

GENDER PAY GAP AND LABOUR-MARKET INEQUALITIES IN MOZAMBIQUE



Introduction

Despite progress in women's economic and political participation, formal employment and education attainment, a 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 objective of this brief is to present an overview of the adjusted gender pay gap and labour-market inequalities in Mozambique. It uses data from Mozambique's Household Budget Survey 2019/20¹ and relies on the findings of the UN Women (2023) study titled "Why Women Earn Less: Gender Pay Gap and Labour-Market Inequalities in Mozambique."

Mozambique is a low-income country with a population of approximately 33 million (as at 2022).² Since the start of the 21st century, the country has made progress towards gender equality in terms of women's economic and political participation, formal employment and education attainment. For instance, as at February 2021, 42.4 per cent of seats in parliament were held by women.³ Yet, the gender pay gap is still a pervasive labour-market feature in Mozambique. Mozambique is one of the poorest countries in the world and its poverty rates increased from 64.6 per cent in 2014 to 74.4 per cent in 2019, based on the US\$2.15 per day poverty line.⁴ Moreover, the Gini coefficient, which measures inequality, decreased from 56.1 to 50.4 during the same period.⁵ Addressing the gender pay gap would contribute to poverty reduction and reduce inequality.

Labour-market structure

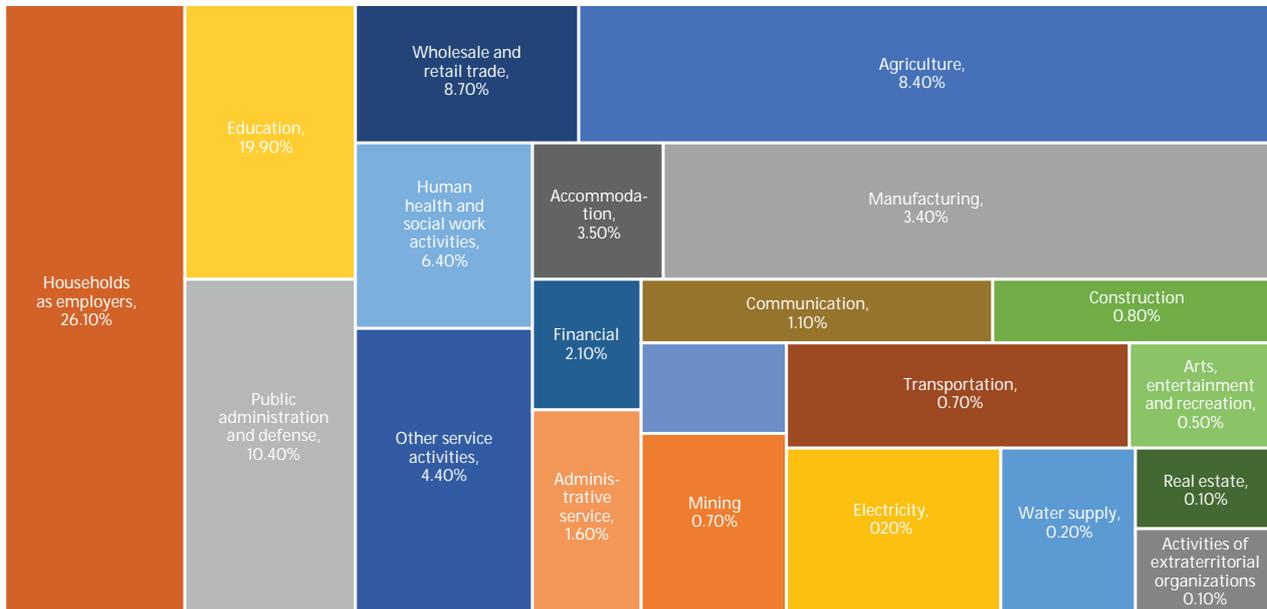
The employment rate in Mozambique is 78.4 per cent for individuals aged 15–64 years. The employment rate of women is lower (76.1 per cent) than the employment rate of men (81.1 per cent).

As shown in Figure 1, the sectors that account for most women's employment, in terms of percentage of wage employment, are wholesale and retail trade, education, public administration and defence, and activities of households as employers. Many

of these are care sectors (education) or sectors dominated by care work (activities of households as employers). Figure 2 shows that traditionally "masculine" sectors, such as manufacturing, construction and transport, along with agriculture, wholesale and retail trade, education and public administration, make up the majority of men's wage employment.

Figure 1

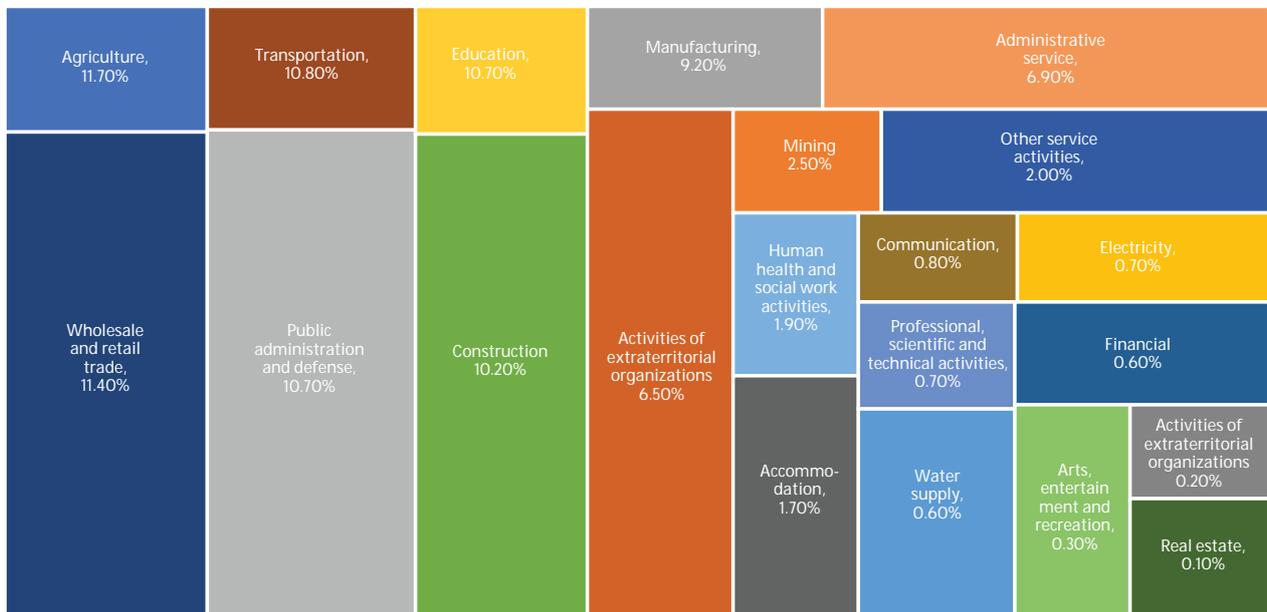
Women's share of wage employment by sector, as a percentage of women's total employment



Source: Authors' own calculations.

Figure 2

Men's share of wage employment by sector, as a percentage of men's total employment



Source: Authors' own calculations.

Table 1 shows that the occupational categories professionals, technical professionals and elementary

occupations account for a larger share of women's employment than of men's employment.

Table 1

Percentage of wage employment by occupation (as per the International Standard Classification of Occupations), by gender

	Men (%)	Women (%)
Armed forces	0.9	0.1
Managers	2.1	1.6
Professionals	13.8	22.2
Technicians and associate professionals	7.2	11.8
Clerical support workers	3.4	6.4
Services and sales workers	21.9	12.9
Skilled agricultural, forestry and fish workers	9.8	7.5
Craft and related trades workers	14.0	1.4
Plant and machine operators and assemblers	12.8	1.4
Elementary occupations	14.1	34.7

Source: Authors' own calculations.

Gender pay gap

The **unadjusted or raw gender pay gap** in Mozambique is only **1.6 per cent** when considered at the hourly level but is **14.9 per cent** when considered at the monthly level. The monthly gap is larger than the hourly gap because women work fewer hours than men in paid employment. In fact, women work fewer hours than men in paid employment across all age groups and educational groups. This can be attributed to various factors, including women's disproportionate responsibilities for unpaid care work, discriminatory practices prevalent in the labour market and individual preferences. For the rest of this brief, only the hourly pay gap is considered. This average pay gap hides significant heterogeneity in various characteristic.

The gap exists at all levels of education but is largest, at 23.4 per cent, for individuals with a primary-level education and smallest, at 13.8 per cent, for individuals with a tertiary-level education. Surprisingly, both single and married women are paid more than single and married men, respectively, with this positive gap being particularly notable among single individuals. The unadjusted gender pay gap also varies by sector and occupation. The gap varies in feminized sectors, i.e. sectors where women constitute a large or the majority share of employment. For example, women are paid



18%

more than men in households as employers, but



17.3%

less in education and



22%

less in human health and social work activities. The pay gap is smaller or even positive in sectors dominated by men. The gap is negative and substantial across most occupations, except for skilled agricultural workers, professionals, and legislators, government officials and managers.

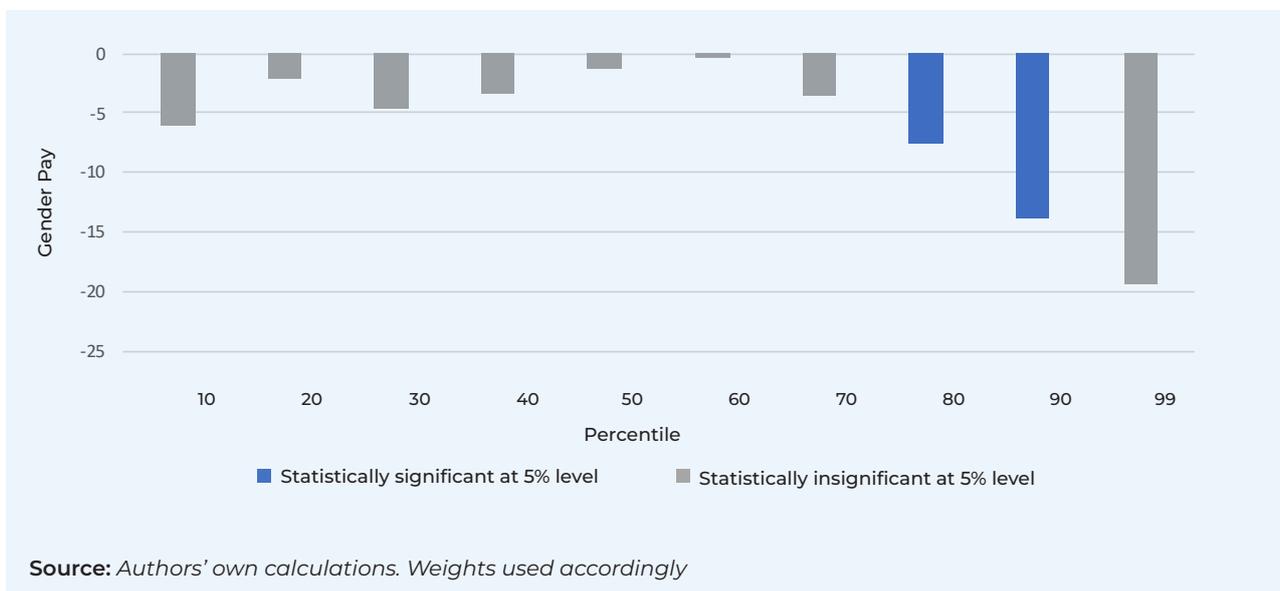
It is apparent that personal and labour-market characteristics of individuals are important determinants of the pay gap observed from the data. Men and women have different characteristics, which can explain at least a part of the difference in their pay. After accounting for age, marital status, educational level, occupation, sector and formality status, the **adjusted gender pay gap is 1.3 per cent**. This pay gap is very small and not statistically significant, which suggests that, on average, there is no gender pay gap in the country after accounting for men's and women's differing characteristics.

Gender pay gap by percentile

Figure 3 presents the adjusted pay gap across deciles and the top centile of the pay distribution. Such a breakdown of the gender pay gap can be used to examine the prevalence of a “sticky floor” and “glass ceiling” in the economy. A “sticky floor” indicates a labour market where individuals, typically women, in low-paying roles encounter limited job mobility and barriers to career ad-

vancement. A “glass ceiling” refers to obstacles that hinder women from reaching top managerial and leadership positions. The gap is 7.6 per cent and 13.9 per cent for the eighth and ninth deciles, respectively. However, it is small and statistically insignificant for the top centile. This suggests that a “glass ceiling” exists in Mozambique, but not for top managerial and leadership positions.

Figure 3
Adjusted gender pay gap by decile and top percentile



Occupational and sectoral segregation by gender

Women and men are distributed unevenly across sectors and occupations in the economy and such horizontal segregation is a big driver of the gender pay gap. To examine this segregation further, Table 2 presents Duncan Segregation Index values for Mozambique. The overall occupational segregation value is 0.37, which shows that about 37 per cent

employed women and men would need to switch occupations for the occupational distribution of women and men to become equal. The overall sectoral segregation index value is 0.4, which shows that about 40 percent employed women and men would need to switch sectors to achieve the same sectoral distribution.

Table 2
Horizontal gender segregation index in Mozambique

	All	Educational level		
		Primary or less	Secondary	Tertiary or above
Occupation	0.367	0.448	0.318	0.153
Sector	0.396	0.462	0.403	0.180

Source: Authors' own calculations. Weights used accordingly.

Conclusion

The objective of this study was to calculate and shed light on the gender pay gap and other labour-market inequalities in Mozambique. There is an employment gap of 5 percentage points between women and men, with women facing lower employment rates, particularly those with a secondary-level education and in the age group 25–49 years. Among the employed population, women consistently work fewer hours than men. The raw gender pay gap in Mozambique is 14.9 per cent at the monthly level and 1.3 per cent at the hourly level (although insignificant), highlighting differences in working hours. The unadjusted hourly gender pay gap is seen across all educational levels, and is widest among primary-educated individuals and narrowest among secondary-educated individuals. In terms of marital status, the gender pay gap is surprisingly positive for both married and single individuals. After accounting for individual and labour-market characteristics, the adjusted gender pay gap is 1.3 per cent, which is similar to the raw gender pay gap and, like the raw gender pay gap, is statistically insignificant.

Closing the gender pay gap and addressing other labour-market inequalities is important for improving women's socioeconomic position and achieving social justice for more than half of the world's population. 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.

In conclusion, achieving gender pay equality and addressing labour-market inequalities require a multifaceted approach involving various stakeholders across the economy. Better data on the pay 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, Mozambique can unlock the full potential of its workforce, fostering socioeconomic advancement, innovation and sustainable economic growth.

References

1. This brief uses data from Mozambique's Inquérito Sobre Orçamento Familiar (IOF) – Household Budget Survey 2019/20. This survey comprises 13,333 households and 64,519 individuals, of whom 32,778 individuals are working of age, i.e. between the ages of 15 and 64 years. A person is identified as employed if that person worked for at least one hour in the last seven days or did not work over this time span but had work to which they will return. After cleaning the data to remove individuals who did not report their wages or hours worked, the final sample size is 5,220.
2. World Bank (2024). "Population, Total – Mozambique." Accessed 12 January 2024. <https://data.worldbank.org/indicator/SP.POP.TOTL?locations=MZ>.
3. UN Women (2024). "Mozambique." Accessed 3 January 2024. <https://data.unwomen.org/country/mozambique>.
4. World Bank (2024). "Poverty Headcount Ratio at \$2.15 a Day (2017 PPP) (% of Population) – Mozambique." Accessed 12 January 2024. <https://data.worldbank.org/indicator/SI.POV.DDAY?locations=MZ>.
5. World Bank (2024). "The World Bank in Mozambique." Accessed 3 January 2024. <https://www.worldbank.org/en/country/mozambique/overview>.
6. The Duncan Segregation Index is a measure of occupational/sectoral segregation based on gender that gauges whether 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 1 indicates complete gender segregation.