Figure 6). For both statuses, the gap is small in Malawi, but is larger and positive (women earn more than men) for married individuals than for single individuals in Tanzania.

<sup>3</sup> Marriage is defined as those in monogamous or polygamous marriages as well as those living in partnerships.

**FIGURE 4**  
Oaxaca-Blinder decomposition of the hourly gender pay gap, by country

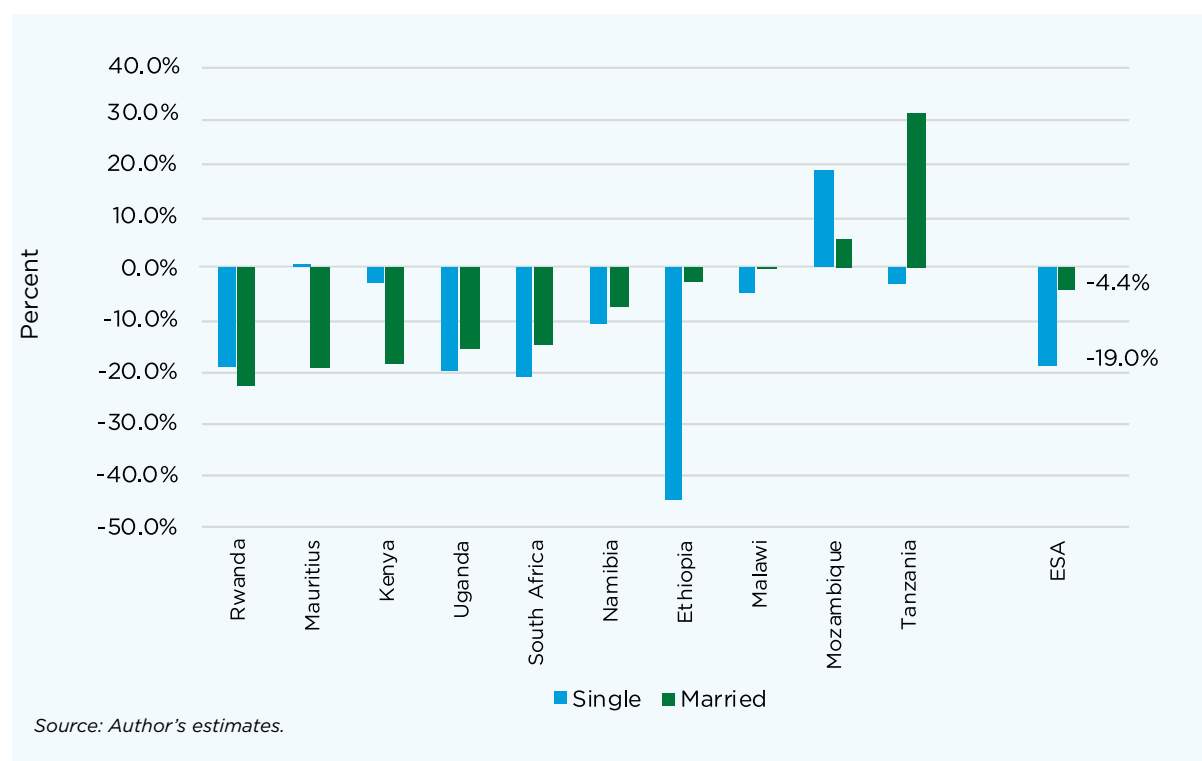


**FIGURE 5**  
Raw gender pay gap (hourly), by educational level and by country





**FIGURE 6**  
**Raw gender pay gap (hourly), by marital status and by country**



**Gender employment gap is about the same in households with and without dependent children**

The gender employment gap is marginally more negative for households with dependent children in Ethiopia, Mauritius, Rwanda, South Africa and Tanzania, implying that in these five countries, women’s childcare responsibilities affect their labour-market participation (Figure 7, upper panel). Hence, it is difficult to conclude that the presence of children in the household strongly affects women and men’s labour market decisions. It is possible that children affect their parents’ labour market decisions specifically. However, available survey data does not allow for identification of mothers and fathers.

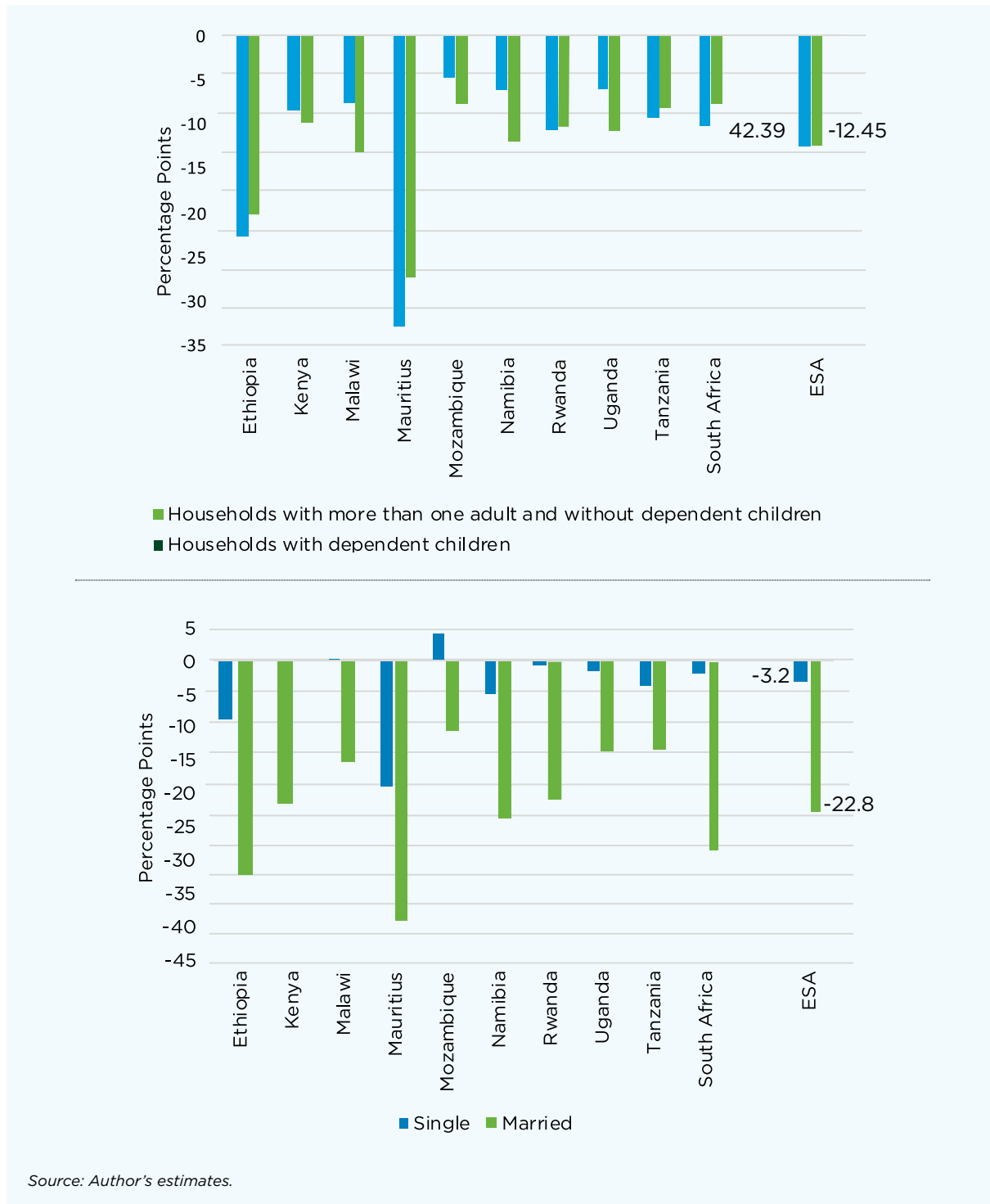
The gender employment gap among married women is clearly wider than among single women. This reflects the increased domestic work responsibilities and/or gendered division of labour that is reinforced with marriage (Figure 7, lower panel).

Overall, marriage seems to have a larger effect on women’s economic participation as compared to dependent children in the household.

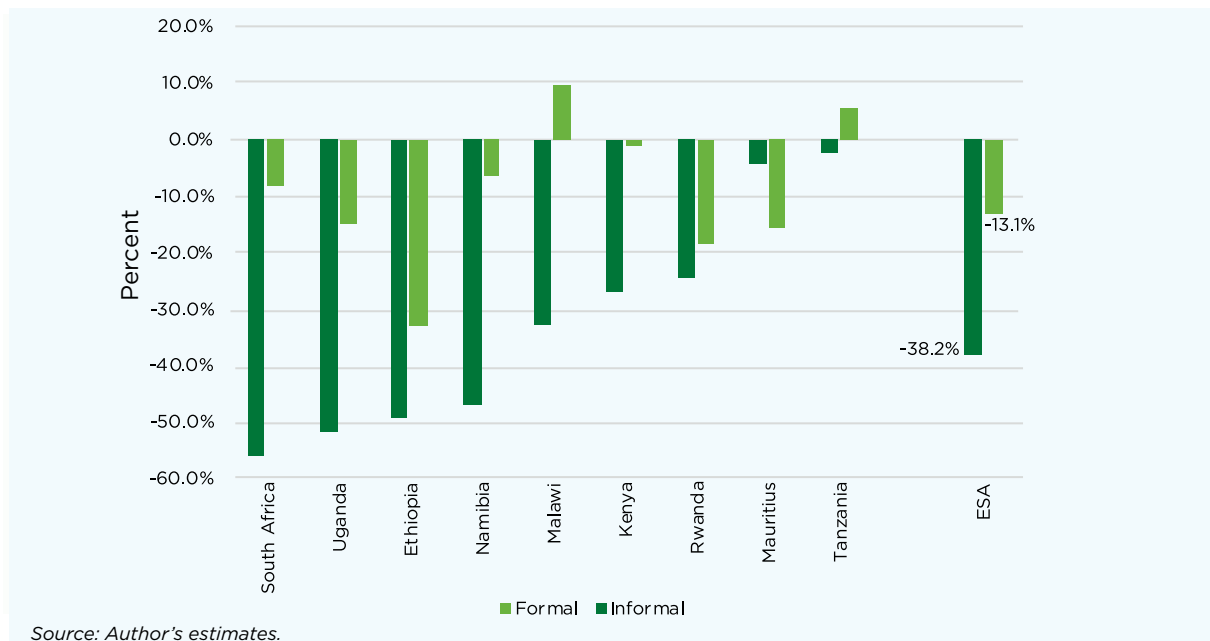
**Although women do not comprise the majority of workers in the informal sector, women in informal wage employment are paid less than men**

The gender pay gap in informal employment is much larger than the gap in formal employment (Figure 8). Although men in ESA are overrepresented in informal wage employment, women are paid less than men in informal jobs in the majority of ESA countries. In fact, women in Malawi and Tanzania earn more than men in formal jobs. An exception is Mauritius, where the gender pay gap in informal employment is smaller than the one in formal employment.

**FIGURE 7**  
**Gender employment gap, by household type (upper) and marital status (lower) and country**



**FIGURE 8**  
**Gender pay gap, by formality status of wage employment and country**



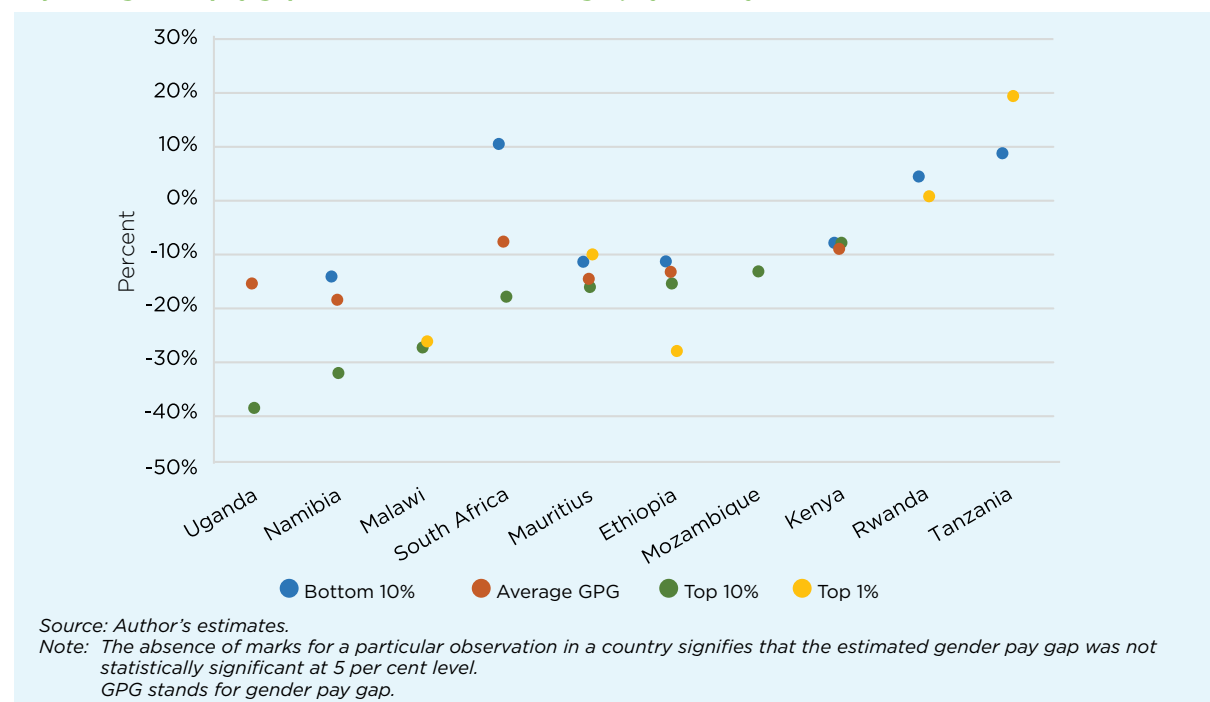
Source: Author's estimates.

**Women face a glass ceiling, that is, impediments that prevent them from accessing top managerial and leadership positions**

The highest-paid women and men are represented by the top 10 per cent and the top 1 per cent of earners. In eight of the 10 countries, the gender pay gap among the top 10 per cent of earners is larger than the average gap (**Figure**

9). Only in Tanzania and Rwanda, the gender pay gap among the top 10 per cent of earners is statistically insignificant. In addition, with the exception of Namibia, women in ESA have lower relative shares in managerial occupations (legislators, high officials and managers) than men in nine of the 10 countries (**Figure 10**).

**Figure 9**  
**Adjusted gender pay gap at different levels of wages, by country**

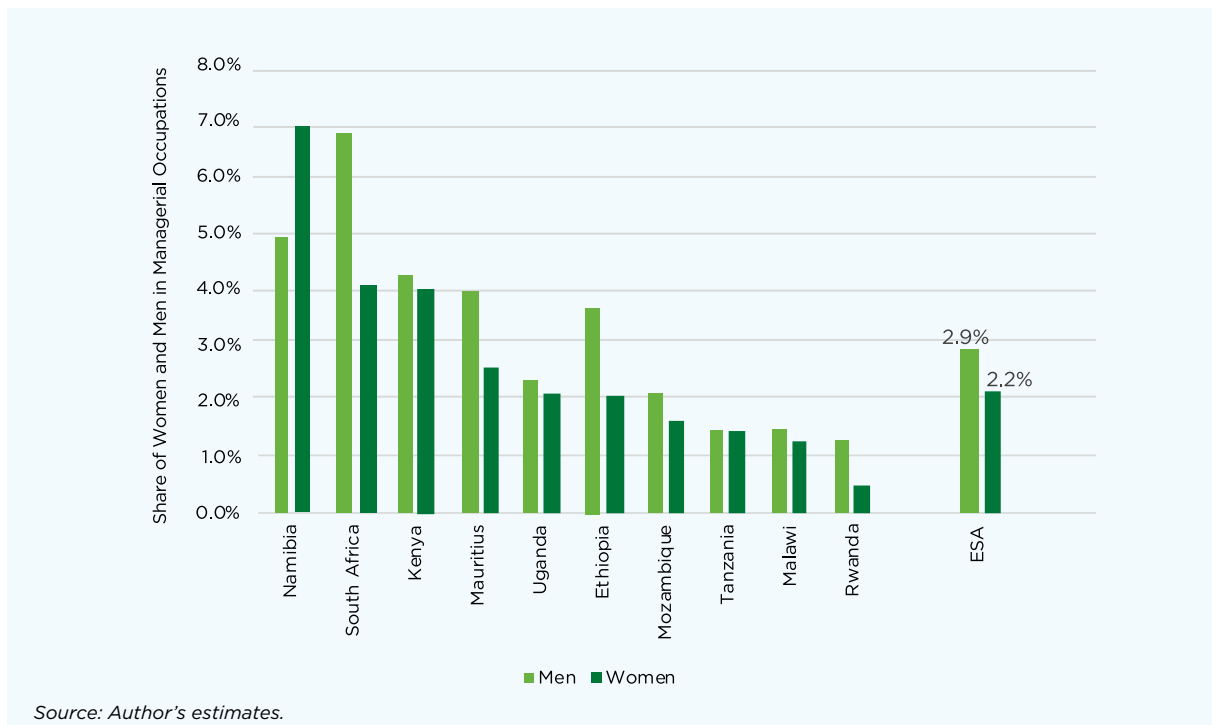


Source: Author's estimates.

Note: The absence of marks for a particular observation in a country signifies that the estimated gender pay gap was not statistically significant at 5 per cent level. GPG stands for gender pay gap.



**FIGURE 10**  
Share of men and women in managerial jobs, by country



Taken together, there is strong evidence for a glass ceiling effect in the region, which prevents women from climbing up the occupational ladder. Cultural norms and the role of women in the household as primary caregivers, and various invisible barriers under the broad category of discrimination, prevent women from easily climbing up to the highest-ranked positions and from earning the highest wages. This is particularly prevalent in traditionally patriarchal societies.

The bottom 10 per cent of earners experience a lower-than-average gender pay gap in most countries and even a positive gender pay gap in South Africa, Rwanda and Tanzania. This suggests that there is no “sticky floor” in the region.

### Women have heterogeneous employment rates

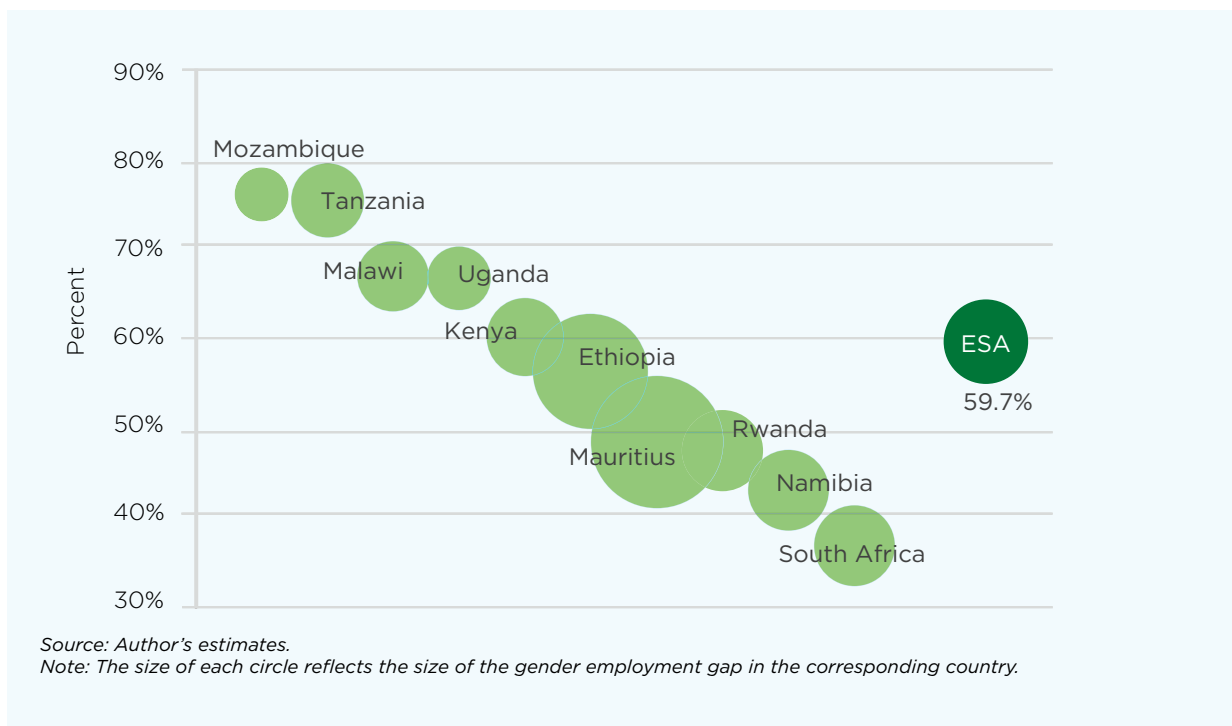
Women in ESA have heterogeneous employment rates, ranging from 76.1 per cent in Mozambique to 37 per cent in South Africa. Likewise, the gender employment gap, that is, the difference between the employment rate for women and employment rate for men, expressed in percentage points, varies

from a fairly small 5 percentage points in Mozambique to a very large 29.4 percentage points in Mauritius. However, overall, women exhibit lower employment rates than men and occupy a disadvantaged position in the labour market. This may be related to economic opportunities, economic structures including the financial reward of being in employment, and societal norms, prejudices and stereotypes, or individual preferences.

In ESA, large employment rates are accompanied by small gender employment gaps (**Figure 11**). This is most obvious for Mozambique, Malawi and Tanzania, the three countries with the highest employment rates among women, and for Kenya and Uganda, which fall in the middle of the graph in **Figure 11**. Such a correlation could be explained in several different ways. More women in the labour market might give women more power to lobby for higher pay and better worker rights. This might also be due to a “selection effect”, i.e. women who enter the labour market in countries with low female labour force participation have better work-related skills and this improves their chances of being paid higher wages.

**FIGURE 11**

**Women’s employment rates and gender employment gap in ESA, by country**



**Lower employment rates among women are associated with larger adjusted gender pay gaps**

Figure 12 shows a relatively large positive correlation (43 per cent) between the gender employment gap and the adjusted gender pay gap, suggesting that the higher the former, the higher the latter. This can be seen because the circles are larger (depicting adjusted gender pay gap) for higher employment gaps. Thus, higher employment rates of women in the labour market is associated with better representation and pay for women.

**Sectoral and occupational segregation of women is fairly strong in East and Southern Africa**

The sectoral and occupational segregation in ESA is striking, with women overrepresented in low-pay and low-status sectors and occupational categories. The most common top three “feminine”<sup>4</sup> sectors in ESA are sectors dominated by care workers: households as employers (in all countries), education (in seven countries) and human

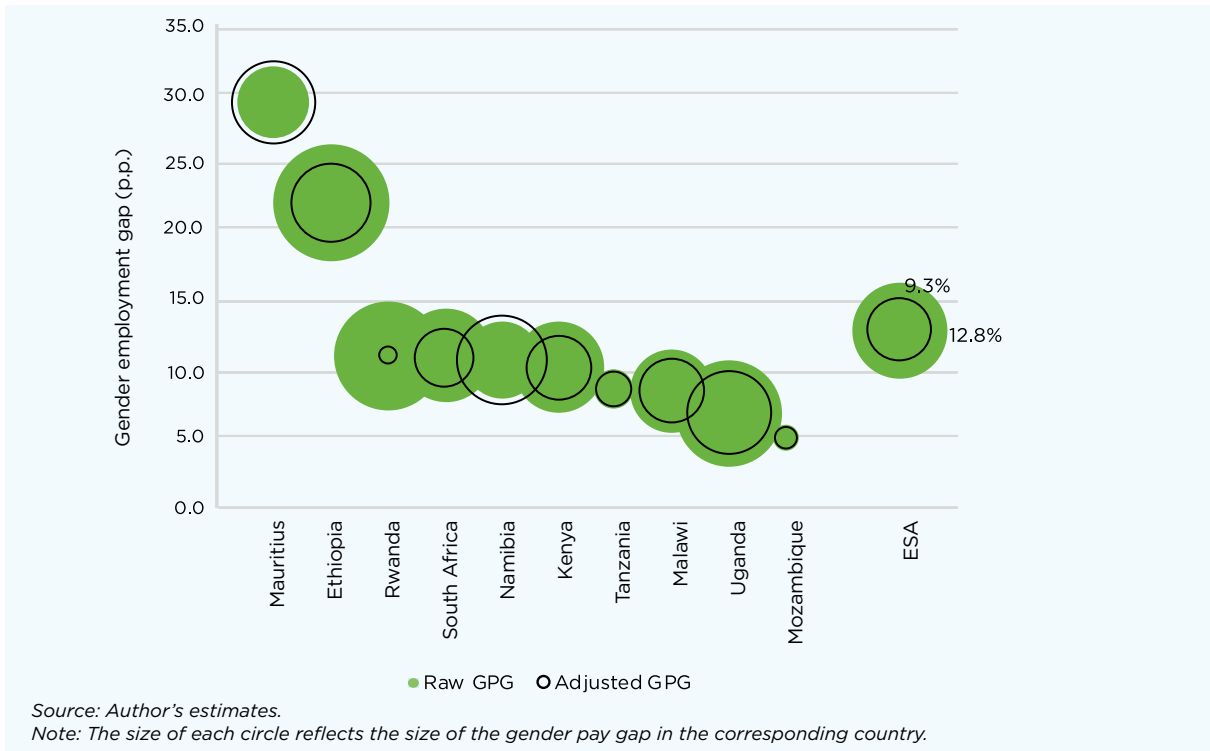
health and social services (in four countries). The top three “masculine” sectors in ESA are transport (in all countries), construction (in nine countries) and manufacturing (in six countries). It is interesting to note that, while agriculture is found in the top three “feminine” sectors in Rwanda, it is in the top three “masculine” sectors in Malawi, Namibia and Tanzania. Public administration, while most frequently “neutral”, appears in two countries as one of the top three “masculine” sectors: in Ethiopia and Mauritius.

Results based on the Duncan Segregation Index<sup>5</sup> reveal that occupational gender segregation is lower than sectoral gender segregation in all countries (Figure 13). It shows that 31 per cent of men or women would need to change their sector or 24 per cent of men or women would need to change their occupation to achieve no segregation. Duncan Segregation

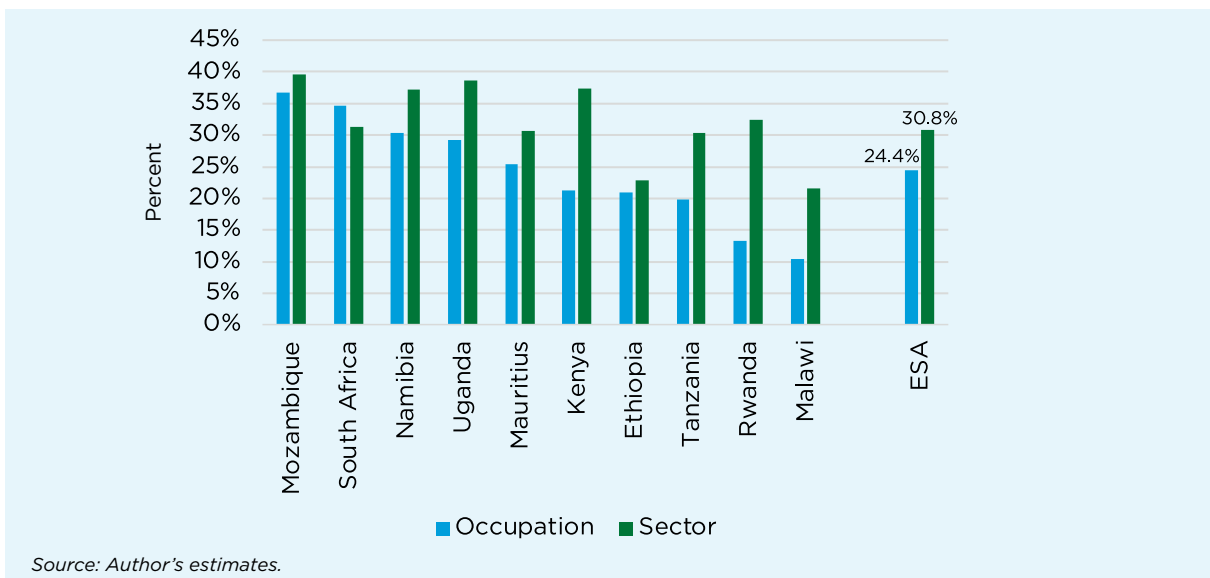
<sup>5</sup> The Duncan Segregation Index is a measure of occupational/sectoral segregation based on gender that gauges whether or not there is a larger than expected presence of one gender over the other in a given occupation or sector. A Duncan Segregation Index value of 0 indicates perfect gender integration within the workforce, while a value of 100 indicates complete gender segregation. The index is calculated based on International Standard Classification of Occupations 2008 occupational classification and Statistical Classification of Economic Activities in the European Community Rev.2 sectoral classification, both at first-digit level (other digit levels were not available for most of the countries).

<sup>4</sup> In each country, sectors and occupations are ordered according to the difference in the relative shares of employment among women and men in total employment by gender. The top three highest-ranked sectors/occupations are considered “feminine”. The bottom three sectors and occupations are considered “masculine”.

**FIGURE 12**  
Raw and adjusted gender pay gap against gender employment gap, by country



**FIGURE 13**  
Gender segregation (Duncan Segregation Index), by country



Index values by occupation range from 10.4 per cent to 36.7 per cent, indicating mild to moderate occupational segregation, while by sector values range from 21.5 per cent to 39.6 per cent, indicating that sectoral segregation is generally moderate.

In the top sectors where women dominate, they are usually paid less than men (**Figure 14**). Hence, the sectoral segregation of women into “feminine” sectors in ESA is aggravated by women being lower paid than men. A general exception is Rwanda, where the gap is statistically insignificant, and to

**FIGURE 14**  
**Gender pay gap in the top three “feminine” sectors, by country**



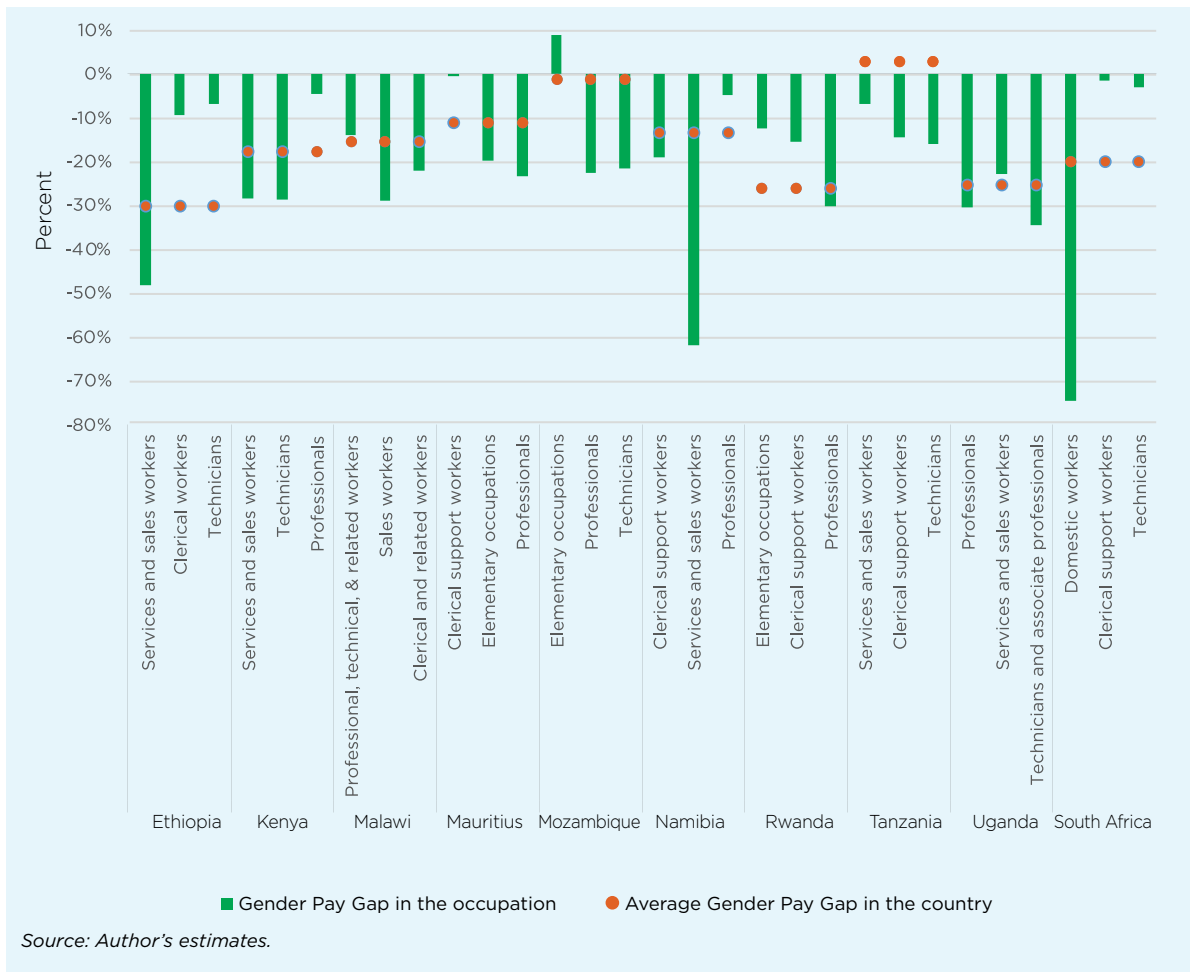
an extent in Mozambique. In the majority of cases, such gender pay gaps are larger than the average gender pay gap in the country, revealing that women are further paid less than men in the sectors in which women dominate, compared with the average woman in the country.

The same pattern emerges when occupations are considered. **Figure 15** shows the raw gender pay gap in the top three “feminine” occupations in ESA where women dominate compared with men. With the exception of one case (professionals in Mauritius), the gender pay gap is negative, i.e. in the top occupations in ESA where women dominate, they are usually underpaid compared with men. When the occupational gender pay gap is compared with the average gender pay gap in the country, the picture is mixed. In some cases, women in the top three “feminine” occupations in ESA face a larger than average gender pay gap and in some cases this gap is smaller.

### Policy Recommendation

Closing the gender pay gap and addressing other labour-market inequalities are important for improving women’s socioeconomic position and achieving social justice for more than half of the world’s population. Allowing women to use their skills and talents optimally will also benefit the economy, reducing poverty and inequality, promoting innovation and entrepreneurship, and supporting economic growth. However, as this study highlights, the gender pay gap and other labour-market inequalities are complex issues influenced by various factors, such as occupational segregation, differences in education and care responsibilities, discrimination and societal norms. Addressing these issues, therefore, requires a comprehensive approach that involves multiple stakeholders, including governments, employers, civil society organizations and individuals.

**FIGURE 15**  
**Gender pay gap in the top three “feminine” occupations, by country**



Source: Author's estimates.

**Governments could strengthen existing legislation or introduce new laws** that ensure that women and men are entitled to equal remuneration for work of equal value. This would include implementing measures such as transparency in the recruitment process, for example by disallowing the collection of personal information (e.g. marital status) while hiring, prohibiting pay discrimination based on gender and promoting pay equity by making pay scales publicly available in the public and private sectors.

**Social protection policies, such as minimum wage legislation and social security benefits,** can be effective if they consider the specific needs and vulnerabilities faced by women in the

labour market. Minimum wage laws especially address pay differences and increase wages for earners in the lowest deciles of the earnings distribution. Sector-specific minimum wage legislation can help to reduce the gender pay gap across sectors. However, typically, minimum wage laws do not apply to informal employment and, even if they do, enforcement is a challenge. Policies to increase employment formalization, supporting workers' unions and social protection programmes, are important for complementing and enforcing minimum wage legislation.

**An economy-wide approach needs to be taken to encourage the breaking down of gender segregation** by promoting women's

participation in non-traditional fields and sectors, where they are underrepresented. This can be done through targeted recruitment, training programmes, addressing discriminatory practices and making workplaces safer for women in traditionally “masculine” sectors. Governments and employers can also support the reintegration of women into the labour force after periods of absence, for example after maternity leave. This would reduce occupational segregation, wherein women are underrepresented in high-paying and competitive jobs, and minimize the negative impact of career breaks.

**Policies that support work-life balance**, such as flexible working arrangements, setting an upper limit to the number of working hours in the week, parental leave (where both parents are encouraged to take time off), and affordable and good-quality childcare, care for people with disabilities and elderly care, can encourage women to fully participate in the labour market. This would help to reduce the gender pay gap while also ensuring that household and caregiving responsibilities can be redistributed more equitably between men and women.

**Better data are also required on the distribution of wages** in all countries covered in the study and other countries in the region. For instance, most available surveys exclude non-wage earners, which makes it impossible to understand how they are compensated. In addition, there is a lack of data on relationships in the household, which prevents a deeper understanding of how motherhood and fatherhood affect pay.

Ultimately, **it is important to promote societal norms that encourage gender balance**. Societal norms often assign specific gender roles and expectations, leading to the perpetuation of gender inequalities in the labour market. Thus, these norms affect how wom-

en and households make decisions regarding education, occupations, sectors and working hours. Societal norms can also contribute to discriminatory practices and unconscious biases that affect hiring, promotion and pay decisions. This could explain the evidence for the glass ceiling effect that is observed in ESA. All stakeholders have a role to play in promoting gender equality in all spheres of society and in encouraging men’s active involvement in unpaid care work. By shifting societal norms and challenging discriminatory beliefs, labour markets can become more inclusive, valuing skills and contributions over gender stereotypes.

In conclusion, **achieving gender pay equality and addressing labour-market inequalities requires a multifaceted approach** involving various stakeholders across the economy. Better data on the wage distribution, collected at frequent intervals, would enable a better understanding of the gender pay gap in the region and inform work to advocate for policies to address it. Public policy efforts to tackle the “explained” part of the gender pay gap could prioritize enhancing educational opportunities for women and girls, promoting women’s participation in high-paying and traditionally “masculine” occupations and sectors, supporting women’s labour force reintegration after career breaks and providing a robust social protection system. Tackling the “unexplained” part of the gender pay gap requires regulating the private sector, to ensure that equal compensation and equal opportunities are provided to women, and introducing interventions to break down gendered cultural norms. Policies to recognize, reduce and redistribute women’s and girls’ unpaid care work responsibilities would complement all policy efforts to reduce the gender pay gap. In this way, ESA countries can unlock the full potential of their workforce, fostering socioeconomic advancement, innovation and sustainable economic growth.



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