Gender inequality: occupational devaluation and pay gaps

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is whether gender is one of the criteria and if so whether occupations are devalued following the entry of women. The literature documenting long-term trends in gender inequality has tended to focus heavily on the former – i.e. the upward occupational mobility of women, meaning that women are incrementally entering higher rungs of the occupational hierarchy. The second process – which is conceptualized as a structural process – refers to the criteria for rewarding occupations. The question in this regard as a notable consequence of the growing occupational attainments of women over recent decades is evident in the way occupational feminisation affects the pay level of occupations. Although a considerable amount of research has highlighted the negative association between the percentage of women in occupations and their rewards, most of these studies have focused on the causal mechanisms of the process rather than on the dynamics over an extended period of time.

Prof. Hadas Mandel sought to address this lacuna in the literature by examining trends in the effect of occupational feminisation and occupational pay levels over time (see model 1 in the second figure below). This decline is most apparent from 1980 onward, a period in which US women witnessed a significant improvement in their occupational standing, and a period where occupations requiring higher education enjoyed a large wage premium.

However, when examining the effect of gender composition of the occupation after accounting for women's higher education and for the level of education in occupations, the trend is reversed; the negative net effect of female percentage on occupational pay intensifies over time (see model 2 in the second figure below). These two opposite processes reflect the upward occupational mobility of women, on the one hand, and its gendered consequences, on the other hand.

The major role education plays in explaining the divergent trends is twofold. The entry of women into occupations requiring higher education, and the growing economic reward to high education and to occupations with higher educational requirements, may both conceal the trend in the devaluation effect as they contribute to weakening the correlation between the percentage of women and pay across occupations over the course of time. Thus, the intensification of the devaluation effect is revealed only after controlling for education (at both the occupational and individual level), because the growing educational level of women, and the growing rewards to education, are processes that run counter to devaluation and thus conceal its intensification.

Let's consider the example of industrial engineers and electrical engineers. Both occupations demand high education (more than 70% of incumbent workers in 2010 had an academic degree), and both enjoyed a wage premium during the period studied. However, while in both occupations the percentage of women in 1960 was negligible (2% and 1%, respectively), 50 years later only 10% of electrical engineers were women, compared to 19% – almost double – of industrial engineers. As both occupations enjoyed wage premia, the devaluation effects may not be observed because the process of feminization was not followed by an absolute wage reduction. Rather, feminization is associated with a smaller wage premium relative to comparable highly educated occupations. Thus, controlling for education is essential for revealing the devaluation process. Indeed, we see that while electrical engineers enjoyed a premium of 25% during the period studied, industrial engineers enjoyed a premium of less than 19%.

The findings demonstrate the interrelationship between two opposing gendered processes and provide concrete evidence that gender stratification operates differently at the individual and at the structural/occupational level. The split between individual and occupational forms of gender inequality and the divergent trend of each are crucial for our understanding of gender inequality in theory as well as in practice. This is because structural mechanisms are not directed at any specific individual and thus are more ambiguous and more difficult to track empirically. The danger is...
because the importance of gender as a determinant of economic inequality in the labour market will be less visible, less amenable to empirical assessment, and not sufficiently acknowledged.

GENDER AND RACIAL PAY GAPS

A different topic that Prof. Mandel investigates deals with the interaction between race and gender in earnings inequality. Segregation and earnings disparities between blacks and whites observed at the turn of the 21st century in the US are considerably lower than those documented in the middle of the 20th century. The rate of decline in racial pay disparities was fairly rapid following the enactment of the Civil Rights Act but has slowed in recent decades. Despite the wide consensus that racial economic disparities are declining, researchers do not fully agree on the sources, causes, and trajectory of the decline or whether the trends are similar for both men and women. Although the literature on racial earnings disparities has grown, most studies focus on the topic on the male population.

To address this issue, Prof. Mandel, in collaboration with Moshe Semyonov, used IPUMS data between 1970 and 2010 to examine the trends and sources of the racial pay gap among men and women in the US labour force. Findings highlighted the significance of the interaction between gender and race. They found that gender differences in the racial pay gaps were pronounced and that it was not possible to reach conclusions regarding racial pay gaps based on data for one of the two gender groups. Racial pay gaps were substantially larger among men than among women at all time points. Although this demonstrates the significance of the interaction between gender and race, the findings do not support a double disadvantage hypothesis. Instead, they show that black men, not black women, are the prime target of economic discrimination in the US labour market. However, the findings also show that earning inequality is more gendered than racialized. They find that women of both races have an economic disadvantage in comparison with men. The ‘racial advantage’ of black men compared with black women should thus be understood within their overall gender disadvantage.

Despite these differences between the genders, the trend over time was very similar for both genders; racial gaps sharply declined between 1970 and 1980 and continued to decline at a slower rate until 2000. However, at the turn of the millennium, the trend reversed for both gender groups. Given that earning inequality was found to be “more gendered than racialized” the similar trends is intriguing. The post-1970 decline in the gap can be understood as a rise in economic discrimination against blacks. Although different pay rewards of higher education relative to blacks. This was followed by stagnation in the processes of occupational desegregation, which may also indirectly indicate a rise in economic discrimination against blacks. Although different pay rewards of higher education for blacks and whites, as well as stagnation in desegregation, are only implicit indicators for discrimination, the simultaneous changes in the two trends – i.e., the reversal of the trend among the two gender groups, coupled with our knowledge of government reforms during this very period – may point to growing discrimination.