The Gender Pay Gap:
A Roadblock to Gender Equality and Sustainable Development

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Abstract

The gender pay gap is a significant obstacle to achieving gender equality and sustainable development around the world. The purpose of this research is to explore the gender pay gap and its impact on gender equality and sustainable development. By examining the causes and consequences of the pay gap, the study aims to raise awareness of this issue and its effects on women's empowerment and economic growth. This research will involve the analysis of specialized literature, the findings will be used to develop a framework of best practices to overcome the challenges faced by women. The research seeks to provide recommendations that can support efforts to bridge the gender pay gap. This paper represents a comprehensive synthesis of existing literature examining the gender pay gap. By analyzing areas of research that have been more fully explored and those that require further investigation, this study suggests avenues for future research.

Key words: gender pay gap, gender equality, sustainable development, economic opportunities, social mobility.

J.E.L. classification: G38

1. Introduction

Gender inequality is a pervasive issue in societies worldwide, with women often experiencing discrimination and inequality in various domains of life, including education, healthcare, and labor markets. The gender pay gap is one such area where women continue to face significant disparities and face challenges in accessing equal opportunities for growth and development. The gender pay gap refers to the unequal pay that women receive compared to men for similar work or jobs of equal value. Despite increased awareness and efforts to address this issue, gender inequality in pay remains a significant impediment to achieving gender parity and sustainable development.

The purpose of this research is to explore the gender pay gap and its impact on gender equality and sustainable development. The article aims to identify the factors that contribute to the pay gap, analyze its consequences for women's empowerment and economic growth, and provide recommendations to bridge the gap and promote gender equality as a key driver of sustainable development.

The gender pay gap remains a significant barrier to achieving gender equality and sustainable development worldwide. This research emphasizes the need for concerted efforts to address the underlying causes of the pay gap and promote equal opportunities for women. The research will provide recommendations to bridge the gender pay gap, including the development of inclusive policies, the promotion of women's leadership, and the elimination of discriminatory practices in the workplace. These measures implemented, have the potential to facilitate gender equality, reduce inequality, and promote inclusive and sustainable development.

2. Literature review

The gender pay gap has been a persistent issue for women around the world, despite progress made towards gender equality in the workplace. This gap is fueled by a range of factors, including occupational segregation, discrimination, and bias against women that limits their economic
opportunities and social mobility. Existing research suggests that the increasing number of women in the workforce has not translated into pay parity, as women continue to earn less than their male counterparts in most industries and sectors.

A study conducted by the International Labor Organization revealed that the global gender pay gap was 16%, with women earning on average 84 cents for every dollar earned by men (ILO, 2018). The gap increased to 19.6% in lower to middle-income countries, highlighting the need for urgent action. The research showed that the gender pay gap is more pronounced in high-paying sectors such as finance, technology, and management, which reinforces inequality across the professional spectrum. Moreover, studies have also documented that occupational segregation plays a significant role in the gender pay gap, with women being underrepresented in high-paying professions such as engineering, medicine, and law. The gender pay gap has been a topic of concern for many countries around the world as it persists across different sectors, industries, and occupations. Gender pay gap refers to the difference in earnings between men and women in the same job or similar jobs. Despite significant progress in gender equality, the gender pay gap has remained persistent, hindering sustainable development efforts.

In addition to occupational segregation, discrimination and bias against women perpetuate the gender pay gap. According to research by the American Association of University Women, women earn between 78% and 82% of what men earn, even after factors such as education and experience have been taken into account. The AAUW also found that women of color, on average, earn significantly less than white women, further highlighting the intersectional nature of the gender pay gap (AAUW, 2018).

The impact of the gender pay gap goes beyond individual women, as it limits economic growth and development in many countries. The World Economic Forum reported that closing the global gender pay gap could add $12 trillion to the world economy by 2025. Moreover, the gap also contributes to a lifetime earnings gap, which can limit women's financial autonomy, savings, and retirement benefits (WEF, 2019).

The OECD has been a key institution in championing gender equality across its member countries. It has played a significant role in promoting policies aimed at reducing the gender pay gap. The OECD's report on "Closing the Gender Pay Gap: Actions to Improve Equality" highlights the need for policies that address the root causes of the gender pay gap (OECD, 2012).

Another OECD report 2017, "The Pursuit of Gender Equality: An Uphill Battle" further discusses the challenges and opportunities for achieving gender equality across different domains, such as education, employment, health and political representation (OECD, 2017).

In addition to its gender equality work, the OECD also supports member countries in promoting inclusive economic growth and reducing inequality. Its 2018 report, "A Broken Social Elevator? How to Promote Social Mobility" identifies policies and measures that can help reduce inequalities in income, wealth, and opportunities across generations (OECD, 2018).

In conclusion, existing literature on the gender pay gap highlights the persistence of gender inequality in many industries and economies around the world. The research suggests that efforts to promote gender equality and reduce the gender pay gap can have a positive impact on sustainable economic development. This study provides a foundation for building a framework of best practices to support women's empowerment and advance gender equality in the workplace.

3. Research methodology

This research employs a mixed-methods approach, combining the analysis of best practices and specialized literature. The analysis of existing literature involves an extensive review of academic literature, government reports, and policy documents on the gender pay gap. Best practices will be analysed from official sources such as the International Labor Organization (ILO), the Organization for Economic Co-operation and Development (OECD), and the World Bank. The data will be analyzed using descriptive and inferential assessment to highlight the patterns and trends of the gender pay gap across countries, regions, and sectors.

- Literature Review: A thorough review of existing literature and research studies related to gender pay gap, gender equality, and sustainable development will be conducted. The review will include academic articles, books, reports, and other relevant sources.
Best Practices Analysis: The collected of best practices will be analyzed using quantitative and qualitative methods. Descriptive statistics will be used to identify patterns and trends in the data, while thematic analysis will be used to identify key themes and issues that emerge from the data.

Recommendations and Implications: The research will provide recommendations for bridging the gender pay gap and promoting gender equality as a key driver of sustainable development. The implications of the research findings for policy and practice will also be discussed.

4. Findings

A range of policies and initiatives have been implemented globally to address the gender pay gap. These include equal pay legislation, gender pay reporting, and gender-sensitive recruitment and promotion practices. Organizations that prioritize diversity, inclusion, and equal pay have been shown to be more successful, innovative, and productive than those that do not. The gender pay gap remains a significant challenge for sustainable development efforts globally. Addressing this issue requires a concerted effort from governments, employers, civil society, and individuals. Through a collaborative approach, the possibility of a world with equal pay and gender equality can be achieved.

The OECD has been a key institution in championing gender equality across its member countries. It has played a significant role in promoting policies aimed at reducing the gender pay gap. The OECD's report on "Closing the Gender Pay Gap: Actions to Improve Equality" highlights the need for policies that address the root causes of the gender pay gap. The report suggests that labor market regulations, minimum wage policies, and parental leave programs are important tools that can help reduce the gap. The report also identifies the importance of enforcing legislation to ensure equal pay for equal work and offers recommendations to improve data collection and monitoring of the gender pay gap.

The OECD report 2017, "The Pursuit of Gender Equality: An Uphill Battle" further discusses the challenges and opportunities for achieving gender equality across different domains, such as education, employment, health and political representation. The report acknowledges that progress has been made in many areas, but highlights persistent gaps that require urgent action, such as the gender pay gap and underrepresentation of women in leadership positions.

In addition to its gender equality work, the OECD also supports member countries in promoting inclusive economic growth and reducing inequality. Its 2018 report, "A Broken Social Elevator? How to Promote Social Mobility" identifies policies and measures that can help reduce inequalities in income, wealth, and opportunities across generations. The report highlights the need for policies to address both economic and social barriers, such as access to quality education, affordable housing, and healthcare. The report also emphasizes the importance of addressing structural barriers, such as discrimination and bias, that limit opportunities for individuals from certain socioeconomic backgrounds or marginalized groups.

Overall, the gender pay gap is a complex issue with many contributing factors. Addressing these factors will require a multifaceted approach, including policy changes, cultural shifts, and individual action. Policy changes could include implementing equal pay laws and stronger enforcement mechanisms, providing paid family leave and affordable child care to promote work-life balance, and increasing transparency in hiring and promotion processes. Cultural shifts could involve challenging gender stereotypes and biases and promoting more inclusive workplaces where diverse perspectives are valued and celebrated. Individual action can also play a role, such as negotiating for fair pay and opportunities, seeking out mentors and role models, and advocating for change within companies and communities. Addressing the gender pay gap is critical not just for economic justice, but also for the overall well-being of society. When women are paid fairly and have access to equal opportunities, families and communities thrive, and the economy becomes stronger and more productive. Closing the gender pay gap can also help to reduce poverty and inequality, as women make up a significant portion of low-wage workers and are more likely to experience economic insecurity.
Furthermore, promoting gender equality in the workforce can increase innovation and creativity, as diverse perspectives lead to new ideas and approaches. Companies that embrace diversity and inclusion have also been shown to have better financial performance and higher employee satisfaction. In summary, the gender pay gap is a complex issue that requires a multifaceted approach. By implementing policies, changing cultural norms, and taking individual action, we can work towards a more equitable and just society, where everyone has the opportunity to reach their full potential.

Women face several challenges in accessing equal opportunities for growth and development, including:

- **Gender Stereotypes:** One of the biggest challenges that women face is gender stereotypes that limit their ability to grow and develop. These stereotypes can lead to discrimination in hiring, promotion, and access to resources.
- **Lack of Access to Education:** Women often face barriers to education, limiting their ability to learn new skills and advance their careers. This can result in limited job opportunities and a lack of economic independence.
- **Pay Gap:** There is still a significant pay gap between men and women, with women earning less for the same work. This financial disparity can limit women's ability to invest in their own growth and development.
- **Glass Ceiling:** The glass ceiling refers to the invisible barrier that prevents women from reaching the highest levels of leadership and management in organizations. This can be due to gender biases, lack of mentorship and sponsorship, and systemic discrimination.
- **Work-Life Balance:** Women often face greater responsibility for caregiving and household tasks, which can limit their ability to dedicate time and energy to professional development opportunities or pursuing their career goals (Robu Mariana).
- **Sexual Harassment and Discrimination:** Women may experience sexual harassment or discrimination in the workplace, which can create a hostile work environment and hinder their ability to grow and develop in their careers.
- **Lack of Role Models:** Women may lack visible role models or mentors to guide and inspire them in their careers, which can limit their belief in their own abilities and potential for success. This lack of representation can also perpetuate gender stereotypes and biases in the workplace.
- **Pay inequality:** Women often earn less than their male counterparts for doing the same job or have limited access to higher-paying roles, which can contribute to a gender pay gap over time.
- **Limited Networking Opportunities:** Women may face limited networking opportunities and exclusion from male-dominated social circles, which can limit their ability to connect with influential people in their industries and advance their careers.
- **Stereotyping and Bias:** Women may face unconscious bias and stereotyping from both colleagues and leadership in their organizations, which can negatively impact their career opportunities and advancement.

The causes of the gender pay gap are complex and multifaceted. Women are often overrepresented in low-paid and undervalued jobs, while men dominate high-status, high-paying jobs. Research indicates that the gender pay gap has negative implications for both the economy and individuals. Women face reduced lifetime earnings, pensions, and social security benefits, increasing their vulnerability to poverty in old age (Robu, 2019). The gender pay gap also reduces economic growth, productivity, and competitiveness as it creates labor market inefficiencies and fails to use human resources to their full potential.

There are several factors that contribute to the salary difference between men and women:

- **Gender Discrimination:** Discrimination based on gender is one of the primary factors that contribute to salary differences between men and women. Women may be paid less than men for doing the same job or for jobs with similar responsibilities and qualifications.
• **Occupational Segregation:** There is a significant occupational segregation between men and women, with men more likely to be employed in high-paying professions such as engineering, law, and medicine. Women, on the other hand, are more likely to be employed in lower-paid professions such as education, social work, and healthcare.

• **Family Responsibilities and Work-Life Balance:** Women are more likely to take on family responsibilities such as caring for children and elderly parents, which can affect their ability to work full-time or to invest time in career advancement. This can result in lower salaries for women who have to balance work and family responsibilities compared to men who do not have the same responsibilities.

• **Negotiation Skills:** Studies have shown that men tend to negotiate their salaries more effectively than women, which may lead to higher salaries for men. Women are often socialized to be less assertive and to avoid confrontation, which may affect their ability to negotiate their salaries.

• **Implicit Bias:** Implicit biases are unconscious associations and stereotypes that can influence behavior and decision-making. These biases can result in women being perceived as less competent or less committed to their careers, which can affect their opportunities for advancement and salary. Women may also face discrimination in the workplace, such as being passed over for promotions or not being given the same opportunities as their male counterparts.

• **Lack of Female Role Models:** The lack of women in leadership positions can also play a role in the gender pay gap. When women don't see other women in high-paying leadership positions, they may feel discouraged from pursuing those roles themselves.

The pay gap between women and men is one of the most persistent and prevalent forms of gender inequality in the world. It is a key driver of economic inequality and undermines efforts to achieve sustainable development, promote gender equality, and reduce poverty. The long-term impact of the pay gap can be seen in several ways:

• **Reduced economic empowerment of women:** The pay gap means that women earn less than men for the same work, which often leads to women being economically disadvantaged. This can limit their ability to invest in education, healthcare, and other areas that can help them achieve their full potential.

• **Higher levels of poverty:** The pay gap contributes to poverty, particularly among women who are the sole earners or head of households. Women who earn less than men are more likely to live in poverty, struggle to pay bills or provide for their families, and have limited access to economic opportunities.

• **Inability to save for the future:** Lower earnings for women also mean they have less ability to save for their future, whether it’s for retirement, emergencies or other long-term goals. This can perpetuate a cycle of financial insecurity and contribute to the overall gender wealth gap.

• **Impact on future generations:** The pay gap can also impact the next generation by limiting the resources and opportunities available to families. When women earn less than men, their children are also more likely to experience economic disadvantage, which can lead to negative outcomes such as poor health, limited education, and lower social mobility.

• **Lost opportunities for economic growth:** When women are not paid fairly for their work, it limits their ability to contribute to the economy and can lead to lost opportunities for economic growth. By closing the gender pay gap, businesses can tap into a larger pool of talent and boost productivity and innovation.

• **Unequal representation in leadership positions:** The gender pay gap can also contribute to unequal representation of women in leadership positions. When women are not paid fairly for their work, it can limit their ability to advance in their careers and secure leadership roles. This can perpetuate the notion that women are less suited for leadership roles, leading to a lack of diversity and perpetuating unequal power dynamics.

• **Negative impact on mental and physical health:** Financial insecurity due to the gender pay gap can have a significant impact on mental and physical health. Women who are paid less than their male counterparts may struggle to make ends meet, leading to stress, anxiety,
and depression. Financial stress can also lead to physical health issues, such as high blood pressure and heart disease.

- **Increased reliance on government assistance:** When women are not paid fairly for their work, they may be forced to rely on government assistance programs, such as food stamps and Medicaid. This can put a strain on government resources and lead to higher taxes for everyone.

- **Inter-generational poverty:** The gender pay gap can contribute to intergenerational poverty. If a mother is paid less than her male counterparts, she may not be able to provide her children with the same opportunities as other families. This can lead to a cycle of poverty, as the children may struggle to access education and other resources that could help them break out of poverty in the future.

- **Decreased economic growth:** Finally, the gender pay gap can have a negative impact on economic growth. When women are not paid fairly, they may have less money to spend, which can lead to lower consumer spending and decreased economic activity. This is especially true since women make up a large portion of the workforce and are therefore a significant driver of economic growth. By reducing the gender pay gap and ensuring that women are paid fairly, we can boost economic growth and improve the lives of everyone in our society.

The gender pay gap is a significant challenge that women face in the workplace. It refers to the difference in pay between men and women who hold the same position and have similar qualifications and skills. The gender pay gap is a result of various issues, including discrimination, lack of women in leadership positions, and societal norms. To overcome the challenges faced by women due to the gender pay gap, the following framework of good practices can be developed:

- **Increase Transparency:** Companies should ensure transparency in their pay policies to identify and rectify any discrepancies between men and women's pay. This might include regular assessments of the company's pay structure and the establishment of guidelines to assess and correct pay disparities where necessary.

- **Encourage Flexibility:** Many women experience challenges balancing work and personal responsibilities. By providing flexible working options, companies can help women manage their work-life balance and improve their job satisfaction, making it easier for them to stay in the workforce.

- **Provide Training and Mentorship:** Companies can provide training and mentorship programs to help women develop the skills and confidence they need to achieve leadership roles. By investing in their development, companies can build a pipeline of talented women who are well-prepared to take on senior positions.

- **Encourage Work-Life Integration:** Rather than seeing work and personal responsibilities as separate entities, companies can encourage work-life integration. This means creating a culture where employees can bring their whole selves to work, including their families and personal interests. When employees are supported in this way they tend to be more productive, engaged, and committed to their work and the company.

- **Address Bias and Discrimination:** Companies need to address any bias and discrimination that may be preventing women from advancing in their careers. This includes addressing pay gaps, providing equal opportunities for promotion, and creating a safe and inclusive workplace where everyone feels respected and valued.

- **Implement Family-Friendly Policies:** Companies can implement family-friendly policies such as parental leave, childcare support, and flexible working hours to support women who have caregiving responsibilities. By doing so, they can help women balance their work and family responsibilities and reduce the burden of childcare and other caregiving tasks.

- **Set Clear Diversity and Inclusion Goals:** Finally, companies need to set clear diversity and inclusion goals and track their progress towards achieving them. This includes setting targets for increasing the representation of women in leadership roles and establishing metrics to measure progress towards these goals. By holding themselves accountable and making diversity and inclusion a priority, companies can create a culture of equity and opportunity for all employees. In conclusion, companies have a crucial role to play in advancing gender
equality in the workplace. By promoting equal opportunities for women, addressing bias and discrimination, implementing family-friendly policies, and setting clear diversity and inclusion goals, companies can create a more diverse, equitable, and inclusive workplace that benefits everyone. In doing so, they can also improve their business performance, attract and retain top talent, and create a more just and equitable society.

By following these steps, organizations can create a culture of gender equality and ensure that all employees have equitable opportunities to succeed and advance. This is not only the right thing to do ethically, but it also has a positive impact on the bottom line. Studies have shown that diverse and inclusive organizations tend to be more innovative, productive, and profitable.

In summary, achieving gender equality in the workplace requires a concerted effort from all levels of an organization. It requires a commitment to eliminating bias, fostering an inclusive culture, and providing equal opportunities and support for all employees. By taking a proactive and ongoing approach, organizations can create a workplace where everyone can thrive and reach their full potential.

Promoting women's leadership and eliminating discriminatory practices at work have a number of advantages for organizations and society as a whole (Robu, 2023):

- **Increased diversity of thought and innovation:** Women often bring unique perspectives and ideas to the table, which can help organizations become more innovative and effective.

- **Better decision-making:** Research has shown that diverse teams make better decisions than homogeneous teams, as different viewpoints lead to greater analysis and consideration of all potential outcomes.

- **Improved performance:** Companies with more women in leadership positions have been shown to outperform those with fewer women, indicating that promoting women's leadership can positively impact overall organizational performance.

- **Higher employee engagement and retention:** When women feel valued and supported in their professional development, they are more likely to be committed to their work and stay with the organization for longer periods of time. This can reduce turnover costs and improve employee morale.

- **Enhanced reputation:** Organizations that are committed to gender equality and promoting women's leadership are often seen as more socially responsible and progressive, which can improve their reputation both internally and externally.

- **Contributing to a more equal society:** Beyond the immediate benefits to organizations, promoting women's leadership is an important step towards creating a more equal and just society, where everyone has the opportunity to reach their full potential regardless of gender. Overall, promoting women's leadership is not only the right thing to do, but it can also lead to tangible benefits for organizations and society as a whole. By creating inclusive and supportive environments, organizations can unlock the full potential of all their employees, regardless of gender, and contribute to a more diverse, productive, and innovative workforce. To achieve this, organizations can implement various measures, such as recruiting and promoting women into leadership positions, providing training and development opportunities, establishing flexible work arrangements, addressing unconscious bias, and promoting a culture that values diversity and inclusion. By doing so, organizations can reap the benefits of gender equality and help create a more equitable and prosperous future for all.

5. Conclusions

After analyzing specialized literature, this research sheds light on the persistent issue of the gender pay gap and its detrimental impact on gender equality and sustainable development. Occupational segregation, discrimination, and bias against women in the workplace are identified as key factors that perpetuate this cycle of inequality. The findings of this study suggest the need for the implementation of best practices to overcome these challenges faced by women, including policies that promote pay transparency, diversity, and inclusion.
The paper also highlights that gender equality is a crucial driver of sustainable development, and bridging the gender pay gap can contribute significantly to empowering women and driving economic growth. Future research in this area could explore the effects of the gender pay gap on intersectional categories such as race, ethnicity. Overall, this paper underlines the urgency of prioritizing gender equality and bridging the gender pay gap to promote sustainable development globally. In addition to policy changes within organizations, there is a need for broader societal attitudes to shift towards valuing women's contributions in the workforce. This includes challenging traditional gender roles and stereotypes, and promoting education and awareness around gender equality. Furthermore, addressing the gender pay gap is not only a moral imperative, but also makes economic sense. Studies show that having more women in leadership positions and reducing the gender pay gap can lead to increased productivity, improved organizational performance, and a more diverse and innovative workplace. Governments, civil society, and the private sector must work together to prioritize gender equality and ensure that policies and practices are in place to eliminate the gender pay gap. This includes investing in education and training for women, promoting work-life balance, and providing equal opportunities for advancement.

To address the gender pay gap and advance gender equality, policymakers and businesses must take a range of measures. These may include promoting equal pay for work of equal value, promoting women's access to education and training, and providing support for women's entrepreneurship and self-employment (Robu Mariana, 2023). Additionally, governments can strengthen legal frameworks and institutions to better protect women from workplace discrimination.

Furthermore, research suggests that closing the gender pay gap is essential for achieving sustainable development, since it has direct implications for poverty reduction, economic growth, and social inclusion. For example, closing the gender pay gap can increase female labor force participation, decrease inequality, and promote economic growth. Therefore, addressing the gender pay gap must be a central focus of global efforts to promote gender equality and sustainable development. The gender pay gap is a critical roadblock to achieving gender equality and sustainable development worldwide. Through cross-sectoral cooperation and a multipronged approach, progress can be made to close the wage gap, empower women in the workplace, and foster sustainable development for all.

In conclusion, this research highlights the urgent need to address the gender pay gap and its impact on gender equality and sustainable development. The implementation of best practices is critical to overcoming these challenges and empowering women in the workforce. By prioritizing gender equality, we can drive economic growth, promote social inclusion, and contribute to a more sustainable future for all.

Following the analysis, it is recommended some measures that decision-makers can take to address the wage gap and promote gender equality:

- Conduct a comprehensive analysis of the organization's pay structure and identify any discrepancies between male and female employees' remuneration.
- Develop and communicate a clear pay equity policy that ensures equal pay for equal work, irrespective of gender.
- Encourage and support women to participate in leadership and decision-making roles within the organization.
- Introduce flexible working arrangements that allow women to balance work and family responsibilities.
- Provide equal opportunities for training and development for all employees regardless of their gender.
- Foster an inclusive workplace culture that values diversity and promotes gender equality, including zero tolerance for discrimination, harassment, and bias.
- Monitor and regularly review the organization's progress towards achieving gender equality, and make necessary adjustments to policies and practices as needed.
- Partner with external organizations and networks focused on promoting gender equality and closing the wage gap to learn best practices and share knowledge.
- Provide parental leave and other family-friendly policies that support the needs of working parents, including mothers and fathers.
Finally, engage in ongoing communication with employees on pay equity, gender equality, and the organization’s efforts to address these issues. This can include regular town halls, surveys, and other feedback mechanisms to ensure that employee concerns and suggestions are integrated into the organization's policies and practices.

Offer professional development opportunities and support for women and other underrepresented groups to help build a diverse pipeline of talent within the organization.

Establish mentoring and coaching programs to support the advancement and development of women and other underrepresented groups within the organization.

Develop and implement internal training programs focused on unconscious bias and diversity and inclusion, to help employees identify and address their own biases and promote a more inclusive workplace culture.

Conduct regular pay equity analyses to identify and rectify any gender-based wage disparities within the organization.

Finally, publicly commit to achieving gender equality and closing the wage gap, and hold leadership accountable for progress towards these goals.

6. References