

# "Society and Future" Programme

## Final report - Research summary<sup>1</sup>

RESEARCH CONTRACT: [TA/01/029](#)

PROJECT ACRONYM: WAGEGAP

TITLE: NAAR EEN VERKLARING VAN DE LOONKLOOF

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*The purpose of this summary is to present the results of the research on the Internet.*

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<sup>1</sup> See art. 5.5.2 of the research contract.

## Links to websites referencing the research team's work on the project

[www.wagegap.be](http://www.wagegap.be)

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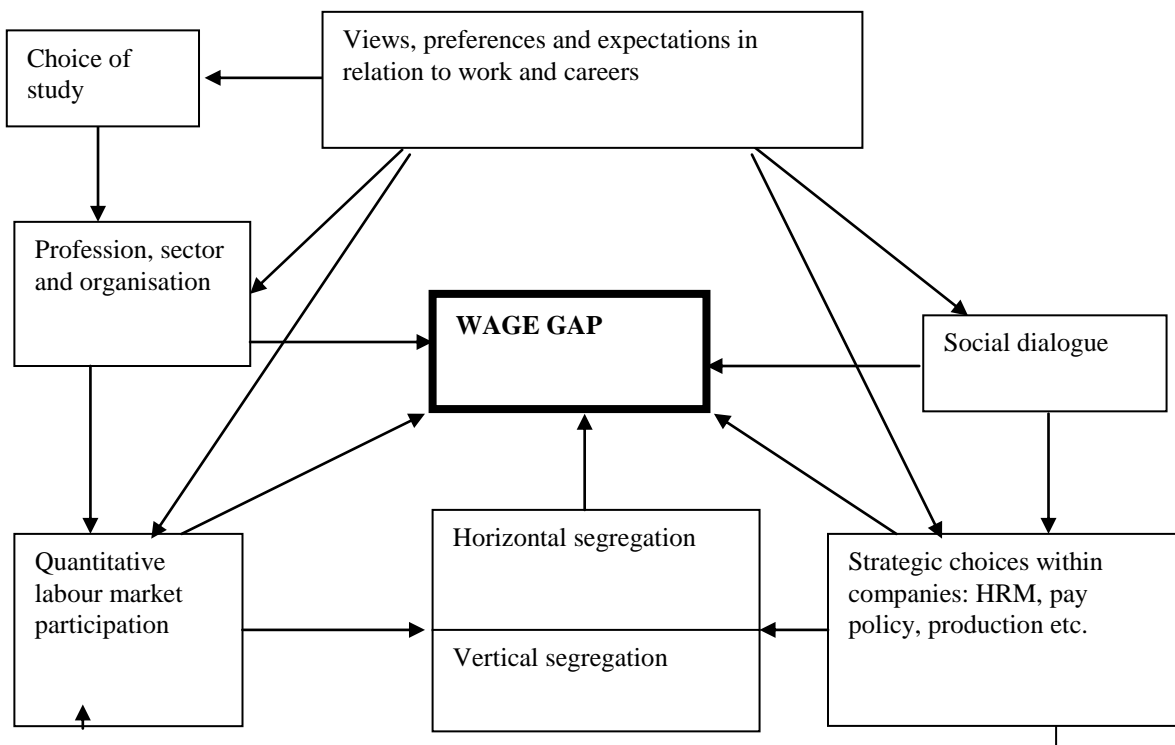
WAGEGAP was intended both to broaden and to deepen our insights into differences in pay between male and female workers. Due to limitations in the data collected and the wording of the research questions, most previous research has yielded only partial and isolated conclusions on the gender wage gap. Our aim in this research is to answer the most important questions that still remain in this area. To do this it uses an extensive and theoretically well-founded conceptual framework and an extensive series of complementary databases. The project was carried out in five steps.

In this summary we will follow these steps as we identify the most important milestones in the research and will then set out the key lessons that can be drawn from this research.

### Step 1. Building a conceptual framework.

To build a conceptual framework, insights were used that originate from a number of different theoretical schools of thought (e.g. human capital theory, signal theory and segmentation theory). In this context differences in pay are accounted for by different factors. We took into account differences in market participation (for example women are more likely to work part time) and employee behaviour, selection and evaluation practices within companies, as well as the reality of a vertically and horizontally segregated labour market (women tend to work in less well paid jobs, sectors and levels in the hierarchy). We sought to build up a picture of the wage gap that incorporates more subtle nuances. To achieve this we took into account the structural processes involved in distribution and gender-specific choices in relation to study and work.

Due to the wide range of explanatory models that exist in the literature, quite a general conceptual framework was used. This could therefore be adapted pragmatically in accordance with the available data in order to analyse differences in pay between men and women.



## Step 2. Describing (determinants of) differences in pay.

All elements in the conceptual framework, particularly the lower pay received by women and the determinants that explain it, were measured in step 2. For each parameter we describe the current situation or score, quantify differences (e.g. between sectors) and evaluate how the situation is evolving. These descriptions are produced on the basis of administrative databases, analysis of random samples and databases from social-accounting secretariats.

Univariate analysis offered an initial and illuminating insight into the determinants of the gender wage gap. The known differences in pay between men and women were confirmed. The differences in pay between men and women are greater among workers educated to higher levels, with more time in service and in more senior jobs. The wage gap is wider in larger companies and in specific sectors. Finally, the wage gap becomes more pronounced through the process of having a family. Workers with a partner and/or children encounter the largest gender wage gap.

A range of complementary explanatory models were used. On the basis of the available data, a large proportion of the wage gap in Belgium can be explained. There is an average wage gap of 20-25% per month, and about 15% per hour. Broadly speaking there is a 5-10% unexplained difference in pay that remains after using the most effective model.

## Step 3. Explaining differences in pay

### Step 3.1 Decomposition analyses yield deeper insights

Using decomposition methods (generally we chose the Cotton specifications for the Oaxaca Blinder method) we researched the extent to which the wage gap can be explained by the different variables described in step 2. Individual choices, unequal treatment and gender differences in opportunity structures were studied as both separate and interrelated factors.

The specific results offer some useful new insights into the wage gap between men and women. First of all, looking at the research results offered an illustration of what is already generally accepted in relation to pay differences in human capital and household characteristics. Composition effects are quite neutral for both clusters of characteristics, and in 2011 men and women are educated to an equivalent level and in similar ways, and are equally likely to have a partner and/or children. The remuneration effect, however, is very different. Being educated to a higher level results in higher pay for men and having children has a favourable effect on remuneration for men but an unfavourable effect for women.

Even more surprising are the observations concerning employment conditions and job characteristics. As regards employment conditions we found a composition effect that is unfavourable to women and can be attributed to the proportion of women who work part time. This, however, contrasts with the remuneration effect, which is favourable to women. Keeping all other characteristics in the working situation constant, women are paid slightly more for an equivalent volume of work than men. From this perspective, there is no penalty in terms of pay for working part-time.

A similar result is obtained in terms of the importance of the type of job in explaining differences in pay. The composition effect is clearly unfavourable to women, who are more often in lower-paid jobs. This points to a well-known relationship whereby a large number of women work as (lower paid) secretaries while more men are (higher paid) managers. The remuneration effect associated with the job type is once again favourable to women. So it is not true that men receive higher pay than their female colleagues when they receive a promotion. On the contrary, if a difference in pay does exist between men and women who receive a promotion, then (in Belgium) it favours the women! In other words this finding should offer some encouragement to ambitious women who need have no fear of being systematically punished by being paid less than their male colleagues when receiving a promotion.

This observation will surprise many people. That is because the wage gap is clearly wider at higher levels in the company. On average female managers are paid less than their male colleagues. The explanation for this must be sought in new composition effects rather than in remuneration effects. In other words, women are more likely to work as managers in health care institutions, while men are more likely to work in the chemical sector.

### Step 3.2 Additional analyses offer wider insights

In this research, existing explanatory models were supplemented by including a number of additional analyses. One chapter confirms the negative effect of a decision to take a career break on the individual's career progress. Women take career breaks more frequently than men, and these career decisions consequently have an effect on the gender wage gap.

In a subsequent chapter the concept of remuneration is seen from a wider perspective. We have shown that the gender wage gap widens if fringe benefits are included in the calculation alongside wages.

We also explored a less obvious explanatory model for the emergence of the gender wage gap. We sought to ascertain the extent to which the gender wage gap is influenced by macroeconomic fluctuations in the labour market. The economic climate influences the level of employee remuneration. In a strong economy there will be greater scope for pay increases than in times of crisis. The question that we asked is what effect these changes in economic climate have on the gender wage gap. Our analyses confirm that there is greater wage elasticity related to unemployment among men and an inelastic wage curve for women, after controlling for age and sector.

This difference in wage elasticity between men and women also has a (limited) effect on the wage gap. In a strong economy the level of unemployment falls. Due to wage elasticity, this change in the labour market results in higher pay for male employees but has barely any impact on women's pay. The result is that the wage gap increases in times of economic strength (if all other factors remain stable). In a weak economic climate the relationship has the opposite effect and the wage gap between men and women should become smaller.

### Step 4. International benchmark

The ECHP makes it possible to provide an international benchmark. A decomposition of the gender wage gap into composition and remuneration effects, as mentioned above, was also carried out for other European countries.

The insight gained into this difference in remuneration made it possible, for the Belgian labour market, to take an original approach to the emergence of pay differences between men and women so that we could comment on the most noticeable remuneration effects. Nevertheless, the role of these effects should not be overestimated. In Belgium, composition effects are still more important in explaining the wage gap. Differences in pay are mainly attributable to the fact that men and women work different numbers of hours in different jobs for different companies. In countries where, as in Belgium, the social partners have a major role in determining wages and working conditions, such as Netherlands, Germany, Luxembourg and Austria, we found that composition effects have a similar importance in accounting for the wage gap. In these countries differences in pay can only be explained to a limited extent by remuneration effects.

In a number of other West European countries, such as France, Ireland or Italy, remuneration effects are much more important. In many of the 'new' EU Member States in eastern Europe, remuneration effects are actually much more important than composition effects. In contrast to Belgium it seems that in those places the gender wage gap exists because men and women are appraised differently when carrying out work with different characteristics\*\*.

### Step 5. The role of job classification systems

Finally, a considerable effort was made in this research to outline the role of institutional characteristics in the emergence and/or reduction of the gender wage gap. More specifically we sought to ascertain to what extent job classification, an approach that is often used to address the wage gap, can have a role in dealing with the wage gap.

A database was developed which included detailed information for all Joint Committees on the type of

job classification system that was used. Using this database it has been possible to illustrate the considerable diversity that exists within individual sectors in Belgium and it was ascertained to what extent the quality of such systems at the sectoral level is associated with a narrower gender wage gap. Such a correlation was not confirmed, however, probably because the analysis was only carried out at the sectoral level and did not take into account the distribution of male and female employees between different job types and levels of seniority.

## Lessons from the research

It is difficult to read the newspaper for a week without coming across a report on the wage gap. It is even more difficult to find two studies that come up with two similar figures. This is not surprising if study A compares the gross monthly pay of all Flemish employees based on a relatively complete but outdated administrative database, while in study B a consultancy agency takes data from its European web survey to put a figure on the m/f difference in annual salary between self-declared high potentials. The resulting diagnoses can also be quite divergent. Sometimes it is simply asserted that the wage gap is a question of discrimination. For others the wage gap is not an ethical problem: it is rather as if women are choosing to earn less. Both camps have a tendency to lapse into rhetoric and to bandy about vague statistics intended to demonstrate how different or how equal women and men are. In this conclusion we do draw out a few overall lessons in connection with the wage gap. Our work is of course based primarily on the conclusions from the Wagegap project.

### 1. The wage gap is not a myth

Whether it is calculated on an annual, monthly or hourly basis, whether one considers net or gross pay, looks at basic pay alone or includes variable components as well, there is simply no escaping it: women earn less than men. We will mention just two striking figures here. For every 100 euro that a man receives in his bank account each month, a woman gets only 75 euro on average.

The gap actually becomes wider if other elements are included in the analysis alongside monthly pay. Men are likelier to receive virtually every fringe benefit, from medical insurance to laptops and cars. Due to the various benefits that men receive, the gap is wider when measured on an annual basis than on a monthly basis. Due to career-related decisions, such as unequal numbers of career breaks, there would be an even larger wage gap if pay were calculated across a whole career. Regardless of its causes, the wage gap between men and women is an important social reality. The largest proportion of most employees' income is their wage, and income correlates positively with economic security, financial independence and building up social security entitlements.

### 2. The wage gap is not a black box

The majority of the difference in pay can be explained. One important distinction is between the uncorrected and corrected wage gap. The uncorrected wage gap is simply the percentage or average number of euros by which women's wages are lower. This is the figure that usually appears in the newspapers. For an in-depth analysis, however, it is only the starting-point. If we work statistically and take into account the relevant differences between men and women, part of the wage gap "disappears". By "relevant differences" we mean differences between men and women in terms of characteristics that impact their pay. These include the content and seniority of their job, the company they work for and their time in service. For some determinants of pay the gender difference is very large. For example, women are seven times more likely to work part time than men. The differences in other areas are smaller. The number of female employees with a university degree is gradually approaching the male percentage. The difference that remains after controlling for relevant m/f differences is what we call the corrected wage gap. This is the part of the wage gap for which no firm explanation can be found.

In this project we have shown that different explanatory models complement each other. The wage gap in Belgium can largely be explained using the information available. Broadly speaking there is a 5-10% unexplained pay difference that still remains after using the most powerful model.

In other words: correcting for a number of objective differences between men and women causes the wage gap to shrink by approximately two-thirds. The largest proportion of the observed difference in pay is not due to a difference between the levels of wages paid to men and women, but among other things to differences in working times between male and female employees, the jobs that they do and the organisations for which they work.

### 3. Remuneration effects do also exist alongside these composition effects

We took this one step further. We did not simply seek to 'explain' the largest possible proportion of the wage gap. In this explanatory work we also sought to divide the elements in the explanatory model as far as possible into two separate effects, a composition effect and a remuneration effect (using so-called decomposition methods).

The composition effect refers to the extent to which differences in pay can be attributed to men and women working in different jobs, companies, professions etc. and having a different educational background, different expectations in relation to work etc. Here is an example: managers earn more than management assistants, and more men work as managers. As a result average pay is higher for men than for women. The difference expressed by the remuneration effect complements this. It quantifies the extent to which differences in pay arise because men and women with the same background facing the same change in their job - in this example men and women being promoted to a managerial job - receive different remuneration.

The results offer some useful new insights into the wage gap between men and women. If we look at ways in which differences in educational background and household characteristics contribute towards the wage gap, we see that composition effects are quite neutral. In 2011 men and women have received a similar education to a similar level and are equally likely to have a partner and/or children. The remuneration effect, however, is very divergent. Higher education results in higher pay for men and having children has a favourable effect on pay for men and an unfavourable effect for women. We would like to point out that what we call a remuneration effect here may also be a disguised composition effect. So it is quite possible that men and women do reach an equal educational level but still choose very different subjects at that level. Insofar as these subjects offer different levels of preparation for and access to well-paid professions and sectors, their study choice contributes towards the wage gap. In the end this is an (unmeasured) composition effect rather than a pure remuneration effect.

### 4. The wage gap is a career gap

It is no secret that administrative and support services in our economy are predominantly female, while men are highly over-represented in managerial and executive jobs. Vertical segregation is one neutral description of this phenomenon. A more loaded expression is "the glass ceiling", a metaphor for the barriers that prevent or hinder women from gaining access to the higher echelons of a company hierarchy. This concern is understandable, since seniority is one of the most important determinants of remuneration. Vertical gender segregation is therefore an important factor in the emergence and persistence of the wage gap. Furthermore, the gender wage gap is reduced more by taking into account aspects of vertical segregation than by the addition of any other factor.

In this case the composition effect is clearly unfavourable to women, who are more frequently found in lower-paid jobs. A significant part of the wage gap can be attributed to the unequal distribution of men and women between hierarchical or seniority levels. In other words there is a promotion gap hiding behind the wage gap. This makes the wage gap more a career problem rather than purely a problem of remuneration. Equal representation of women and men at all levels in the organisation would in any case result in a significant reduction in the wage gap.

Some finer detail was added to this picture of the wage gap by our findings on the remuneration effect. It turns out that the remuneration effect associated with the type of job is in fact favourable to women. So it is not true that men receive higher pay than their female colleagues when they are promoted. On the contrary, if a difference in pay does exist between men and women when they receive a promotion, then (in Belgium) it is in favour of women! This result should offer some encouragement to ambitious women who need have no fear of being systematically punished by being paid less than their male colleagues when they are promoted. This observation will surprise many people. That is because the wage gap is clearly wider at higher levels in the company. On average female managers are paid less than their male colleagues. The explanation for this should be sought in new composition effects rather than remuneration effects. In other words, women working as managers are more likely to be in health care institutions, while there are more men working as managers in the chemical sector.

### 5. The wage gap is also a story of glass walls

Following immediately from the last statement, it can be seen that on the whole not only vertical segregation (the glass ceiling) but also horizontal segregation (glass walls) plays a part. Even at the

same hierarchical level, women actually do different jobs from men. Many jobs today can still be characterised as men's work or women's work. In lucrative areas of work such as IT, R&D and engineering, women are under-represented. Not only are there glass walls within companies, but the proportion of women also varies considerably from one organisation to another. Once again we find that women are concentrated in sectors where pay is lower. They are over-represented in retail, the textiles industry and healthcare. Relatively few women find their way into utility companies or the chemical industry.

Horizontal segregation is the complex result of multiple choices (choice of study and choice of profession, decisions to work part time etc.) and selection and segmentation processes in the labour market. Recent research has also shown that this horizontal segregation arises more in education than in the labour market. Or, to put it differently: the relationship between the choice of study and the choice of a profession means that the segregation that occurs in education is barely corrected at all in the labour market (Van Puyenbroeck, De Bruyne & Sels, In press, Labour Economics). Nevertheless, as we have commented above, we must emphasise that the wage gap has almost nothing to do with a difference between levels of academic qualification. It is the choice of subject that truly makes the difference. The problem is not that too few girls go to university or college (they are currently in the majority there), but that larger numbers of them choose "softer" subjects which offer fewer prospects of lucrative careers in well-paid sectors.

#### 6. The wage gap is further widened by differences in work experience

The fact that women have less work experience is another important cause of the wage gap. Women in the labour market are on average slightly younger than men and take more frequent career breaks. Fewer active years in the labour market means a greater likelihood that they will not have progressed to a more senior job. Many employees see their work experience translated directly into pay through supplements for time in service. Furthermore, a traditional pattern of continuous, full-time employment with the same employer or a small number of employers, offers more vertical career opportunities than a "zig-zag cv". This is because work experience, loyalty and commitment are the criteria (or defensible pretexts) used in decisions on promotion. In short, work experience is an indicator of one's human capital.

The differences become even greater if part-time work is also included in the discussion. There is indeed a strong composition effect that is unfavourable to women and can be attributed to the proportion of women working part-time. This is once again tempered to some extent by the remuneration effect, which is favourable to women. If all other characteristics in the working situation remain unchanged, women are paid slightly more than men for a similar volume of work. From this perspective, there is no penalty in terms of pay for working part-time. A similar remuneration effect in favour of women has been found through research into the cost of taking career breaks in terms of lost wages. Women take significantly more career breaks (composition effect) but the financial implications of taking a break for typical 'care reasons' are more severe for men (remuneration effect) (Theunissen, Verbruggen, Forrier & Sels, In press, Gender Work & Organisation).

#### 7. The remuneration effects are limited, which is a good thing!

It is significant that, in Belgium, composition effects are still the most important factor explaining the wage gap. This much has become clear from our international comparative research into the wage gap. Differences in pay are mainly attributable to the fact that men and women work different numbers of hours in different jobs for different companies. In countries where, as in Belgium, the social partners have a major role in determining pay and working conditions, such as the Netherlands, Germany, Luxembourg and Austria, we find that composition effects have a similar level of importance in explaining the wage gap. In these countries differences in pay can only be explained by remuneration effects to a limited extent.

In a number of other West European countries - examples include France, Ireland or Italy - remuneration effects are much more important. In many of the 'new' EU Member States in eastern Europe, remuneration effects are actually much more important than composition effects. In contrast to Belgium it seems that the gender wage gap exists there because men and women are appraised differently for doing work with the same characteristics\*\*. We are not seeking here to justify the existence of composition effects, but we can offer some reassurance that the presence of major remuneration effects is a much more severe problem. That is because composition effects are differences in pay due to differences in position. Remuneration effects, however, are differences in pay that occur despite being in an equal position.

## 8. The (limited) importance of job classifications

Many companies use a system of job valuation and job classification for at least a proportion of their employees. In Belgium, job classifications generally originate from and are based on sectoral agreements (Sels & De Winne, 2005). Organisations can also develop their own classifications. These may range from dividing their personnel into class I and class II, to weighty tomes that use academic-sounding arguments to support decisions to place a clinical laboratory assistant on a higher grade than a bookkeeper/accountant.

Job classification has always attracted a lot of attention in debates on the wage gap. It can certainly have an impact. There may even be direct effects. One example would be a boss paying a female employee less than her male colleagues without having any objective grounds to justify this. Or another designing or manipulating a job valuation system so that typical women's jobs are placed too low on the scale. We classify these unjustifiable practices under the heading of appraisal discrimination. This can then be distinguished from access discrimination, which is latent and open discrimination when selecting employees.

Through the EVA project, the Federal Government has invested time and resources in recent years in studying, designing and disseminating so-called analytical job classification systems. These systems offer better guarantees of gender neutrality than, for example, rankings or paired comparisons. We very much doubt whether job classification practices have a major role in explaining the wage gap. This is clear, among other things, from the observation that, in Belgium, composition effects are much more important than remuneration effects. It also becomes evident, albeit only on an indicative basis, when we link the data from our job classification research to figures about the wage gap (aggregated data from the RSZ [national social security agency]). We then observe that there is no significant difference in the average wage gap between the three systems (no sectoral job classification, comparative system and analytical system). In joint committees that do not use a job classification system, the average wage gap is highest, at 12.30%. In joint committees that use a comparative job classification system, the average wage gap is somewhat lower, at 11.08%. Joint committees that use an analytical job classification have the lowest average wage gap, at 11.04%. These are small differences.

## 9. Job classification in 2011: not a pretty sight

That does not change the fact that good job classification is definitely an important factor in maintaining fairness and consistency in remuneration policy. Gender neutrality is inseparably linked to this. Despite its importance both within and outside the debate on gender neutrality, in practice job classification is not doing very well. First of all we have to observe that in a number of sectors there is no collective agreement on job classification at all. As a result these sectors have no sectoral job classification system. This is true of about one-fifth of the joint committees questioned through this project. Secondly we can conclude that the analytical system of job classification is far from well established. Only a quarter of the joint committees analysed use an analytical job classification system. As a result, hidden forms of discrimination may be allowed to have a greater effect. One reassuring sign is that discussions are taking place in a number of joint committees on moving to an analytical system. Examples include: PC209 (joint committee for white-collar employees in the iron and steel industry (agreement is in place, collective agreement will be signed in 2011), PC306 (joint committee for the insurance sector (pilot project + discussions in progress), PC310 (joint committee for the banks: discussions in progress).

Clearly a large number of very obsolete and outdated job classification systems are still in place. Many job classification systems have not been adapted or updated for a long time. A lot of them also use very vague job descriptions which are sometimes very outdated. There are also gaps when it comes to new types of jobs that have emerged since the job classification was introduced (e.g. jobs in the IT sector). The job descriptions that are used often include different skills from those now needed in the sector. Keeping a job classification system that has no realistic frame of reference increases the risk of errors when determining the class (and therefore also the level of pay). Examples of this include: PC207 (joint committee for white-collar workers in the chemical industry: the sectoral job classification dates from 1947). PC119 (joint committee for food wholesalers and retailers: Collective Agreement of 13 July 1977), PC121 (joint committee for cleaning and disinfecting companies: Collective Agreement of 1969). In the vast majority (two out of three) joint committees there is no agreement or no specific mention of how the system is kept up to date.

Just over half of joint committees have at some point addressed the specific aspect of gender



neutrality in job classification. More attention is paid to gender neutrality in job classification by joint committees that have an analytical job classification system than those using a comparative job classification system. When an analytical system is used, 'best practices' (framework procedures, FC index) are more frequently used. These include: the inclusion of sample jobs within job descriptions, the existence of an appeals procedure or a technical working group, agreements on how the system is kept up to date and whether the specific aspect of gender neutrality is addressed. It is important to continue monitoring the dissemination of analytical methods for this reason alone!

#### 10. Explaining the wage gap is not the same as justifying the wage gap

In conclusion, we are seeking to set the correct 'tone' in this report. We have mentioned 'explanations' and 'decomposition' of the wage gap several times. The fact that we can explain and analyse the wage gap does not, however, mean that we can immediately justify it. Demonstrable differences are not necessarily justifiable differences. Behind the façade of objective factors there may be unequal starting-points, persistent stereotypes and outright discrimination. No doubt many of the m/f differences that ultimately result in the wage gap are based on forms of discrimination. The lower average seniority among women is a demonstrable cause of the emergence of the wage gap, but that difference cannot itself be attributed to objective factors. The fact that women take more frequent career breaks is another structural explanation for the lower pay that women receive, but who could dare to assert that this is always a free choice? Statistical correction of the wage gap absolutely does not imply any ethical or political legitimation.

#### 11. The unexplained part is not necessarily the 'discrimination factor'

There is also a temptation to interpret the corrected wage gap as the extent to which women encounter direct financial discrimination. After all, surely this is the difference in remuneration for which we have no explanation? Discrimination no doubt contributes to this "residual difference". The problem, however, is that we do not know what proportion of the unexplained shortfall in the pay received by women is attributable to discrimination. This is because the figure includes all the differences between men and women that have not been taken into account and that have an impact on the level of pay. These may include discrimination, but they may also be differences based on characteristics not included in the explanatory model (for example performance levels) or differences in variables that have not been corrected because they were not measured accurately enough (for example the use of excessively generalised division into sectors). Conclusion: it is highly probable that some women receive lower pay "because they are women" than a man would receive in the same position (so-called appraisal discrimination), but it is impossible to quantify the relative weighting of such practices. So the corrected wage gap is in fact a black box.

#### 12. Discrimination is easier to point out than to prove

Objective determinants of the wage gap are certainly not as innocent as they may seem at first sight. Furthermore, the unexplained part of the wage gap, which is suspicious a priori, is not necessarily unexplainable and problematic insofar as it incorporates gender differences that we have not taken into account. Making a quantitative estimate of the level of discrimination is therefore extremely difficult. Unspoken prejudices, disguised selection mechanisms, apparently arbitrary promotions, unequal job classifications and decisions on pay for a specific manager whose effects turn out not to be gender-neutral cannot be clearly captured by a questionnaire. In a schema to explain the wage gap it is possible to localise possible areas of discrimination, but the reality is too complex and often too ambiguous to permit a conclusion that (say) 46.3% of the wage gap is due to discrimination.

#### 13. Discrimination is limited in Belgium

Nevertheless, we will still end with a positive message. Although we do take seriously the subtleties set out above, it is still necessary at some point to venture a statement about the nature of the wage gap. The findings set out above do certainly suggest, in our view, that wage discrimination in Belgium is minimal, certainly when viewed from an international perspective. It was found that after applying the various explanatory models, a difference in pay of only a few percent remained in the Belgian labour market. That does not say much in itself. It means a lot, however, when combined with the observation that composition effects are much more important than remuneration effects. That is because this is tantamount to saying that there is little or no difference between the pay received by men and women working in similar jobs in Belgium. We also found that these limited differences in pay between men

and women in Belgium are not systematically unfavourable to women. That does not mean that we have conquered the problem. Composition effects also lead to systematic inequality in pay. Conclusion: those wishing to address the wage gap in Belgium in future will have to focus their efforts primarily on promoting equal participation in the labour market by men and women. This effort should begin with study choices in education.

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