
Executive summary

The health and care sector constitutes a major source of employment

The health and care sector is a major source of employment globally, in particular for women. The health and care workforce accounts for approximately 3.4% of total global employment, including approximately 10% of overall employment in high-income countries (HIC) and a little over 1% in low- and middle-income countries (LMIC). One feature that characterizes employment in this sector across the world is that it is a highly feminized sector – women make up about 67% of global employment in the sector – with a significant degree of gender segregation. However, the share of women among the workforce in the sector varies with the degree of economic development. In LMIC 63.8% of the sector workforce is women, compared with 75.3% in HIC. Estimates in this report show that the high degree of feminization in the sector is universal across countries and regions. Countries with a higher share of women working in the sector do not necessarily demonstrate higher health and care expenditure.

Gender pay gaps in the health and care sector are higher than in non-health sectors

Despite the high degree of feminization, the health and care sector faces gender inequalities, including with respect to pay. This report is the first of its kind: a global and sector-wide gender pay gap analysis using data from 54 countries, which together represent about 40% of the sector's wage employees across the world. Using weighted global estimates, the report finds that the gender pay gap in the health and care sector ranges from about 15% (in the case of median hourly wages) to about 24% (in the case of mean monthly earnings). Considering the range of values across four configurations of estimating the gap, women wage workers earn approximately 20% less than men in the health and care sector. Controlling for cluster effects – mainly due to gender segregation in employment in the sector – narrows the gender pay gap in the sector. The dampening of the gender pay gap after correcting for cluster effects is explained by the fact that women are overrepresented in lower (paid) occupational categories where the gender pay gap is narrower. Men, on the other hand, are overrepresented in higher (paid) occupational categories (e.g. medical

doctors) where the gender pay gap is wider. By comparing gender pay gaps in the health and care sector with those in other (non-health) economic sectors, the report finds that gender pay gaps in the health and care sector tend to be wider than in other sectors; this is particularly true when professional categories in the health and care sector are compared with professional categories in non-health sectors.

Key factors behind the gender pay gap in the health and care sector

What is the nature of the gender pay gap across the wage distribution? Do the labour market characteristics of women and men influence the gender pay gap? Gender segregation is a widespread feature of the health and care sector worldwide. The report shows that the gender pay gap varies significantly across the hourly wage distribution for all countries, with a tendency to widen as we move from lower to higher quantiles of the wage distribution. In spite of the relatively low participation of men in the health and care sector across countries, men are overrepresented at the top decile, especially at the top centile of the hourly wage distribution, where the gender pay gap is even wider. Women and men are not fundamentally different in terms of labour market characteristics, either within deciles of, or across, the hourly wage distribution. However, in some countries, men in the labour market tend to be older – and hence have more experience – and have more higher education compared with women, in particular at the top end of the wage distribution. Age, education and gender segregation across occupational categories are some of the factors that lie behind the gender pay gap in the health and care sector.

The gender pay gap in the health and care sector is largely unexplained by factors that determine wages in the labour market

The report decomposes the gender pay gap in the health and care sector into two parts: the part that can be explained by differences in labour market attributes of women and men, and the part that remains unexplained by differences in these attributes. The first part, which includes age,



© iStock-1189305225

education, working time modality and institutional factors, can explain a small part of the observed gender pay gaps in the sector. However, the largest part of the gender pay gap remains unexplained by available data on labour market attributes.

On the one hand, the estimates show that for almost all countries and at almost all quantiles of the hourly wage distribution, the unexplained part of the gender pay gap in the health and care sector dominates and is positive. This implies that women working in this sector are underpaid for their labour market attributes relative to men who have similar labour market profiles. On the other hand, in most regions, the explained part of the gender pay gap is negative, meaning that, while in general women earn less than men for their labour market attributes (the unexplained component), women tend to have better labour market attributes than men within the same quantile of the wage distribution. Globally, the explained component is estimated as -3.5%, whereas the unexplained component is +22%.

Part of the unexplained gender pay gap can be attributed to the so-called “motherhood gap” (a measurement of the pay gap between mothers and non-mothers) and part can be attributed to

the fact that the sector is highly feminized. In most economies, workers in highly feminized sectors receive lower earnings, on average, compared with workers in non-feminized economic sectors. Despite the increasing number of men joining the health and care sector in recent times, the high degree of feminization contributes to the sector’s undervaluation by society, with average earnings lower than that of other sectors. This feature adds significantly to the persistence of the overall gender pay gap throughout the economy.

The recent evolution of the gender pay gap and changes in women’s and men’s labour characteristics in the health and care sector

Over the past two decades, the gender pay gap has increased in some countries, and declined or remained relatively static in others. Using data spanning the period from the early 2000s to 2019, the report shows that the share of men in the global health and care workforce is growing, but at a pace insufficient to reduce the significant degree of feminization that characterizes the sector. The report’s estimates provide some evidence of a

gradual shift among women to higher occupational categories in the sector, although in all countries women continue to be overrepresented in occupational categories associated with nursing and less-skilled health- and care-related functions.

COVID-19 has affected employment and earnings in the health and care sector

The health and care sector experienced fewer employment losses relative to non-health economic sectors as a result of the economic downturn associated with the COVID-19 pandemic. However, working conditions for the sector's workers have dramatically deteriorated, in particular for those at the forefront in the fight against the pandemic (most of whom are women); furthermore, their risk of infection is disproportionately high. While there was an almost complete recovery of employment in the health and care sector on average by December 2020, the recovery lagged behind for some types of workers in the sector, in particular women workers with less education and those in informal employment. The COVID-19 crisis disproportionately affected workers at the low end of the pay scale, most of whom are women, making the average hourly wages (or monthly incomes) of those workers who remained in the sector appear to have increased by the end of 2020. However, this is an artificial construct and the real total wage bill in the sector has actually fallen. Controlling for composition effects in terms of the characteristics of health and care workers before and after the onset of the pandemic, the gender pay gap in the sector appears to have declined only slightly between January 2019 and December 2020.

The way forward: expanding employment and eliminating gender pay gaps

The world faces a global shortage of health and care workers. One important question to ask when considering how to address this shortfall is: what can be done to make the health and care sector more resilient and reduce the gender pay gap in the global health and care workforce? This would, in turn, reduce the overall gender pay gap in the global economy. The findings of this report suggest that several interconnected strategies are needed.

- First, we need to collect and analyse sector-specific wage data with sufficient frequency to allow for timely assessments of the working conditions for the health and care workforce, including monitoring of the gender pay gap in the sector.
- Second, investing in decent health and care jobs, including formalizing informal jobs within the sector, would help make the sector more resilient and able to accommodate the growing global demand for health and care services fuelled by ageing populations worldwide (in particular in HIC).
- Third, to tackle the explained part of the gender pay gap, we need to reduce gender segregation (both horizontal and vertical) in employment in the health and care sector. This can be achieved by: attracting more men into middle-level occupational categories in the health and care sector; providing training and equal opportunities for upward mobility for women health and care workers; and, raising awareness of science, technology, engineering and mathematics (STEM) careers among young girls and women by organizing related job fairs and investing in STEM programmes that target women and girls (particularly through the promotion of internships and career counselling).
- Standardizing working conditions between women and men with respect to contracts (e.g. offering permanent rather than temporary contracts), formalizing informal jobs, and promoting collective pay agreements would also help reduce the explained part of the pay gap in the sector.
- Finally, instituting pay transparency and legal instruments to fight against pay discrimination, as well as efforts to change cultural gender norms and counter stereotypes, can be effective tools to reduce the unexplained part of the gender pay gap.

Closing the gender pay gap, promoting decent work opportunities and conditions, and achieving gender parity in the health and care sector are fundamental factors in ensuring that health and care systems remain resilient against the COVID-19 pandemic and future challenges.