

The Root Causes and Current Manifestations of the Gender Income Gap

Yixuan Ji^{1,a,*}

¹*Guizhou University of Finance and Economics, Huaxi University Town, Huaxi District, Guiyang City, Guizhou Province, China*

a. 551444185@qq.com

**corresponding author*

Abstract: The gender wage gap is a complex and pervasive sociolect-economic issue that involves multiple factors such as gender roles, labor market structure, education level, and policy systems. From the perspective of labor economics, this paper explores the root causes, current manifestations, and potential solutions to the gender income gap in China. The study finds that the lack of access to education and training opportunities, employment discrimination, and imbalances in industry and regional structures are the primary causes. The manifestations of the gap are evident in labor force participation rates, career progression, and income levels. To address this issue, changes in societal perceptions, enhancement of female labor capital, and the improvement of legal protections are required. This article will conduct an in-depth analysis of gender income inequality from multiple perspectives, and provide corresponding policy recommendations for policy makers, with the aim of promoting gender equality and social justice.

Keywords: Gender Income Gap, labor market, influencing factors, education, gender equality.

1. Introduction

Gender wage gap refers to the unequal distribution of income between different genders, which is a widespread phenomenon globally and an important issue that requires close attention from society as a whole.. Despite the increasing participation of women in the modern labor market, their average income levels still lag significantly behind men's. According to the BOSS Direct Employment Research Institute's 2022 report, the average annual salary of female workers in urban areas in 2021 was 7,017 yuan, only 77.1% of the average salary for male workers. The Mamiko T existence of gender wage gap not only affects individuals' economic status, quality of life, and development opportunities, but also conflicts with the concept of social equity and development, and has far-reaching impacts on the overall economic growth and social stability of society[1].

The factors influencing the gender income gap are multifaceted, including personal characteristics and structural elements such as social environment and employment systems. A comprehensive examination from various angles—social structure, institutional arrangements, and psychological factors—is needed to find effective ways to reduce this gap. This paper aims to analyze the root causes, current manifestations, and potential solutions to the gender income gap from a labor economics perspective, providing theoretical and practical references for addressing the issue. Labor economics considers the impact of labor supply, employment systems, and other factors on

employment and income, offering a clear understanding mechanism for existing income gaps and practical policy suggestions.

The innovation of this paper lies in identifying the lack of education and training opportunities as a key factor driving the income gap, and proposing policies to enhance female human capital to narrow this gap. This contributes both to the improvement of related policies and to a deeper theoretical understanding of the gender income gap, providing empirical supplement to ongoing academic discussions on gender issues.

2. Root Causes of the Gender Income Gap

The gender income gap arises from various factors, including personal characteristics, social environment, and employment systems. From a labor economics perspective, a critical factor influencing the income gap is access to education and training opportunities. Wang, Hao found that educational level is a primary determinant of gender income disparities in Vietnam[2]. Similarly, studies in Brazil by Duc, V indicated that women's higher return on education compared to men significantly impacts income levels[3]. This indicates that different educational opportunities can have a significant impact on subsequent career and income prospects.

Secondly, in addition to the gap in education level, employment discrimination is also an important factor in causing gender income inequality. According to a survey by Robertson, male workers who received training in the textile industry in Cambodia and Sri Lanka are more likely to hold high-paying positions, while female employees who have received professional training are seen as lacking in ability and are not considered suitable for high-paying jobs[4]. Therefore, it can be seen that employment discrimination also has a significant impact on income inequality.

Additionally, industry and regional disparities further exacerbate the income gap. Tai, T noted that as regional GDP grows, gender income disparities in Brazil tend to widen due to uneven regional development[5]. Kachere, W found that despite increasing personal income through informal economic activities, men benefit more significantly than women due to occupational segregation[6]. Hence, industry structure and regional development imbalances also have an impact on the existing gender income gap.

In summary, the gender income gap is attributable to multiple factors including the lack of education and training opportunities, employment discrimination, and imbalances in industry structure and regional development. Addressing this issue requires multiple comprehensive measures to narrow the education gap, reduce employment discrimination, and promote balanced regional development.

3. Current Manifestations of the Gender Income Gap

The global gender income gap data shows that women generally have lower average incomes than men. According to the Global Gender Gap Report released by the World Economic Forum, although the gender income gap has narrowed in recent years, the income gap between women and men is still significant. The gender income gap also remains prevalent in China. In addition, the gender income gap is also manifested in the following aspects.

3.1. Vertical Gender Segregation

Vertical Gender Segregation refers to the significant differences in the distribution of different genders at different levels or positions in the occupational structure, usually manifested as women's over-concentration in lower-level positions and men's advantage in higher management or professional positions. This phenomenon is widespread in many industries and fields, reflecting gender inequality in career advancement. The root causes of vertical gender segregation are

stereotyped gender roles, gender discrimination, and systematic exclusion of women in the workplace, which limits women's career development, widens the gender income gap, and may lead to insufficient representation of women in decision-making and power structures. According to Jilin University "Half the Sky in China: Development of Gender Diversity in Chinese Enterprises" report on February 24th, 2022, their analysis of A50 companies found that as of December 2021, the proportion of women directors was 14%, which is still relatively behind the global average[7]. In private enterprises, the proportion of female executives is even lower. According to National Bureau of Statistics the 2022 Statistical Monitoring Report of the China Development Program for Women (2021-2030), in 2022, China's female employment personnel totaled 320 million, accounting for 43.2% of the total employment[8]. Among the urban non-private sector employment personnel, women accounted for 67.664 million and accounted for 40.5% of the total.

3.2. Horizontal Sex Segregation

Horizontal Sex Segregation refers to the phenomenon in the workplace where women have difficulty entering certain jobs considered "male-dominated", such as jobs with physical labor, represented by drivers and laborers, as well as higher-status, prestigious, and professional jobs like doctors, lawyers, and university professors. Meanwhile, some jobs are considered "female jobs" and typically involve tasks such as household labor or emphasize nurturing, caring, and nursing characteristics, such as home economics services, nurses, kindergarten teachers, and most service industries. The concentration of women in some industries and occupations, such as the service and nursing industries, often results in lower wages compared to male-dominated industries, such as finance and technology. According to data released by the China Fidelity International in 2020, women accounted for 43.5% of employment in urban non-private units, while men accounted for 56.5%[9]. In certain industries such as finance, education, and health, women have a higher employment rate; while in industries such as construction, mining, and transportation, men have a higher employment rate.

3.3. The Continuous Widening of Income Disparities.

In terms of labor market participation, the female participation rate is significantly lower than that of men. According to the information released by the National Bureau of Statistics, in 2020, the employment rate of Chinese men was 78.3%, while the employment rate of women was 61.3%. According to BOSS Direct Employment's 2021 report, the average annual salary of urban employed women in 2020 was 6,847 yuan, a 2.1% decrease from the previous year, and only 75.9% of the average male salary. This gap has widened compared to 77.7% in 2019. The National Bureau of Statistics D-value measure of gender salary disparity was 0.203 in 2020, higher than 0.183 in 2019, indicating an increasing trend[10].

These disparities reflect issues such as labor force participation rate, restricted career development, and income inequality. Studies by BOSS Zhipin and Lu, Jiehua [indicate a faster decline in female participation rates compared to males, reflecting greater societal constraints on female employment[11]. Patriarchal culture significantly influences these trends, contributing to lower labor supply on the female side[12]. Li Hua's and Lu Jiachang's and Liu Chang's analysis also indicates that strong patriarchal attitudes decrease women's likelihood of participating in employment, hinder educational achievements, restrict career development, and the gender income gap tends to widen further as careers progress, especially in terms of promotion and salary adjustments. At the same time, gendered wage gaps, estimated at 13%, continue widening due to cultural perceptions weakening women's bargaining power and stifling salary growth.

Overall, there is a clear gender income gap in China at all levels, including in terms of career structure, work field, labor market participation, career advancement, and salary income. These gaps

are due to both traditional and modern factors, and require changes in attitudes and policies, eliminating hidden workplace discrimination, improving the efficiency of women's human capital, enabling women to thrive in a fair and open environment, and promoting balanced social and economic development.

4. Impact Analysis of Gender Earnings Gap

4.1. Economic Impact

The impact of gender wage gap is far-reaching, and it is not limited to the economic level, but permeates into every corner of society, affecting individuals' well-being, family structure, and overall social progress. Here is an in-depth analysis of its effects: 1. Economic impact: The gender wage gap is first and foremost reflected in the economic level, which directly relates to women's economic independence. When women's income is lower than that of men, their economic autonomy and decision-making power are correspondingly reduced, putting them at a disadvantage when facing major life decisions. In addition, economic dependency increases women's risk of falling into poverty, especially when they retire or experience family upheavals. This unequal distribution of income also reduces the overall purchasing power of the family, limits the expansion of the consumer market, and indirectly suppresses economic growth and prosperity.

4.2. Social Impact

The existence of gender wage gap exacerbates social injustice and inequality. In societies with large gender wage gaps, women may feel discriminated against and marginalized in the workplace, which not only affects their social status, but also may lead to the deepening of stereotypical attitudes towards gender roles. Long-term income inequality may also hinder women's participation in social and political activities, as they may lack sufficient resources and confidence to engage in public affairs. This situation is not conducive to the diversified and inclusive development of society as a whole, nor is it conducive to building a harmonious and stable social environment.

4.3. Psychological Impact

Faced with income disparities, women may experience a series of psychological pressures. Self-doubt, anxiety, and dissatisfaction may become a norm, which not only affects their mental health but also reduces their happiness and life satisfaction. Psychological frustration may be transformed into doubts about one's own abilities, thereby affecting their career aspirations and the drive to pursue higher positions. This vicious cycle of psychological states may further restrict their career development and social network expansion.

4.4. Offspring Impact

The gender wage gap also affects the growth and development of the next generation. A mother's income and social status directly affect the overall resource allocation of the family, including investment in children's education and quality of life. When a mother's income is low, children may not have access to sufficient educational resources or a good growth environment, which to some extent limits their accumulation of human capital and future social mobility. In addition, gender role patterns in the family can also influence children's gender awareness and career expectations, potentially perpetuating gender inequality in the next generation.

Overall, the impact of gender wage gap is comprehensive, it not only concerns individuals' economic status and mental health, but also the well-being of the family and the overall development of society. Therefore, taking effective measures to narrow the gender wage gap is not only a key step

to achieving gender equality, but also an important measure to promote comprehensive social progress.

5. Strategies and Suggestions for Addressing Gender Income Inequality.

5.1. Changing Traditional Perceptions and Eliminating Implicit Workplace Discrimination

Efforts should be directed towards forming a societal consensus against traditional gender perceptions, promoting modern value concepts like gender equality and joint development. Educational institutions must intensify content on gender equality and anti-discrimination in national and higher education curricula. Families should nurture independent female personalities and treat children fairly. Media should highlight women's contributions across various fields, creating positive, confident female images. Employers need to review job roles and promotion mechanisms to avoid implicit gender discrimination, ensuring fair opportunities for women. Only by eradicating the roots of gender bias can women achieve equivalent treatment with men in the workplace.

5.2. Enhancing Female Vocational Training and Increasing Human Capital

Government investment must increase to enhance female labor quality, encouraging and supporting various female-targeted vocational training initiatives. Organizing female-specific skill competitions can elevate their skill levels. Companies should provide equitable training opportunities for female employees. Additionally, broad promotion and execution of professional qualification exams are essential to alleviate exam-related fears among women and encourage their participation. Women should actively seek learning opportunities, acquiring more specialized knowledge and skills. When women possess comparable human capital to men, they can attain fair treatment in employment.

5.3. Improving Legal Protections for Women's Rights and Implementing Legal Protection.

Legislation protecting women's equal rights is crucial. Immediate actions should include enacting and enforcing anti-gender discrimination laws as effective measures against gender bias. Establish a comprehensive equal pay evaluation and supervision mechanism to prohibit gender discrimination in wage practices, along with strict regulation during recruitment to prevent inquiries into personal privacy of female candidates, are necessary. Creating a mechanism for reporting and addressing gender discrimination complaints ensures women can voice and contest unfair treatment during recruitment or promotion. Ensuring women's legal rights in the workplace will gradually eliminate implicit discrimination, providing a non-biased environment for women's career choices.

5.4. Promoting Education Equality and Enhancing Public Awareness.

Increase investment in women's education, improve women's education level and vocational skills, create conditions for them to enter high-paying industries. Eliminate gender bias in education, Weßling K encourage women to choose study and career development in fields such as STEM (science, technology, engineering and mathematics) [13]. Through media publicity, educational activities, etc., raise public awareness and attention on the issue of gender income gap, and create a good atmosphere for the whole society to pay attention to and support gender equality.

5.5. Improve The Labor Market Environment and Strengthen Family Support Policies.

Eliminating gender segregation and discrimination in the labor market, Xu Yangchen providing fair employment opportunities and career development space for women[14]. For example, implementing gender-equal recruitment policies, providing flexible work arrangements such as remote work,

flexible working hours, etc., to adapt to women's dual roles in family and work. At the same time, providing support measures such as maternity leave and childcare services to alleviate women's burden in the family, enabling them to better balance family and work. Additionally, encouraging men to participate in household and childcare activities, promoting gender-equal division of labor within the family.

5.6. Establish a Monitoring and Evaluation Mechanism.

Establish a monitoring and evaluation system for gender income gap, Wang Lingxin regularly collect and analyze relevant data, evaluate policy effectiveness, and timely identify and solve emerging issues[15]. This will help government and social organizations understand the dynamic changes of gender income gap and develop more targeted policy measures.

6. Conclusion

The gender wage gap is a complex and pressing social issue that not only affects individuals' economic status and quality of life, but also has far-reaching impacts on the economic development and social progress of society. Through in-depth analysis of the current situation, causes, and impacts of the gender wage gap, the following conclusions can be drawn.

Firstly, the existence of gender wage gap is the result of various factors intertwined, including societal cultural concepts, education and training opportunities, labor market structures, family responsibilities, and policy systems. These factors interact with each other to jointly promote the formation and expansion of gender wage gap.

Secondly, the gender wage gap has widespread and far-reaching impacts on individuals and society. It reduces women's economic independence and autonomy, increases poverty risks, and also limits the family's consumption potential and economic growth. In addition, the gender wage gap may lead to exacerbation of social injustice and inequality, affecting social harmony and stability.

To address the gender wage gap, it is necessary to take comprehensive measures from multiple levels, including strengthening laws and regulations, promoting education equality, improving the labor market environment, promoting women's participation in decision-making, strengthening family support policies, enhancing public awareness, and establishing monitoring and evaluation mechanisms.

Overall, solving the gender wage gap requires the joint efforts and sustained attention of the whole society. Through implementing effective policies and measures, we can gradually eliminate the gender wage gap and achieve true gender equality, thus promoting comprehensive social progress and prosperous development.

References

- [1] Mamiko T .*Determinants of Earnings and Gender Earnings Gaps among Highly Educated Workers within Major Cities in Asian Countries**[J].*Asian Economic Journal*,2021,35(2).
- [2] Wang, Hao. *Analysis of the Current Status and Causes of the Gender Income Gap* [J/OL].
- [3] Duc, V. H., Hong, T. L. V., Binh, D. T., et al. *The Determinants of Gender Income Inequality in Vietnam: A Longitudinal Data Analysis* [J]. *Emerging Markets Finance and Trade*, 2021, 57(1).
- [4] Robertson, Lopez-Acevedo, Savchenko. *Globalization and the Gender Earnings Gap: Evidence from Sri Lanka and Cambodia* [J]. *The Journal of Development Studies*, 2020, 56(2).
- [5] Tai, T. H. S., Bagolin, P. I. *Regional Differences in the Gender Earnings Gap in Brazil: Development, Discrimination, and Inequality* [J]. *The Developing Economies*, 2019, 57(1).
- [6] Kachere, W. *Incomes Disparity along Gender Lines: The Plight of Women in the Informal Sector* [J]. *Journal of Sociology and Social Anthropology*, 2017, 8(4).
- [7] Jilin University. Fidelity International. *Half the Sky in China: Development of Gender Diversity in Chinese Enterprises*,[EB/OL].(2022-02-24)[2024-06-20].*china-gender-diversity-whitepaper-cn.pdf* (fidelity.com.cn)

- [8] National Bureau of Statistics. "Report on the Statistical Monitoring of the China Women's Development Program (2021-2030)" in 2022. [J/OL], 2022, (stats.gov.cn)
- [9] Fidelity International. *Half the Sky in China: Development of Gender Diversity in Chinese Enterprises*, [EB/OL]. (2022-02-24)[2024-06-20]. china-gender-diversity-whitepaper-cn.pdf (fidelity.com.cn)
- [10] National Bureau of Statistics. "Report on the Final Statistical Monitoring of the China Women's Development Program (2011-2020)" [J/OL], 2021, (qq.com)
- [11] BOSS Zhipin. The average salary of women is 6,847 yuan, accounting for 75.9% of men, and digital technology becomes a new breakthrough for women's development: China Workplace Gender Salary Disparity Report 2021 [J/OL]. Li, Hu. Research on Gender Differences in Labor Market Performance [D].
- [12] Lu, Jiehua, Liu, Chang. Research on Gender Income Inequality from the Perspective of Regional Gender Culture: Based on the Verification of 2018 Labor Dynamics Survey Data [J]. Northwest Population, 2023, 44(01).
- [13] Weßling K, Giampiero P, Petra S, et al. The role of overeducation and horizontal mismatch for gender inequalities in labor income of higher education graduates in Europe [J]. Research in Comparative and International Education, 2023, 18(1).
- [14] Xu Yangchen. Bringing New Opportunities for the Development of Women Labor Force in the New Era [J]. China Women's News, 2023-12-01(005). DOI: 10.28067/n.cnki.ncfnb.2023.003278.
- [15] Wang Lingxin. Study on the changes in the employment structure of women and gender income differences in China [J]. China Prices, 2023(11).