

Gender Pay Gap



**ELIMINATING THE GENDER PAY GAP THROUGH
STRENGTHENING LEGISLATION: THE SOUTH
AFRICAN CONTEXT**



Catalytic Strategy - Gender Pay Gap Report

Eliminating the Gender Pay Gap through Strengthening Legislation: *The South African Context*

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Foreword

The Women Economic Justice Catalytic Strategy, established in 2019 by the International Women's Forum of South Africa (IWFSa) and the WDB Investment Holdings ("Joint Partners"), is a vehicle to identify effective mechanisms to facilitate access to research on women's economic justice. Our intent is to leverage this information to influence debate, drive transformation in industry and inform South African policy development in response to this critical issue. The Joint Partners share a track record of driving change and advancing women, both in business and society at large. Through years of activism and resulting successes in influencing and transforming businesses, we have gained invaluable experience in utilising international standards and mechanisms, and a broad range of advocacy interventions in our pursuit of women's economic advancement.

The Catalytic Strategy is a dynamic and evolving initiative. Our five-year journey has been a learning process, as we adapted and refined our approach and strategy as we progressed. We established key partnerships, including research and strategic collaborations with the Johannesburg Stock Exchange (JSE) and influential organizations such as the Institute of Directors in Southern Africa (IODSA), the King Committee and many others, to help us gain a deeper understanding of the intricate intersections between gender justice and economic policies. Despite facing numerous challenges, including the unprecedented impact of the Covid-19 pandemic, and operating primarily through voluntary efforts,

with limited resources, the Catalytic Strategy demonstrated remarkable resilience, adapting and leveraging innovative solutions to surface and address critical issues of women's economic justice. Today the Catalytic Strategy has evolved into a Thought Leader, drawing on a wide range of experts in matters of social and economic justice. We have jointly formed a voice in response to calls for policy input, and are spearheading the revitalization of specific gender legislation to deliver on women's empowerment and gender equality. I am delighted to provide a foreword to this Gender Pay Gap Study, which establishes a cornerstone and invaluable resource for these policy advocacy interventions.

The Women Economic Justice Catalytic Strategy has become a thought leader in gender and economic justice, emphasizing the need for South Africa to develop its own approach to closing the gender pay gap by addressing systemic and unconscious bias.

The study reveals that due to our history of inequality and exclusion, South Africa cannot follow the world when defining the gender pay gap. We need to expand and develop our own definition and strategies to end the gap, leaving no one behind. Bias remains endemic in our society, informing access to jobs and their resulting benefits that can 'make or break' individuals, families and communities. To ensure that access to jobs and benefits is equally available to women, and to create a culture of women's empowerment, we first need to address this systemic and unconscious bias. This requires identifying and rooting out bias in workplace systems and policies, making mandatory education in unconscious bias, for all South Africans to recognise and identify their prejudice, and overcome this.

The study provides us with concrete, actionable interventions for government and organisations to better enable women's economic participation, and end the gender pay gap:

- Recognise the value of women's unpaid contribution to the economy, and pay them for their work.
- Pay women equally to their male counterparts for work of equal value.
- Create opportunities for women to take up leadership positions.
- Provide mentorship to women and opportunities for job-shadowing.
- Stimulate women's entrepreneurship and enable women's equal participation in economic value chains.

I would like to thank Anglo American South Africa for believing in our vision and sponsoring our work. I thank 21st Century for partnering with us in our research endeavors, and providing the industry survey resources that optimized our work. We thank the 20 companies that participated in the industry survey for sharing their experience and insights.

We thank you!

Ms. Irene Channley

**Patron of the Catalytic Strategy and IWF
Global Board Member**

Message of appreciation

I am immensely proud to share a congratulatory message on the release of the gender pay gap study that the Anglo American, as key sponsor, had the privilege of funding. At the Anglo American, we embrace diversity as a driving force. We believe that empowering women in the workforce not only benefits individuals, but also enhances overall company performance and societal progress. Partnerships with like minded organizations offers us the chance to harness our influence, inspiring broader change on a significant scale.

This comprehensive report represents a significant leap forward in our collective understanding of the challenges faced by women in the workplace, and reinforces our commitment to fostering gender equality. The findings of this study illuminate that the issue of inequity not only affects the lives of individual women, but also undermines the fabric of our society. It is not just a women's issue; it is a societal issue that demands our immediate attention and concerted efforts. We funded this study with the belief that knowledge is the first step toward meaningful change. By uncovering the intricacies of the gender pay gap, we have armed ourselves with valuable insights that can inform policy-making, corporate practices, and social attitudes.

The report not only highlights policy failures and implementation challenges, but also directs us toward potential solutions. It provides us with a roadmap, identifying areas where interventions are urgently needed, and highlighting the importance of promoting diversity and inclusion in all aspects of our lives. Armed with this knowledge, we are better equipped to advocate for policies that promote pay transparency, challenge discriminatory practices, and ensure equal opportunities for all. Moreover, the insights from this study provide tangible markers for organizations to implement fair pay practices, and foster environments where talent and dedication are the only measures of success.

Together, we can build a future where equality is not just an aspiration, but a reality.

Ms. Nolitha Fakude
Anglo American Chairman: Key Sponsor

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Message from the Editor: Closing the gap

Thank you for reading this study. In the pages that follow, you will find the culmination of months of meticulous research, analysis, and contemplation — a comprehensive study on gender pay disparities in our society. This study delves deep into the heart of a pressing issue, one that resonates across industries, cultures, and nations. It is a topic that demands our attention, reflection, and, above all, action.

As the editor of this study, I am immensely proud of the dedication and rigour demonstrated by our research team. Their commitment to uncovering the truth, no matter how uncomfortable, has resulted in a report that I believe will serve as a catalyst for change. Change in policies, in attitudes, and in the very fabric of our professional landscapes. We must acknowledge the complexities inherent in gender pay inequality. Gender pay gaps are influenced by a myriad of factors, from individual biases and societal expectations, to organizational structures and cultural norms. Addressing these disparities requires a collective effort – from policy-makers shaping legislation, to employers fostering inclusive workplaces; and from individuals challenging stereotypes, to society as a whole reconsidering its norms and values.

Closing the gender pay gap remains an unfinished business demanding our collective action

This study is not just an account of a problem; it is a call to action. It is a call to employers to re-evaluate their compensation structures, to governments to enact and enforce fair pay policies, and to individuals to stand up against discrimination wherever they encounter it. It is a call to society to recognize the inherent worth and potential of every individual, regardless of gender.

I invite you to read this report with an open mind and a compassionate heart. Let its findings serve as a foundation upon which we can build a more equitable future for all South Africans.

Closing the gender pay gap remains an unfinished business demanding our collective action.

Ms. Madamezulu Goolie Silinda

Editor

Executive Summary and Review

This is a fresh and timely analysis of the history and extent of the gender pay gap in the South African labour system, and the driving factors that enable its insidious perpetuation. The value of this study lies in its unique review of how the gender pay gap manifests itself in South Africa's dual economy: not only the formal sector, but equally in the informal sector; and not only in the public realm of the work place, but equally in the private realm of the household, where the non-recognition of the economic value and contribution of women's unpaid labour persists.

The study examines the connections between these discriminatory practices, gender inequality and women's economic participation, and the impact this has on women's economic advancement. The study provides a useful synthesis of the current legal framework pertaining to purported equality in the public and private realms, and the existing mechanisms for reporting, monitoring, compliance and enforcement. It brings a critical lens to assess implementation shortcomings and failures of these mechanisms in eliminating the systemic, institutionalised gender discrimination in the world of work, as evidenced by the gender pay

gap. Informed by this insight, and making use of an analysis of industry experiences, the study concludes by presenting a slate of realisable interventions necessary to transform inherent bias and discrimination, to effect gender equality and women's full and equal economic participation. The study's strength lies in its detailed analysis of the nuanced and persistent barriers to women's equality in the workplace, and its innovation in not only focusing on privileged, formal sectors of the economy, but also examining sectors where the majority of women in South Africa work. This of necessity includes the informal and domestic sectors.

The study offers invaluable insight into women's vulnerability to oppression and discrimination in these work spaces, the impact this has on their economic participation and on gender equality in the world of work. The proposed mechanisms for redress are accordingly informed by this comprehensive analysis of the drivers and manifestation of gender inequality and the gender pay gap, and how best to target these.

Study Synthesis

The study comprises the following key components:

Global context and empirical analysis of the gender pay gap (sections 1 and 2): The study commences with an overview of the evolution of the gender pay gap, its underlying socio-economic causes and resulting disparity in earnings between the genders, and impact on societies and economies. These sections paint a picture of persistent gender pay discrepancies, despite the adoption of international commitments and standards, government policies and legislation, and activism to eradicate pay discrepancies.

■ This component extracts insights into discrimination across country level of economic development, compounded by gendered occupational segregation, intersectionality, and societal gender norms and cultural prescripts. Findings indicate that the impact of the gender pay gap on vulnerable groups of women, and their access to decent work is profound. This component concludes by providing a useful range of tools, global frameworks and best practices available to analyse and calculate the gender pay gap.

■ An analysis and industry survey of the extent and the driving factors behind the gender pay gap in South Africa (sections 3 and 4): The study tracks the extent of the gender pay gap in South Africa, and the socio-economic dynamics that enable and perpetuate it. This component analyses 14 factors that contribute to gendered disparities in economic participation, from poverty and low levels of women's representation in employment and leadership, to the unpaid work borne by women as a result of cultural and societal gender norms, inadequate training and entrepreneurship support, and gender-based violence. It further provides an industry-specific analysis of pay disparities, disclosure, trends and perceptions pertaining to the gender pay gap, and to the management of diversity, equity and inclusion in the South African work place.

■ Legislative framework and compliance mechanisms to close the gender pay gap (sections 5, 6 and 7): This section provides a synthesis of international instruments and South Africa's legislative provisions with a bearing on the gender pay gap, gender discrimination in the workplace and women's empowerment. It goes on to map these against the 14 factors driving the gender pay gap, identifying potential scope and impact of legislative provisions in addressing these factors. This is coupled with a critical analysis of the reporting, monitoring and enforcement mechanisms enacted – and gaps – in ensuring and tracking progress in legislative and policy implementation in these spheres. The report outlines a series of practical, implementable measures to address these shortcomings, to eradicate the gender pay gap and ensure the transformation of the workplace.

■ Intervention strategies to champion reform (sections 8 and 9): The study concludes with an analysis of challenges experienced in eradicating the gender pay gap, and provision of systemic intervention strategies and policy reform required to address these challenges. The concluding section consolidates the study findings and outlines a vision for and a roadmap towards a more equitable and inclusive society.



Limitations and areas for future study

It is suggested that to augment the take-up of the study's findings, an accompanying handbook be researched and developed, providing a more complete and detailed set of indices, tools, and instruments that stakeholders can apply to their workplace context, to ascertain the gender pay gap.

The section on gender pay gap analysis and measurement provides a useful understanding of how to go about calculating a gender pay gap and the methods available in this regard. It seeks to provide information on global frameworks, tools and best practice in undertaking a gender gap analysis, but only provides scant information on three tools, with information seemingly missing. This section would be more useful if fully developed, and additional research undertaken on global frameworks and best practice, and practical information provided to demonstrate the application of these tools in calculating the gap percentage.

It is suggested that to augment the take-up of the study's findings, an accompanying handbook be researched and developed, providing a more complete and detailed set of indices, tools and instruments that stakeholders can apply to their workplace context, to ascertain the gender pay gap. The legislative provisions and compliance monitoring mechanisms information captured in this report could be further developed, as this presents purely a high-level overview of relevant policy and legislation available to eradicate factors perpetuating the gender pay gap.

Further research is needed on detailed provisions embedded with the identified legislation and international conventions, that could be drawn on to leverage state accountability to enact such measures. Equally, a more nuanced understanding is required of existing reporting, monitoring and compliance mechanisms, to identify possible institutions and opportunities to obtain information on state interventions, and stakeholders and platforms that could be utilised to call for greater state accountability.

The slate of measures proposed to un-do the gender pay gap, and adopt an alternative approach to viewing and structuring household, entrepreneurship and country economies is incomplete, and requires more nuance and detail. Some pragmatic recommendations are outlined, setting the task, generally, of what would be required and what could be achieved, but these would need to be anchored in more targeted recommendations to level the playing field: quite

who would or should take on such measures is not clear. Additional research on best practice pertaining to some of the persistent systemic challenges, such as recognizing and quantifying in a country GDP women's unpaid work, would be of invaluable contribution to this study, as this is one of its core components.

Equally, additional research and comparative studies on the fundamental challenge of extending public and private sector measures to the informal economy, is needed, as this is one of the unique features and core strengths of this study. This is the sector where the majority of South Africa women work, and bringing practical, workable solutions to bear would enhance the study's analysis and nuance policy recommendations on how South Africa might best accomplish this.

A tacit intention apparent in the concluding section of the study is for the state to adopt a legislative framework that requires companies – and government – to enact the measures identified, and to then establish mechanisms that would ensure the implementation, monitoring and enforcement of such measures. The study authors are clearly building the rationale for the introduction of gender-specific legislation that could establish the necessary legal framework to accomplish such an agenda. It would serve the study well to make this point more deliberately, so that the recommendations are embedded in a clearly articulated policy position.

Conclusion

This is a fascinating study which draws together strands of inequality, exclusion and bias, weaving a narrative to explain their origin, how these are perpetuated and the resulting impact on women's economic participation. By linking this analysis to the current legislative framework, the authors direct attention to the systemic shortcomings in the state's approach to fostering gender equality and women's empowerment. This in turn justifies the rationale for a new approach to address these shortcomings in a holistic manner, which the study calls for.

This is potentially a powerful rallying call and anchor point to galvanise women's movements, gender equality activists and state actors to take up the unfinished business of attaining gender equality in South Africa, and design a transformative legislative and institutional landscape to this end.

Dr Janine Hicks



Purpose Statement

It is widely accepted that extreme inequality is an obstacle to economic growth, and that inadequate diversity management in the workplace results in decreased talent and poor performance. The gender pay gap has lifelong effects. It contributes to women's poverty, and perpetuates gender inequality. Gender inequality is highly debilitating; detrimental to women's sense of dignity and worth, and fermenting toxic societal stigma. Gender inequality is costly, forcing women to suffer the severe emotional and economic repercussions. The gender pay gap symbolizes and is the manifestation of gender-based discrimination and injustice. Reducing pay disparities between men and women is a key priority for achieving gender equality. Pay equity is a tangible practical outcome that promotes sustainable and meaningful livelihoods.

One of the greatest challenges of dealing with the gender pay gap is viewing it from a singular perspective: that of the conventional economic narrative that often privileges market-based activities in the formal economy. Such an approach fails to acknowledge that women's contributions to and participation in the economy extend far beyond the confines of formal employment, into the informal economy and domestic realm. The Beijing Declaration and Platform for Action of 1995 provides a comprehensive and visionary blueprint for women's empowerment. Three decades since its adoption, it remains "the most comprehensive global policy framework and blueprint for action and is a current source of guidance and inspiration to realize gender equality and the human rights of women and girls, everywhere".



1 The most distinctive aspect of the Platform for Action's approach lies in its effort to assign value to traditionally unquantified work. **2** The Platform for Action places emphasis on recognizing women's economic production.

1 Beijing Declaration and Platform for Action

2 Beijing Declaration and Platform for Action Pg. Section F: Women and the Economy. Strategic ObjectiveF1. (g)

It reflects and requires a transformative shift in addressing gender inequality, urging national, regional, and international bodies to enhance data collection and measurement methodologies. It demands the inclusion of traditionally unremunerated work to validate and integrate this into official accounts.

Measuring women's unemployment and underemployment more accurately would enable governments to:

- Recognize the prevalence of informal work and part-time engagements that women often undertake, due to various socio-economic factors;
- Recognise the limitations of economic measurement frameworks, and utilise a broader understanding of productive labour. Improving data collection on unremunerated work, such as subsistence agriculture, underlines the reality that many women play crucial roles in sustaining communities through activities that are not monetarily quantified or compensated, and accordingly rendered invisible in economic indicators;
- Challenge established economic norms by bringing such invisible work into the realm of measurable economic indicators.

Such measures are not only about recognizing women's economic contribution, but also about highlighting the disparities between genders in terms of both paid and unpaid work. This recognition encourages a broader discussion on policy measures, social norms, and cultural values that perpetuate inequality. By advocating for the creation of gender budgets, or additional gender mainstreaming measurements within core national budgets, the Platform for Action aims to address these gender disparities. The approach aligns with feminist economics, which contends that the traditional economic framework has long ignored or, at best, undervalued women's contributions, and that therefore a more inclusive economic model is needed to achieve true gender equality.

The Platform for Action's declaration signals a paradigm shift that recognizes the multifaceted nature of women's economic contributions. It challenges established economic norms, calls for the valuation of previously unquantified work, and strives to make gender disparities a central part of economic deliberations. This perspective underscores the importance of a holistic approach to gender equality that considers both formal and informal spheres of work, and seeks to reshape economic narratives to reflect the true diversity and complexity of women's roles in society.

The purpose of this research is to critically examine and assess the effectiveness of the existing legislative framework aimed at addressing and closing the gender pay gap in South Africa. Analysing the framework at both international and domestic levels enables this study to identify gaps and challenges in implementation in the state's approach to addressing the gender pay gap. The research transcends workplace boundaries and examines the multifaceted effects of gender pay gaps on societal dynamics. It demonstrates the urgency of comprehensive legislative interventions by exploring the wider implications of unequal compensation, including its potential to perpetuate genderbased socio-economic disparities, and hinder economic growth, by limiting the potential of half the population. Providing actionable insights into the mechanisms and strategies that drive positive change, the research advocates for the refining of current legislation, fostering greater gender equality in the workplace, and advancing the broader goal of a more just and inclusive society.