

Frequently Asked Questions on Pay Equity in Jordan





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Q1: What is pay equity?

There are two main concepts related to pay equity. The first concept is “equal remuneration for equal work,” which means that men and women receive equal pay and benefits for work that is the same or requires the same skills, effort, and responsibility, and that is performed under similar working conditions. The second concept is that of “equal remuneration for work of equal value”: this means that rates and types of

remuneration are based on an objective evaluation of the work performed, thus ensuring that men and women receive equal remuneration for jobs which may involve different types of qualifications, skills, responsibilities or working conditions which are nevertheless of equal value overall. The principle of equal remuneration for work of equal value is enshrined in the ILO Convention No. 100.¹

Q2: What does remuneration include?

Remuneration goes beyond basic pay. This includes salary, commissions, vacation pay, severance pay and bonuses. Furthermore, it also includes employer contributions to pension funds or plans, long-term disability plans and all forms of health insurance plans, overtime, work equipment (uniforms, tools, utensils, etc.), family allowances, social security contributions, vouchers,



¹ www.ilo.org/ilolex/cgi-lex/convde.pl?C100



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scholarships, supplements or incentives (company car, representation expenses, health benefits, housing, leisure, etc.). It includes any component of the overall earnings package that has a monetary value, even if it is not paid in cash, whether received regularly or occasionally.



Q3: What are the main causes of the gender pay gap?

Studies have shown that the main causes of the gender pay gap result from factors that are related to the characteristics of both the individuals and the sectors in which they work, such as the educational level, field of study, work experience, skills, qualifications, seniority, size of the company and sectors of employment.

Gender discrimination also has an important impact on the gender pay gap and takes on several forms:

- Occupational Segregation: Occurs when women and men tend to be concentrated in different types and at different levels of activity and employment, with women being confined to a narrower range of occupations (horizontal segregation) than men, and to lower grades of work (vertical segregation)².
- Stereotypes and prejudices with regard to work undertaken by women; stereotypical assumptions regarding women's aspirations, preferences, capabilities and "suitability" for certain jobs.
- A tradition of undervaluing jobs undertaken by women and women's qualifica-

tions. It is important to understand that in many countries women's educational level and attainment are higher than men and even in such situations, there is a significant wage gap.

- High concentration of women in flexible work, which includes part-time work or temporary work which are considered as poorly paid jobs.
- Traditional job evaluation methods designed on the basis of requirements of male-dominated jobs.
- Social and cultural factors can also play a role in accentuating gender disparities; in some contexts, it is considered unacceptable for women to work night shifts, for example. Women in some countries (including Jordan) are also excluded from certain jobs by law for stereotypical and paternalistic reasons linked to the view that women are weak and in need of protections. Many of these jobs from which they are excluded are high paying jobs.

Unfortunately, lower unionization rates of women workers leading to weaker bargaining power contributes to the perpetuation of the gender pay gap.³

² International Labour Office. *ABC of women workers' rights and gender equality*. Geneva. (2007). p144

³ International Labour Office. *A comparative analysis of promoting pay equity: models and impacts*. Geneva. (2006)



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Q4: Job evaluation: what does it mean?

The concept of “equal value” requires some method of measuring and comparing the relative value of different jobs, based on the respective tasks involved, and based on entirely objective and non-discriminatory criteria. A job evaluation is a formal and systematic approach to analysing jobs and categorizing them in regard to their relative worth. Job evaluations are based on a consistent set of factors, which normally include skills and qualifications required, responsibilities, effort required and working conditions. A job evaluation should not be confused with a performance appraisal, which relate to the performance of the employee, not the job itself. The performance appraisal may be used for incentive purposes, whereas the job evaluation determines the pay rate for a particular job, irrespective of who performs it. Once jobs have been determined by the evaluation to be of equal value, adjustments should be made so that they carry the same remuneration. Normally there should be no

downward adjustment of remuneration through this process. It also needs to be ensured that the process is not itself gender-biased, in particular through giving lower values to skills and responsibilities considered to be typically “female”.



Q5: What is the role of governments in helping realize pay equity?

Through measures at the legislative, policy and programmatic levels, governments contribute to the effective implementation of the principle of equal remuneration for work of equal value. Legislative measures include the alignment of the national law and regulations to the principle of equal remuneration for work of equal value; labour legislation favourable to equal treatment and equal opportunities between men and women; introduction of legal machinery for wage determination; provisions for job evaluation and job classifications; establishment of minimum wages; and establishment of Equality Bodies to lodge complaints; provisions for pay transparency to better be able to compare jobs and remuneration among others.

Practical measures may take the form of policies or action plans implemented at national or local levels with a view to enforcing the principle of equal remuneration for work of equal value and remedying existing discriminatory practices that may contribute



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to the gender pay gap. Policies, strategies and action plans on pay equity may tackle occupational segregation, quality of part-time jobs, undervaluation of female-dominated jobs, childcare, work-family balance, and maternity/paternity leave, among others. Government measures, whether legal or practical, often need to be accompanied by awareness-raising campaigns and capacity building activities to ensure their effective implementation. It is also important that governments work closely with employers' and workers' organizations to ensure that these organizations are aware and committed to pay equity.



Q6: What can companies do in order to eliminate the gender pay gap?

Companies can take steps to apply the principle of equal remuneration for work of equal value. It is vital that job classification systems and pay structures are objective and based exclusively on the requirements of the job to be performed, irrespective of the person who will perform it. Companies should periodically conduct gender-neutral job evaluations and adopt corrective measures whenever a situation of unequal remuneration is revealed.⁴ Pay audits can also be key in this context.

Companies should also make available training programmes to raise awareness on the principle of equal remuneration for work of equal value among staff and especially among supervisors and managers, so that they understand the importance of paying employees on the basis of the value of the work and not of who is performing the work.⁵

Q7: How does the gender pay gap manifest itself in Jordan?

The gender pay gap is defined as the percentage difference between the average hourly earnings of women and men employees. According to the Department of Statistics, in 2008 the average monthly wage for all occupations and sectors of a woman stood at JD314 compared to JD364 for a man.⁶ It might be argued that an average gender pay gap of 50JD per month in Jordan compares favourably to other middle income countries and even to advanced industrialized nations. However, such a seemingly small gap is misleading, since women in Jordan have low levels of labour force participation and tend not to participate in low-skill, low pay employment. Over 90 per cent of Jordanian women with secondary education or lower are economically inactive, while nearly two-thirds of Jordanian women with a university education are economically active.⁷ The gender pay gap in the low skill elementary occupation does not reflect accurate results as it does not take into account domestic workers employed by private households

⁴ International Labour Office. *ABC of women workers' rights and gender equality*. Geneva. (2007). p.75

⁵ Ibid. p. 75

⁶ International Labour Organization. Regional Office for Arab States. *Pay Equity in Jordan – Policy Brief 9*. (2010) . Beirut. p.2

⁷ Department of Statistics (DoS) 2010a. *Employment Survey 2008 Annual Report* (Amman. Government of Jordan)



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and apparel workers which constitute around three quarters of women employed in elementary occupation in Jordan.⁸

The gender pay gap manifests itself in several ways in Jordan. One is through inequities in the non-wage benefits, as men usually have advantages that women do not have, or sometimes receive more benefits than women. Benefits include non-wage compensation provided to employees in addition to their normal wages or salaries. It is also manifested through the undervaluation and underpayment of jobs that are dominated by women. In Jordan, when skill



level is taken into account, women are paid considerably less than men. For instance women professionals are paid 33 per cent less than men professionals.

Q8: Which sectors have the highest gender pay gap in Jordan?

The gender pay gap in Jordan is significantly higher in the private sector. In particular, the gender pay gap for professionals in the private sector (41 per cent) is significantly larger than in the public sector (28 per cent). According to the Department of Statistics, women workers are mainly concentrated in three economic sectors: manufacturing, with 28.5 per cent of the workforce, education with 23.7 per cent, and health with 10.7 per cent.⁹ According to the Department of Statistics, the gender pay gap in 2009 was highest in the private education sector, where a woman's average salary is JD 273, while a man's average salary stands at JD 523.¹⁰



Q9: What is being done about the issue of gender pay gap in Jordan?

Jordan has a longstanding commitment to achieving pay equity. The Equal Remuneration Convention (No. 100) was ratified in 1966. In 2011 a National Steering Committee for Pay Equity (NSCPE) that aims to increase women's labour market participation and promote equal pay for work of equal value was established. NSCPE aims at promoting women's participation in the labour market, particularly through the implementation of ILO's Equal Remuneration Convention No. 100 and Discrimination (Employment and Occupation) Convention No. 111. Under the NSCPE, three subcommittees work towards highlighting and narrowing the pay gap in Jordan: the Legal and Policy Subcommittee; the Research and Statistics Subcommittee; and the Media and Advocacy Subcommittee.

The Legal and Policy Subcommittee aims to identify the deficits in the national legislation in comparison with the international labour standards, particularly the ILO's Equal

⁸ International Labour Organization. Regional Office for Arab States. *Pay Equity in Jordan – Policy Brief 9*. (2010). Beirut. p.3

⁹ International Labour Organization. Regional Office for Arab States. *Pay Equity in Jordan – Policy Brief 9*. Beirut. (2010). p.3

¹⁰ Khreishah Mohammad. Department of Statistics. *Pay Equity in Jordan*. Presentation given on October 8th. 2010. ILO Dead Sea workshop on Gender Pay Equity in Jordan



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Remuneration Convention, No. 100, the Discrimination (Employment and Occupation) Convention, No. 111, and Minimum Wage Convention, No. 131, through the preparation of a policy-oriented legal review. The Research and Statistics subcommittee's aim is to provide information and statistics that determine the imbalance in wages and to undertake an in-depth study on pay discrimination in a selected sector, based on available figures on gender pay gap in the country and the policy-oriented review; both committee members selected the private education sector for the study.

The aim of the Media and Advocacy Subcommittee is to raise awareness on pay equity issues in Jordan in order to win the support of stakeholders in the implementation of the principle of equal remuneration for work of equal value.



Q10: What is needed to make gender pay equity a reality in Jordan?

Different stakeholders need to work together in order to eliminate the gender pay gap. The government should commit to legal and practical measures to enforce the principle of equal remuneration for work of equal value. Both employers' and workers' organizations should commit to collective bargaining and aim at collective agreements to make equal remuneration for work of equal value a reality. Civil society organizations should also take this issue seriously, advocate and take certain measures in order to improve the situation. A successful ILO project in Portugal addressed gender pay equity by applying gender-neutral job evaluation methods in the restaurant and beverage sector. The project worked on improving the institutional capacity of trade unions and employers' organizations, promoting tripartite social dialogue, raising social awareness and providing training for labour inspectors.

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The Frequently Asked Questions document was prepared by the National Steering Committee for Pay Equity (NSCPE). NSCPE is a national initiative that aims at closing the gender pay gap in Jordan by establishing a strong institutional framework for action for pay equity, creating evidence-based policies, and amending the relevant legislation.

The Jordanian National Committee for Pay Equity, co-chaired by the Jordanian National Commission for Women and the Ministry of Labour, was launched in July 2011 with the aim of effectively implementing the principle of equal pay for work of equal value. The tripartite plus body, which is technically supported by ILO, comprises of representatives from trade unions, professional associations, civil societies, government bodies, the Chamber of Commerce, the Chamber of Industry, and other private-sector representatives. This initiative is part of ILO's Decent Work Country Programme.

