



Global Wage Report: ILO

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Recently **International Labour Organisation** (ILO) has released the Global Wage Report 2018.

For the **first time**, the Global Wage Report 2018 has also focused on the **global gender pay gap**.

Key Findings

- **Lowest wage growth globally in 2017 since 2008:**

Globally, the rate of growth in wages in 2017 fell to its lowest level since 2008, but workers in **India had the highest average real wage growth in Southern Asia** of 5.5% over the period 2008-17.
- **Slow wage growth in high-income countries:**

Wages in developing countries are increasing more quickly than those in higher-income countries. But the gaps in wages are wide and the level of wages is still not high enough for people to meet their basic needs in developing countries.
- **More robust wage growth in low- and middle-income countries:**
 - All emerging G20 countries except Mexico experienced significant positive growth in average real wages between 2008 and 2017.
 - Real wages between 1999 and 2017 have almost tripled in the emerging and developing countries of the G20.
- **Wage growth lagging behind productivity growth in high-income countries:**

Labour productivity has increased more rapidly than real wages due to which the share of labour compensation in GDP in many countries remain substantially below those of the early 1990s.

- **Wage inequality highest in low-income countries:**
 - Countries with the lowest levels of wage inequality are found among the high-income group, whereas countries with the highest levels of wage inequality are found in the low- and middle-income groups.
 - Among **high-income countries**, wage **inequality is lowest in Sweden and highest in Chile**. Among **low-income and middle-income countries**, **South Africa and Namibia** have the **highest inequality**, **Armenia and Mongolia** the **lowest**.
- **Gender pay gaps represent one of today's greatest social injustices:**
 - Women continue to be **under-represented in traditionally male-occupied categories** and within similar categories, women are consistently **paid below men**, even if women's **educational attainments are just as good or better** than those of men in similar occupations.
 - In high-income countries, the gender pay gap was at its biggest in top-salaried positions. In low- and middle-income countries, however, the gap was widest among lower-paid workers.
 - The **lack of programmes supporting women's return to work after childbirth** also contributes to the wage penalty that women face when resuming work after a prolonged period of absence from the labour market.
 - The wages of both men and women also tend to be lower in enterprises and occupations with a predominantly female workforce.

Way Forward

- State-specific and comparative studies on wages are needed by the collaboration work between government agencies, academic institutions and expert organisations.
- Good data is needed in many countries for better data on the distribution of wages.
- **Educational policies** targeting enrolment rates among girls may contribute to reducing the gender pay gap in the future.
- **Reducing polarization and occupational segregation** may require changing perceptions and stereotypes, for example- attract more women into the areas of science, technology, engineering and mathematics (STEM), which offer better-paid employment opportunities.
- Countries should also look into possible ways to address the undervaluing of women's work in highly feminized occupations and industries, including by raising wages in the latter. Eliminating this bias is not only a way to narrow the gender pay gap directly, but it is also a condition to reduce occupational segregation, for example by attracting more men into the education and health sectors.
- More **equitable sharing of family duties** between women and men, as well as adequate childcare and eldercare services, would in many instances lead to women making different occupational choices.

- An **appropriate mix of policies in any national context** will depend on that particular country's circumstances, and that robust analytical work is needed to identify the largest contributory factors – and hence the most effective remedies – in different country contexts.

Equal Pay International Coalition (EPIC)

- To support UN's SDG 8, the Equal Pay International Coalition (EPIC), was launched in September 2017 as a **multi-stakeholder initiative** that includes the **ILO, UN Women and the OECD**.
- It seeks **to achieve equal pay for women and men**.
- The UN's SDG 8 sets the target of “achieving full and productive employment and decent work for all women and men, including for young people and persons with disabilities and equal pay for work of equal value” by 2030.

International Labour Organization

- The International Labour Organization (ILO) was founded in 1919 to promote social justice and thereby contribute to universal and lasting peace.
- The ILO is responsible for drawing up and overseeing international labour standards.
- It is the **only tripartite United Nations agency** that brings together representatives of **governments, employers** and **workers** to jointly shape policies and programmes promoting decent work for all.