

GENDER PAY GAP AND LABOUR-MARKET INEQUALITIES IN NAMIBIA



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 Namibia. It uses data from Namibia's Household Income and Expenditure Survey 2015/2016¹ and relies on the findings of the UN Women (2023) study titled

“Why Women Earn Less: Gender Pay Gap and Labour-Market Inequalities in Namibia.”

Namibia is an upper-middle-income country with a population of approximately 2.5 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, 44.2 per cent of seats in parliament were held by women.³ Yet, the gender pay gap remains a pervasive labour-market feature in Namibia.

Labour-market structure

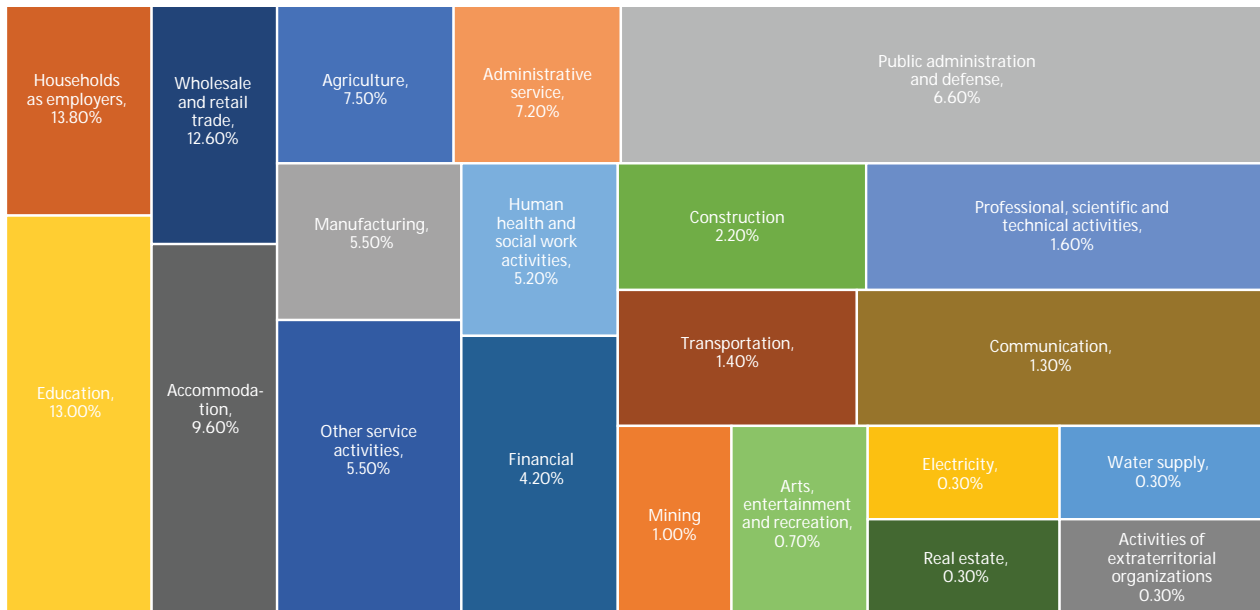
The employment rate in Namibia is 48.3 per cent for individuals aged 15–64 years, and the employment rate of women is lower (43.2 per cent) than the employment rate of men (53.9 per cent).

As shown in Figure 1, the sectors that account for most women's employment, in terms of percentage of wage employment, are accommodation and

food service activities, wholesale and retail trade, education and activities of households as employers. Figure 2 shows that agriculture and wholesale and retail trade, as well traditionally “masculine” sectors such as manufacturing and construction, make up the majority of men's wage employment.

Figure 1

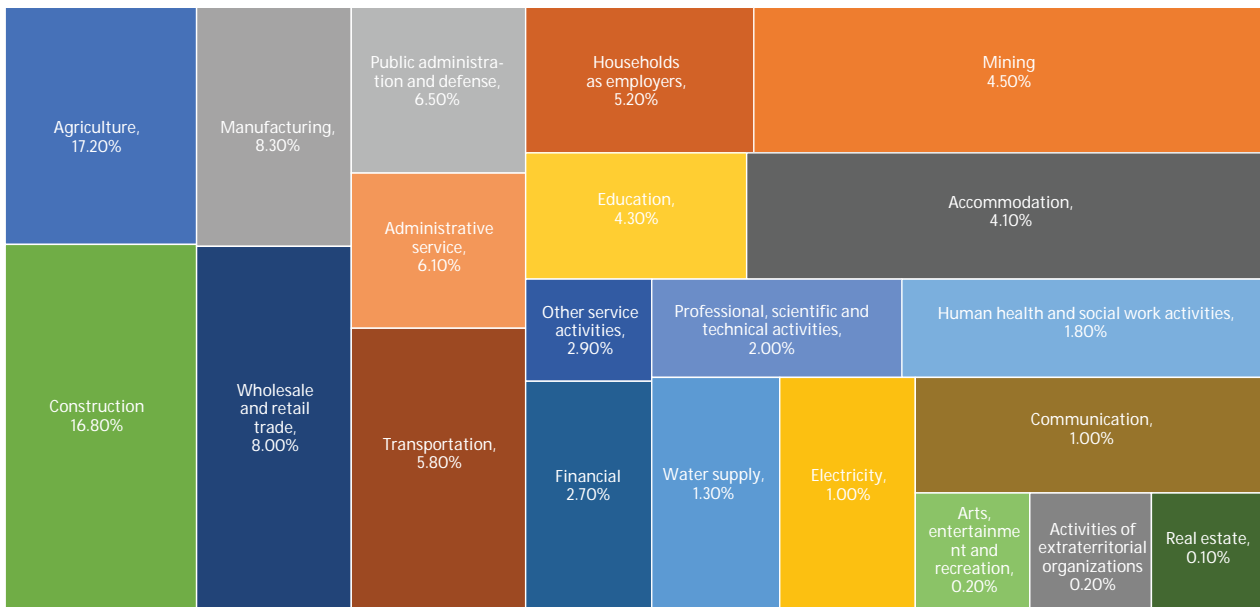
Women's share of employment by sector, as a percentage of women's total employment



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, managers, clerical support workers, and services and sales workers account for a larger share of women's employment than of men's employment. Interestingly, the shares

of women and men in formal and informal wage employment do not substantially differ. However, it is important to note that the feminization of informal jobs may become apparent if data were available on contributing family member.

Table 1

Percentage of wage employment by occupation (as per the International Standard Classification of Occupation) and formality status in Namibia, by gender

	Men (%)	Women (%)
Armed forces	4.4	2.2
Managers	4.9	6.9
Professionals	7.6	13.6
Technicians and associate professionals	5.9	8.5
Clerical support workers	4.9	17.0
Services and sales workers	8.9	16.5
Skilled agricultural, forestry and fish workers	4.5	1.4
Craft and related trades workers	18.4	3.2
Plant and machine operators and assemblers	8.5	0.6
Elementary occupations	32.1	30.1
Formality status		
Formal	59.2	65.4
Informal	40.8	34.6

Source: Authors' own calculations.

Gender pay gap

The unadjusted or raw gender pay gap in Namibia is 13.6 per cent when considered at the hourly level and 18.3 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 in paid employment than men across all age and educational level 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 caused by various characteristic.

The pay gap exists at all levels of education but is largest, at 40.0 per cent, for individuals with a primary-level education and smallest, at 33.3 per cent, for individuals with a tertiary-level education. The gap is smaller for married individuals (7.6 per cent) than for single individuals (10.9 per cent). The unadjusted gender pay gap also varies by sector and occupation. For instance, women are paid 18.4 per cent less than men in the households as employers' sector and



56.1%

less in the accommodation and food service activities sector. Interestingly, women are paid



29.6%

more in agriculture and



78.2%

more in construction, sectors that are dominated by men in Namibia. The gap varies by occupation, ranging from



4.9%

for professionals to



67.6%

for plant and machine operators.

By formality status, the raw gender pay gap in the informal sector (47 per cent) is almost seven times that in the formal sector (6.5 per cent).

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 18.9 per cent. This is larger than the raw gender pay gap and suggests that women have better personal and labour-market characteristics than men.

Decomposition of the gender pay gap

The Oaxaca–Blinder decomposition⁴ of the gender pay gap is presented in Table 2. Personal and labour-market characteristics do not have a statistically significant explanatory power in explaining the gender pay gap. The unexplained

part and the interaction between the explained and unexplained parts explain all of the gap. This suggests that factors other than observable personal and labour-market characteristics affect the gender pay gap in Namibia.

Table 2
Oaxaca–Blinder decomposition of the gender pay gap in Namibia

	Average log hourly wages
Men	2.959***
	(0.029)
Women	2.823***
	(0.034)
Difference (raw pay gap)	0.136***
	(0.045)
Explained part, i.e. explained by characteristics	0.0479
	(0.071)
Unexplained part	0.234***
	(0.045)
Interaction of the two parts	-0.146**
	(0.071)

Source: Authors' own calculations.

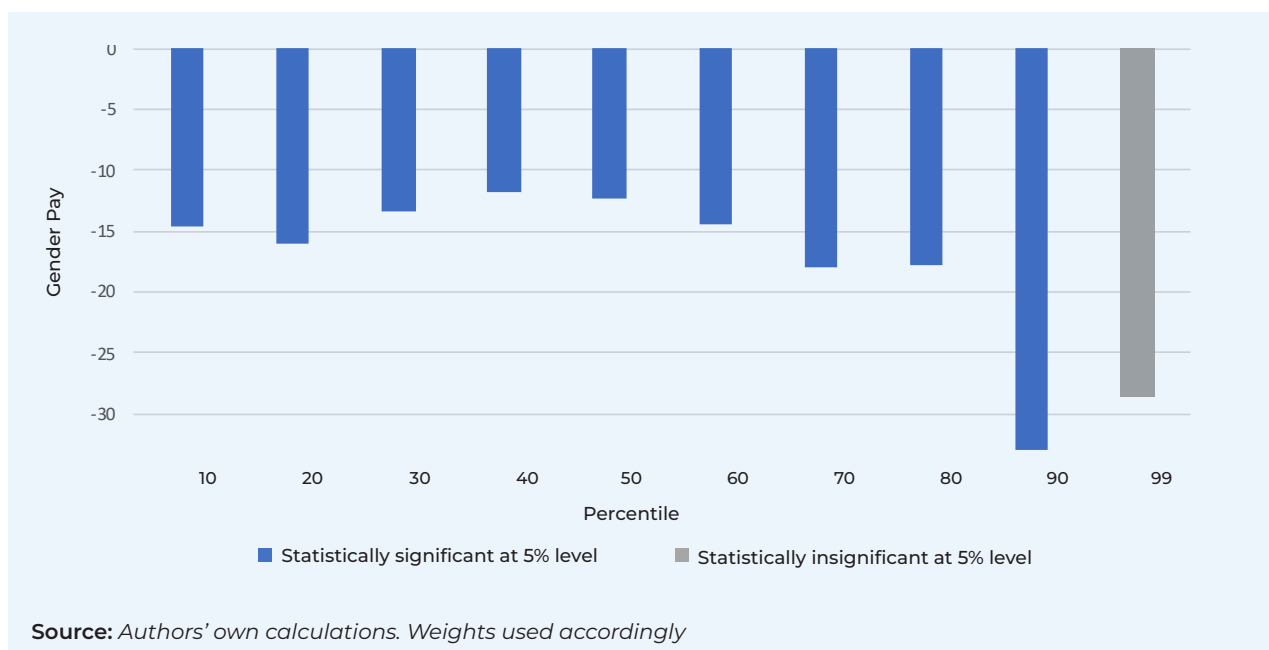
Note: *, ** and *** denote statistical significance at the 10%, 5% and 1% levels, respectively. Standard errors given in parentheses. Results robust to heteroskedasticity.

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” refers to a labour market where individuals, typically women, in low-paying roles encounter limited job mobility and barriers to career advancement. A

“glass ceiling” refers to obstacles that hinder women from reaching top managerial and leadership positions. The gap does not show any consistent pattern across deciles. There is limited evidence of a “sticky floor” because the gender pay gap is relatively small for the bottom decile. The gap is very large, at 33 per cent, for the top decile, which suggests the presence of a “glass ceiling.”

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 3 presents Duncan Segregation Index values⁵ for Namibia. Overall, the occupational segregation

value is 0.30 and the sectoral segregation value is 0.37. This shows that about 30 per cent of employed women and men would need to switch occupations and sectors for the occupational and sectoral distribution of women and men to become equal.

Table 3
Horizontal gender segregation index in Namibia

	All	Educational level		
		Primary or less	Secondary	Tertiary or above
Occupation	0.303	0.328	0.304	0.238
Sector	0.371	0.499	0.348	0.362

Source: Authors' own calculations. Weights used accordingly.

It is more difficult to examine vertical segregation, i.e. men's domination in high-paying and high-status jobs within occupations, because of data limitations. Table 4 shows the composition of occupational group 1, which includes legislators and managerial workers and is considered the highest-skill occupational group as per international

classification. Although women are well represented in this occupational group, the raw gender pay gap is large, at 57.2 per cent. Moreover, the gender pay gap is also large, at 33 per cent, for the top decile of the wage distribution. Thus, these findings provide mixed evidence for a "glass ceiling" in Namibia

Table 4

Proportion of men and women employed in occupational group 1: legislators, senior officials and managers

	Men (%)	Women (%)
Legislators and senior officials	56.5	43.5
Corporate managers	41.1	58.9
General managers	57.4	42.6

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 Namibia. Strikingly, there is an employment gap of 10.7 percentage points (p.p.) between women and men, with women facing lower employment rates, particularly those with lower levels of education and in the older age group. Among the employed population, women consistently work fewer hours than men. The raw gender pay gap in Namibia is 18.3 per cent at the monthly level and 13.6 per cent at the hourly level, highlighting differences in working hours. This unadjusted gender pay gap is seen across all educational levels, being widest among primary-educated individuals and narrowest among tertiary-educated individuals. In terms of marital status, the gender pay gap is notably smaller among married individuals than among single individuals. After accounting for individual and labour-market characteristics, the gender pay gap increases, to give an adjusted gender pay gap of 18.9 per cent, indicating that the observable characteristics of individuals and job characteristics cannot explain the gender pay gap.

The gender pay gap cannot be explained by individual and labour-market characteristics. The explained part is small in magnitude and statistically insignificant at 5 % level, indicating that unmeasured factors such as differences in motivation, bargaining power, social networks and labour-market discrimination affect the gender pay gap in Namibia.

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, Namibia can unlock the full potential of its workforce, fostering socioeconomic advancement, innovation and sustainable economic growth.

References

1. This brief uses data from the Namibia Household Income and Expenditure Survey 2015/2016. This survey comprises 10,091 households and 41,583 individuals, of whom 23,372 are of working age, i.e. between the ages of 15 and 64 years. A person's employment status and wages were determined based on whether or not that person worked for pay in the last seven days for at least one hour; ran a business; was absent from work; or did agricultural work but at least partially for sales. Thus, individuals who produce agricultural products exclusively for own use are excluded. After cleaning the data to remove individuals who were unemployed or inactive and individuals who did not report their wages, the final sample size is 7,333.
2. World Bank (2024). "The World Bank in Namibia." Accessed 12 January 2024. <https://www.worldbank.org/en/country/namibia/overview>.
3. UN Women (2024). "Namibia." <https://data.unwomen.org/country/namibia>.
4. Please refer to Fortin et al. (2011) for a detailed discussion of the methodology.
5. 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.