Wage difference 2019 - English version

Medlingsinstitutet
Swedish National Mediation Office

1. Wage differences between men and women

The pay gap between men and women has been decreasing year by year for the past decade. Women's average monthly wage in 2019 was SEK 33,500, which is 90.1 per cent of the men's average of SEK 37,200. In other words, the gap is now estimated at 9.9 per cent. This is demonstrated by the Swedish National Mediation Office's processing of wage structure statistics.

Differences in wages may be due to a large number of different factors. Taking into account the explanatory factors available from the statistics, using standard weighting, an unexplained difference of 4.2 per cent remains between the sexes for 2019.

One important explanation for the difference in average wage between the sexes is a gender-segregated labour market where women and men still largely work in different occupations, and where these occupations have different wage levels.

The pay gap has decreased both in the short and long term: dropping 0.8 percentage points between 2018 and 2019, and 6.4 percentage points between 2005 and 2019. The most significant narrowing of the gap between 2018 and 2019 took place among white-collar employees in the private sector and in the regions. Among these groups, the unweighted difference has decreased by 1.2 percentage points.

This report begins with an analysis of the gender pay gap in 2019 – that is, before the coronavirus pandemic shook Sweden's economy and labour market. Both the standard-weighted and the average (unweighted) wage differences are presented and the different sectors are analysed separately. Corresponding figures for the period 2005–2019 are also presented.

In a later chapter of the report we study possible effects on the pay gap due to the current crisis.

1.1 The official wage statistics and pay gap

The Swedish National Mediation Office is responsible for the content and scope of the official wage statistics. The statistics can roughly be broken down into three parts: economy wage statistics, wage structure statistics and EU statistics.

The National Mediation Office, instituted in the year 2000, is tasked with analysing wage trends from a gender equality perspective.[1] It has done so annually since its first yearly report in 2001. Since 2009, the analysis is published in a separate report, alongside the report on the wage structure statistics for the entire economy.

Wage differences between men and women have been analysed in the reports based on the official wage structure statistics, which are the best suited statistics for this purpose.

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1 Section 4, first paragraph of the Ordinance (2007:912) regarding instructions for the Swedish National Mediation Office.

1.1.1 Wage structure statistics

The wage structure statistics are an annual study based on individual information. The goal of the study is to provide comparable information on the wage structure on the labour market. Wage structure statistics allow researchers to analyse wage levels, wage structure and wage developments.

The wage structure statistics include information on wages, gender, age, working hours and occupation according to the Swedish Standard Classification of Occupations (SSYK). Information on level of education obtained from Statistics Sweden's education register is linked to the wage structure statistics.

Detailed information: Facts about the wage structure statistics

The wage structure statistics are an annual study. The measurement period is one single month – September for the private sector and the state, and November for municipalities and county councils. This means that the statistics are sensitive to when the collective bargaining wage increases occur and if there has been enough time for the new wages to have been paid at the time of measurement.

The wage structure statistics are published in May the year after the data collection year and are broken down by sector (private sector, municipalities, county councils and the state; the private sector is broken down into blue-collar and white-collar employees). In June of the same year, a compilation is published for the whole labour market, where hourly wages for blue-collar employees are translated into monthly salaries.

The study is a census survey for municipalities, regions and the state. For the private sector, the wage structure statistics are a sample survey that comprises around 50 per cent of the total number of employees in the private sector. The target population in the survey consists of individuals aged 18-66 years with permanent and temporary employment and active business operators/partners with wages and terms of employment according to an agreement.

All companies with at least 500 employees are included in the survey each year. The selection, consisting of around 8,500 companies, organisations and foundations, is made through a simple random sample. Under normal circumstances, around 40 per cent of the companies change from year to year. It is the small and medium-sized enterprises that are replaced in the survey, since companies with at least 500 employees are always included.

The selection is stratified by company size (seven size categories) and industry (83 industry groups) in 530 strata, where the individual items in each respective stratum are allocated the respective stratum's index factor. Using this index factor, calculations can be made of the wage structure for Sweden as a whole.

The wage structure statistics for the whole labour market apply the concept of monthly wage. The measurement of monthly wage includes several different wage components where all wages are indexed to full time. Besides fixed salary, fixed wage supplements and a large number of variable wage supplements are also included. A management supplement is an example of a fixed wage supplement. Variable supplements often depend on the placement of the working hours (such as supplements for uncomfortable working hours or shift work). Other variable supplements include supplements for higher risk, dirt and heat.

The wage structure statistics do not include any information on collective agreement affiliation for the employee or information on so-called lump sum payments or bonuses and other irregular compensation.

1.1.2 Difference between wages and income

It is important to note the difference between wages and income. Wages are compensation for work performed during a specific unit of time, such as an hour or a month. Wages are presented in the wage structure statistics as monthly wages, and part-time wages are translated into full-time wages to enable comparison.[2]

Besides wages, income can for example include transfers and capital gains. Income includes compensation that is received during a specific period of time, usually one year. In contrast to wages, income is accordingly affected by whether one works part or full time, overtime or is absent from work. The term income is not covered by the National Mediation Office's official wage statistics.

1.1.3 Monthly wage measured for comparison

The gross wage measurement for monthly wage includes several different wage components. Besides contractual fixed wage, fixed wage supplements and a large number of variable wage supplements are also included.[3] The term basic wage includes contractual wage including fixed supplements.

When analysing the gender pay gap using the wage structure statistics, the monthly wage measurement is used.

The choice of measurement for the analysis affects the calculated gender pay gap. Including various wage increments, such as increments for being on-call or working uncomfortable hours, also affects the size of the wage difference. Bonuses and other irregular compensation are additional examples of factors that can affect the pay gap.[4] The Swedish National Mediation Office's report on the pay gap for 2010 took a special look at how different wage supplements affect the gender pay gap.[5]

1.1.4 The classification of occupations does not capture everything

In 2014, a revised Swedish Standard Classification of Occupations (SSYK 2012) was introduced. The classification is significantly more detailed than its predecessor, although certain occupations are still bundled together into groups. The classification does not for obvious reasons capture other wage-influencing factors beyond occupation, such as individual productivity or social skills.

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2 The calculation method to translate hourly wages to monthly wage varies between the public and private sectors. In the public sector, the wage is multiplied by 165. In the private sector, the hourly wage is multiplied by the number of hours reported as corresponding to a full-time position.

3 Annual incentive systems such as bonuses, profit sharing or the allocation of shares/options are not included in the wage structure statistics, nor is overtime pay. For a more detailed description of the wage structure statistics, see *"Avtalsrörelsen och lönebildningen 2019" [Collective bargaining negotiations and wage formation 2019]*, Swedish National Mediation Office (2020).

4 See Granqvist (2009) for a study of wage benefits, bonuses and wage differences between male university graduates and female university graduates.

5 Swedish National Mediation Office *"What do the official wage statistics say about wage differences between men and women 2010"* (2011).

Detailed information: Swedish Standard Classification of Occupations (SSYK 2012)

Since the 2014 survey (published in 2015), the wage structure statistics' occupation codes are structured according to the Swedish Standard Classification of Occupations (SSYK 2012). SSYK 2012 is an updated version of the older occupation classification, SSYK 96.

SSYK 2012 is based on the International Standard Classification of Occupations ISCO-08, which is drafted and published by the UN agency, the International Labour Organization (ILO).

ISCO-08 is in turn an update of its predecessor ISCO-88 and the EU variant ISCO-88 (COM).

The goal has been to achieve an occupation classification that better reflects today's occupational structure. The classification is also meant to meet the requirements of international reporting and comparability as far as possible.

SSYK is primarily developed to classify people according to the work they do. There are multiple users of SSYK, including Statistics Sweden, the Swedish Public Employment Service and the Swedish National Mediation Office.

Like SSYK 96, SSYK 2012 has a hierarchical structure with four levels. The first numerical level indicates occupational area, the second indicates main group, the third occupational group and the fourth the occupation. The number of main groups has increased in SSYK 2012 from 27 to 46, the number of occupational groups from 113 to 147, and the number of occupations from 355 to 429. The number of occupational areas is unchanged at 10.

The changes between SSYK 2012 and its predecessor SSYK 96 are significant, as classes have been added, aggregated, divided, moved or removed. Some classes have an unchanged content, but may have been given a new code and/or name. Occupation data from SSYK 2012 can generally not be translated to the old occupation standard SSYK 96 or vice versa.

The publication SSYK 2012 is available on Statistics Sweden's website *www.scb.se/ssyk*.

1.1.5 Alternative statistical methods

In addition to studying differences in average wage between men and women, alternative methods can also be used. These methods take into consideration how men and women are divided with regards to different wage-influencing factors. The size of the pay gap in such calculations is dependent on what variables are included. The pay gap that remains after having taken these variables into account, referred to as the unexplained pay gap, is the pay gap that cannot be explained with the variables available.

The Swedish National Mediation Office uses two methods, standard weighting and regression analysis, to take into account factors that affect the calculation of the gender pay gap.

Standard weighting and regression analysis

Table B2 in Appendix 2 shows how the individuals in the wage structure statistics are distributed according to various wage-influencing factors. The table shows, for example, that women have a higher education than men, that men and women work in different occupations, that women are somewhat older

and that it is more common for women to work part time. To get an alternative view of the relationship between men's and women's wages, consideration can be given to such differences. Two ways of doing this are through so-called standard weighting or regression analysis.

The **standard weighting** that is used by the Swedish National Mediation Office means that wage amounts for different groups are calculated by multiplying the number of employees (men and women) by the average wage for men and women, respectively.

The groups are formed by combinations of four age groups, two education categories, two working hour groups, two sector groups and within each occupation (SSYK 2012 at the four-digit level consists of 429 occupations). The various wage amounts are then added. By subsequently dividing the wage amount for women by the wage amount for men, the standard weighted wage ratio is obtained.

An alternative to standard weighting is **regression analysis**. Regression analysis of questionnaire and register data is the most common empirical method used in labour market research to study differences in outcomes between individuals or groups. Regression analysis can be used to study the relationship between one factor (such as gender) and an outcome variable (such as wage) and at the same time take other factors into account (such as occupation, sector, education).

When wages are analysed by means of regression analysis, a model is first established that includes different factors that are assumed to affect the size of the wages, such as gender. Then, so-called coefficients are calculated that show how much impact the various factors (explanatory variables) have on the wages. To avoid the significance of gender being determined by men and women working in, for example, different sectors or occupations that have wages at different levels, additional explanatory variables are included in the model. By including these data, one can calculate the size of the gender pay gap, given the level of the other variables. The choice of explanatory variables is justified by access to data and economic theory.

1.1.6 Some wage-influencing factors are missing in the statistics

The wage structure statistics contain a wealth of information about employees and their places of work. However, there are obviously factors beyond what can be found in the statistics which might influence a person's wage, such as absence from work or various aspects of individual productivity. Wages are also based on information that is missing in the statistics, such as the requirements for a position in the form of qualifications, expertise, motivation and other characteristics that employees or applicants have.

1.1.7 Unexplained not the same as unfounded

It is not possible to use standard weighting or regression analysis to say whether unfounded pay gaps exist. The unexplained gap is only unexplained in a statistical sense.

An unfounded pay gap is defined in this context as a difference in outcome that is due solely to gender. In other words, an unfounded gender pay gap exists if differ-

ences in wages remain when consideration has been taken to all systematic differences in characteristics between the sexes. In practice, this is basically impossible as all possible factors cannot be captured in statistics.

Because of this, it is difficult to determine if differences in outcome between men and women are due to relevant differences in characteristics – that cannot be observed in the statistics, but are clear when the wage is set – or due to discrimination.[6] Standard weighting and regression analysis can therefore only indicate the connection between gender and wage outcome after consideration has been given to differences in a number of different observable characteristics. They cannot, however, indicate a causal relationship, i.e. the analysis cannot prove that the remaining pay gap (the "unexplained pay gap") between the sexes depends solely on gender.[7]

Since it cannot be shown that the remaining wage difference is solely due to gender, it is also not possible to say if wage discrimination is occurring according to the Discrimination Act. Applying different wage terms for men and women who do the same or similar work at the same employer is illegal unfair treatment. However, based on the official wage structure statistics, no determination can be made as to whether one occupation or job is comparable to another.

A more detailed discussion on discrimination can be found in Chapter 4.

1.2 How large was the gender pay gap in 2019?

Table 1.1 shows that for men and women alike, the highest average wages were found among white-collar workers in the private sector, while blue-collar workers in the private sector had the lowest average wages.

1.2.1 Unweighted difference in wages

The table shows average wages[8] for men and women, and women's wages as a percentage of men's (the unweighted pay gap).

Table 1.1 Average wages * and women's wages as a percentage of men's wages, 2019

	Women	Men	Total	Women's wages as a percentage of men's wages	Difference in per cent
All sectors	33,500	37,200	35,300	90.1	9.9
Private sector	33,800	37,300	35,900	90.6	9.4
Blue-collar employees	27,100	30,000	29,000	90.3	9.7
White-collar employees	39,500	46,700	43,500	84.5	15.5
Public sector	33,100	36,500	34,000	90.7	9.3
Municipalities	31,200	32,000	31,400	97.6	2.4
Regions	36,400	44,800	38,300	81.2	18.8
State	37,700	40,200	38,900	93.7	6.3

*The monthly wages are rounded to the nearest SEK 100.
Source: Swedish National Mediation Office and Statistics Sweden

6 Qualitative methods such as interviews of employees or employers also cannot with certainty ascertain whether discrimination has occurred. An individual may feel that he or she has been discriminated against without that being the case. Correspondingly, an individual can be discriminated against without being aware of it. Employers in turn rarely voluntarily say that discrimination takes place at the workplace.

7 A causal connection exists if it is the individual's gender that determines the wage. The existence of a correlation (connection) between gender and wages need not mean that gender determines the wage level. This connection may rather be attributable to other factors that the analysis has not taken into consideration.

8 The average wage (or mean wage) is the sum of the wages in a group divided by the number of people in the group.

As seen in the table, women had an average of 90.1 per cent of men's salaries in 2019, which means that the gender pay gap was 9.9 per cent (100-90.1). There is a large variation between different sectors. The largest pay gap was in the regions: 18.8 per cent. In the regions, there is an uneven distribution of men and women over occupations. Of the many women who work there, a large number of them are assistant nurses, while a large proportion of the few men who work there are doctors. The second largest pay gap was among white-collar employees in the private sector: 15.5 per cent. The wage difference was smallest in the municipalities, amounting to 2.4 per cent. The second smallest wage difference – 6.3 per cent – was in the state. For blue-collar employees in the private sector, the wage difference was 9.7 per cent.

1.2.2 An illustration of gender composition

The fact that men and women work in different occupations and that these occupations have different wage levels is an important explanation for why men's and women's wages differ. The variation in gender composition at occupation level in relation to the wage level and gender pay gap can be illustrated graphically in a "bubble diagram" (**diagram 1.1**).

The diagram is constructed by showing women's salaries as a percentage of men's for each occupation (y-axis) against the average wage level (x-axis). Each observation (occupation) in the diagram is then illustrated by a circle, the size of which represents the number of employees in the occupation.

Lastly, the gender composition is described by the different colours used for the surface of the different circles, depending on the proportion of men and women in the occupation. Female-dominated occupations are indicated in yellow,[9] male-dominated occupations in purple, and gender-neutral occupations with at most a 40-60 split in grey.

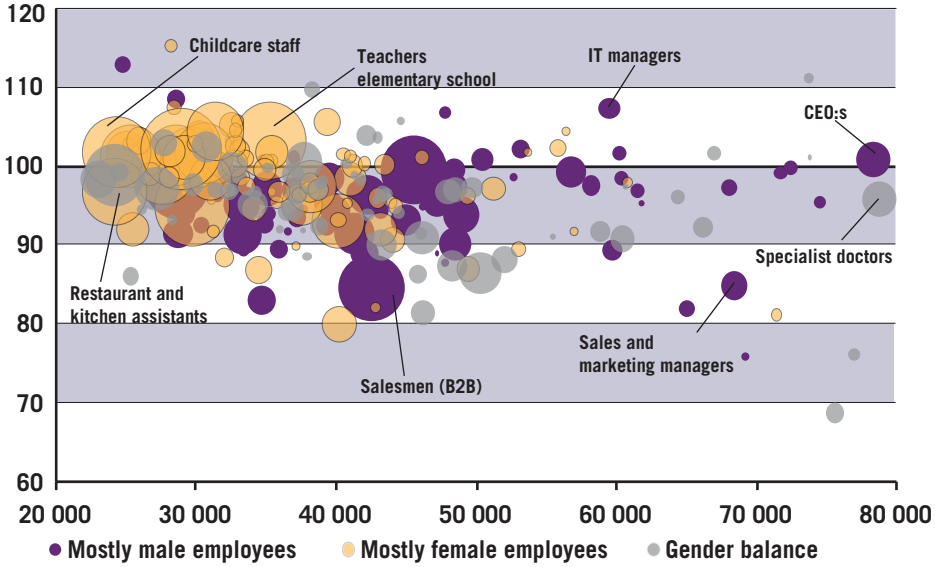
The variables that form the basis for the diagram are obtained from the wage structure statistics in the statistics database (published on Statistics Sweden's website).[10] All occupations are not included in the data material due to uncertainty in the estimates.[11] In total, there is information on 260 different occupations. Not all circles are visible in the diagram since they partially overlap each other. For technical reasons, the x-axis showing women's wages as a percentage of men's wages and the y-axis with wage levels have been truncated (60 to 120 per cent, and SEK 20,000 to SEK 80,000, respectively).

9 Predominantly female occupations are defined as occupations with more than 60 per cent women.

10 All data can be found in Statistics Sweden's database: *http://www.scb.se/sv_/Hitta-statistik/Statistikdatabasen/*

11 Information for occupations that contain fewer than 100 observations of either gender is not published in the statistics database. If the uncertainty (mean error in relation to mean value) is too large with regard to the wage estimate, the observation is not presented. Observations are also not presented if an individual company can be discerned.

Diagram 1.1 Women's wages as a percentage of men's, average salary, size and ratio of women for the respective occupation, the entire economy, 2019



Source: Swedish National Mediation Office and Statistics Sweden

Diagram 1.1 shows that the majority of the occupations have an average salary less than SEK 35 000 per month. The accumulation to the left of the diagram makes it difficult to distinguish individual occupations but, for example, the yellow circle to the far left just over the 100 line represents the occupation "childcare workers". The average salary for the occupation is SEK 24,300 per month, the fact that the circle is somewhat above the line means that women have a higher average wage than men (2 per cent higher), and the number of employees is 93,600. To take another example, the large purple circle beneath the 100 line in the middle of the diagram comprises "corporate salespeople". In this occupation the average monthly wage is SEK 42,500, women's wages are on average 14.5 per cent lower than men's, and the number of employees is 87,200.

There are more circles (occupations) with a yellow colour at lower average wages, which means that the higher the proportion of women in an occupation, the lower the average wage. The diagram thus shows a negative covariation between the proportion of women and the average wage.

The fact that most of the occupations are below the 100 line means that women's wages in most of the occupations are lower than men's on average. It also appears as if the higher the salary, the larger the gender pay gap in the respective occupation. In other words, there seems to be a negative covariation between women's wages as a percentage of men's and the level of average wages.

One occupation which clearly goes against the grain is "IT managers, level 2", the purple circle in the top/middle of the diagram. The average wage in this occupation is SEK 59,500 per month, women's wages are 107 per cent of men's, and the number of employees is 77,000.

The calculations are based solely on average wage differences. Accordingly, in the calculations for diagram 1.1, consideration has not been taken to men and women being distributed differently between sectors, nor have potential differences in company-specific factors such as industry, company size, etc. been taken into account.

1.2.3 Difference after standard weighting

The standard weighting used in **table 1.2** takes into account the fact that men and women work in different occupations and sectors, have different levels of education, different working hours[12] and different ages (the standard weighting method is described in more detail in the fact box in section 1.1.5). After standard weighting, women's wages as a percentage of men's increase to 95.8 per cent. This means that the unexplained wage difference that remains is 4.2 per cent for the entire labour market in 2018.

Table 1.2 Women's wages as a percentage of men's wages in 2019

	Unweighted percentage	Unweighted difference in per cent	Standard weighted percentage	Standard weighted difference in per cent
All sectors	90.1	9.9	95.8	4.2
Private sector	90.6	9.4	94.8	5.2
Blue-collar employees	90.3	9.7	96.4	3.6
White-collar employees	84.5	15.5	93.6	6.4
Public sector	90.7	9.3	98.3	1.7
Municipalities	97.6	2.4	99.8	0.2
Regions	81.2	18.8	96.7	3.3
State	93.7	6.3	96.3	3.7

Source: Swedish National Mediation Office and Statistics Sweden

After standard weighting, the regions no longer have the largest pay gap in 2019. The largest unexplained pay gap, 6.4 per cent, is found among private sector white-collar employees. The regions' unexplained pay gap is 3.3 per cent after standard weighting (compared with an unweighted pay gap of 18.8 per cent).

The smallest unexplained pay gap, 0.2 per cent, is in the municipalities. Employees in the private sector have an unexplained pay gap of 3.6 per cent. Among state employees, the unexplained pay gap is 3.7 per cent.

1.3 Gender pay gap developments

Between 2018 and 2019, the unweighted gender pay gap decreased by 0.8 percentage points. Women's average wage increased by SEK 900 (an increase of 2.8 per cent) and men's average wage increased by SEK 700 (an increase of 1.9 per cent). Thus, women's average wage increased more than men's in terms of both SEK and per cent.

The average rates of increase vary between the sectors. The largest increase belongs to women in the municipalities with 3.0 per cent, and the smallest increase belongs to male white-collar employees in the private sector with 0.6 per cent.[13]

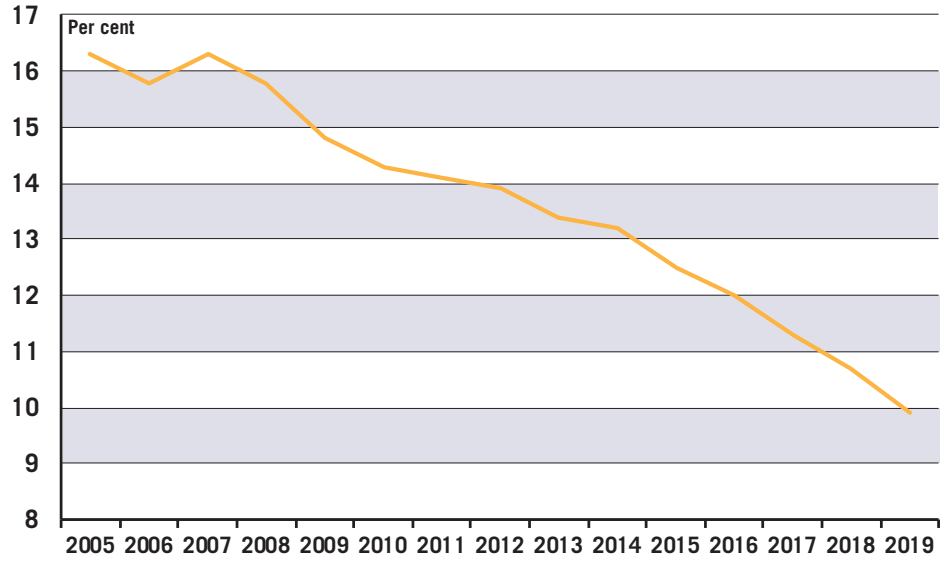
12 In the wage structure statistics, all wages are adjusted upwards to full-time wages. The variable of working hours is included in standard weighting and regression analysis because part-time employees can have a different salary than full-time employees, even calculated per hour.

13 One explanation for the outcome is a revision of occupational codes whereby certain white-collar occupations have been classified as blue-collar occupations and vice versa, which has made the outcome for white-collar employees appear low. The outcome is also affected by the selection rotation, where certain companies in the sample are replaced from one year to another.

Although the average wage for women as a group is increasing faster than for men, the rate of increase for the individuals that can be followed in the statistics between 2018 and 2019 was the same for both women and men: 3.2 per cent. With this way of measuring, the development in the different sectors becomes completely different. For identical individuals, women in the municipalities have an increase of 3.1 per cent, and male white-collar employees in the private sector have 3.6 per cent. The difference between the two ways of measuring indicates major structural effects.

The pay gap has clearly been decreasing in recent years. **Diagram 1.2** shows the development between 2005 and 2019.

Diagram 1.2 Change in gender pay gap



Source: Swedish National Mediation Office and Statistics Sweden

Women's average wage has increased by SEK 11,400 or 51.6 per cent during the period, which equates to an average annual increase of 3.7 per cent. During the same period, men's average wage has increased by SEK 10,800 or 40.9 per cent. This equates to an average annual increase of 2.9 per cent.

Table 1.3 shows the unweighted gender pay gap between 2005 and 2019.

Table 1.3 Gender pay gap (unweighted) 2005-2019

	2005	2006	2007	2008	2009	2010	2011	2012	2013
All sectors	16.3	15.8	16.3	15.8	14.8	14.3	14.1	13.9	13.4
Private sector	14.7	14.1	14.0	14.1	13.4	12.8	12.8	12.2	12.1
Blue-collar employees	11.7	11.2	10.3	10.9	10.0	10.0	9.9	9.1	9.5
White-collar employees	22.7	21.9	22.1	21.9	20.8	20.8	20.6	19.9	19.4
Public sector	16.6	16.3	17.0	15.9	15.1	14.6	14.1	14.1	13.4
Municipalities	8.4	8.4	9.0	7.7	6.6	6.1	6.1	6.2	5.8
Regions	28.6	28.0	27.6	27.3	26.9	26.5	26.0	25.0	23.8
State	14.3	12.8	12.7	12.4	11.3	10.7	9.4	8.9	8.2

	2014	2015	2016	2017	2018	2019	Change 2005–2019
All sectors	13.2	12.5	12.0	11.3	10.7	9.9	-6.4
Private sector	12.2	11.9	11.9	10.9	10.2	9.4	-5.3
Blue-collar employees	10.4	10.3*	10.3*	10.0*	10.1*	9.7*	-2.0
White-collar employees	18.6	18.3*	17.9*	17.1*	16.7*	15.5*	-7.2
Public sector	13.1	12.0	10.7	10.1	9.9	9.3	-7.3
Municipalities	5.4	4.6	3.4	3.1	2.8	2.4	-6.0
Regions	23.6	22.4	21.1	20.6	20.0	18.8	-9.8
State	7.9	7.3	7.3	6.5	6.5	6.3	-8.0

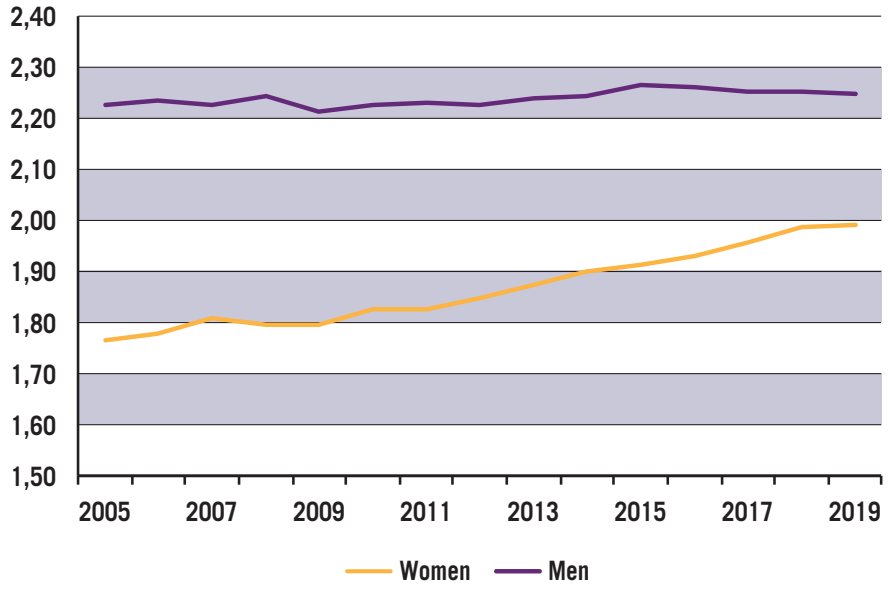
*Not comparable with years before 2014 due to changed classification of personnel category.
Source: Swedish National Mediation Office and Statistics Sweden

For blue-collar and white-collar employees in the private sector, comparisons should not be made with years prior to 2014, when their classifications changed.[14]

The rate at which the pay gap has decreased differs between sectors, as shown in table 1.3. The largest change is in the regions, where women's wages moved closer to men's by 9.8 percentage points between 2005 and 2019. The second largest change is the decrease among state employees, where the pay gap decreased by 8.0 percentage points.

During this period, wage distribution has increased more among women than among men, as shown in **diagram 1.3**. This development can most likely be explained by reduced occupational segregation, meaning that more women are now found in high income occupations.[15] For example, more women are becoming managers. This is one of the compositional changes that might affect wage dispersion.

Diagram 1.3 Wage distribution trends for men and women 2005-2019
Percentile quotient P90/P10



Source: Swedish National Mediation Office

14 In the study, the classification of personnel categories (blue-collar/white-collar employees) from 2014 was done based on what occupation code the employees have. This has entailed structural changes for private sector blue-collar and white-collar employees, which affect the calculations of the pay gap.

15 See also section 1.4.3.

Wage distribution has been calculated by dividing the salary in the 90th percentile by the salary in the 10th percentile. A quotient of two then means that the 10 per cent with the highest wages earn at least twice as much as the 10 per cent with the lowest wages.

Table 1.4 shows women's wages as a percentage of men's after standard weighting during the same period.

Table 1.4 Gender pay gap (standard weighted) 2005-2019

	2005	2006	2007	2008	2009	2010	2011	2012	2013
All sectors	6.8	6.6	6.5	6.6	6.0	5.9	5.9	6.1	5.8
Private sector	8.3	8.1	7.8	7.9	7.3	7.3	7.2	7.4	7.0
Blue-collar employees	5.6	5.1	5.2	4.6	4.5	4.0	3.8	3.7	4.3
White-collar employees	9.8	9.7	9.5	10	9.1	9.3	9.2	9.6	8.6
Public sector	3.5	3.4	3.4	3.4	3.0	2.9	3.0	3.1	3.0
Municipalities	0.9	1.0	1.2	0.8	0.6	0.4	0.6	0.7	0.6
Regions	5.3	5.2	4.8	5.4	4.7	4.8	4.6	4.6	4.4
State	7.1	6.5	6.3	6.3	6.2	5.8	5.6	5.3	5.2

	2014	2015	2016	2017	2018	2019	Change 2005–2019
All sectors	5.0	4.6	4.5	4.3	4.4	4.2	-2.6
Private sector	6.2	5.7	5.6	5.3	5.5	5.2	-3.1
Blue-collar employees	3.8	3.1*	3.5*	3.6*	3.8*	3.6*	-2.0
White-collar employees	8.1	7.7*	7.2*	6.5*	6.7*	6.4*	-3.4
Public sector	2.2	2.1	1.9	1.9	1.8	1.7	-1.8
Municipalities	0.5	0.4	0.3	0.3	0.3	0.2	-0.7
Regions	4.0	3.9	3.8	3.8	3.5	3.3	-2.0
State	4.4	4.2	4.0	4.0	3.7	3.7	-3.4

*Not comparable with years before 2014 due to changed classification of personnel category.
Source: Swedish National Mediation Office and Statistics Sweden

The unexplained wage difference after standard weighting (i.e. when corrected for differences in occupation, sector, education, age and if the person works part time) decreased by 0.2 percentage points between 2018 and 2019.

The unexplained wage difference after standard weighting also decreased between 2005 and 2019. The largest decrease was in the state, where the unexplained wage difference decreased by 3.4 percentage points.[16]

However, it is important to remember that comparisons of how the pay gaps have changed over time, particularly from one year to the next, must be made with great caution. Besides effects of, for instance, changes in the sample selection of the companies included in the wage structure statistics and revisions of control variables, the calculated wage difference can be affected by the structure of collective agreements and if the contractual wage increases have had time to be paid out at the time of measurement. Changes in the composition of the workforce are another factor that can affect the change of wage differences over time.[17]

16 Please note that the parties on the labour market may report different levels in relation to pay gaps. This may in part be due to them studying different sample selections or having more detailed information. For example, see the Swedish Agency for Government Employers (2017).

17 For an in-depth discussion, see section 2.2 in "*Vad säger den officiella lönestatistiken om löneskillnaden mellan kvinnor och män 2009?" [What do the official wage statistics say about the gender pay gap 2009?]* Swedish National Mediation Office (2010).

1.4 Gender pay gap with regression analysis

This section uses regression analysis to examine how the size of the pay gap changes when taking into account how men and women are distributed over different wage-influencing factors such as occupation and level of education.

Regression analysis can be used to study the relationship between one factor (such as gender) and an outcome variable (such as wage) and at the same time check for other factors such as occupation, sector and education (see fact box in section 1.1.5 for more information on regression analysis).

1.4.1 What factors affect the gender pay gap?

Table 1.5 shows the results from the regression analysis for the entire labour market. The analysis is built up in different steps, and information on the employee's characteristics and work is added gradually in various models. This way, the significance of the various individual and work-related characteristics is clarified. Detailed information about the variables used is available in Appendix 3.

Table 1.5 Gender pay gap, whole labour market 2019
Regression analysis with logarithmised monthly wage as a dependent variable

	Model 1*	Model 2*	Model 3*
All sectors	-8.5	-11.8	-3.9
Private sector	-8.8	-10.4	-4.6
Blue-collar employees	-9.9	-9.0	-2.8
White-collar employees	-14.0	-14.3	-6.3
Public sector	-7.3	-6.9	-1.4
Municipalities	-1.8	-3.9	-0.2
Regions	-15.0	-13.7	-2.9
State	-7.8	-6.5	-2.9

*Corresponds to $(\exp(\beta_1)-1)*100$.
Note: All estimates have a 5 per cent level of significance.
Source: Swedish National Mediation Office

Model 1 shows results from a base model where gender is the only factor affecting the wage. The pay gap is then 8.5 per cent. This figure constitutes a base value. With this value, the results of including additional factors that can influence the pay gap can be compared. The estimate corresponds to the previously noted pay gap (9.9 per cent for all sectors), but as both the method and calculation data have changed, the outcome is different. For example, all individuals without an education code have been excluded.

Model 2 shows the gender pay gap after including the individual's age and level of education. For the whole economy, the unexplained pay gap increases to 11.8 per cent. This is due to a composition effect and women on average having more education and being older than men. This implies an unclear link between gender, education and wages. However, the sectoral analysis shows that the unexplained gap is decreasing among blue-collar employees in the private sector, in the regions and the state, but is increasing among white-collar employees in the private sector and in the municipalities.

Model 3 shows the unexplained pay gap when occupation is added to all of the factors above. Occupation explains a large part of the gender pay gap. The unexplained wage difference that remains when occupation is also included in the

analysis is 3.9 per cent. The unexplained pay gap is more than halved in all sectors except the state when occupation is added to the analysis.

The fact that the pay gap shrinks compared to model 2 indicates that women and men work in different occupations with different pay. This is also clear from the "bubblediagram" above (diagram 1.1 in section 1.2.2).

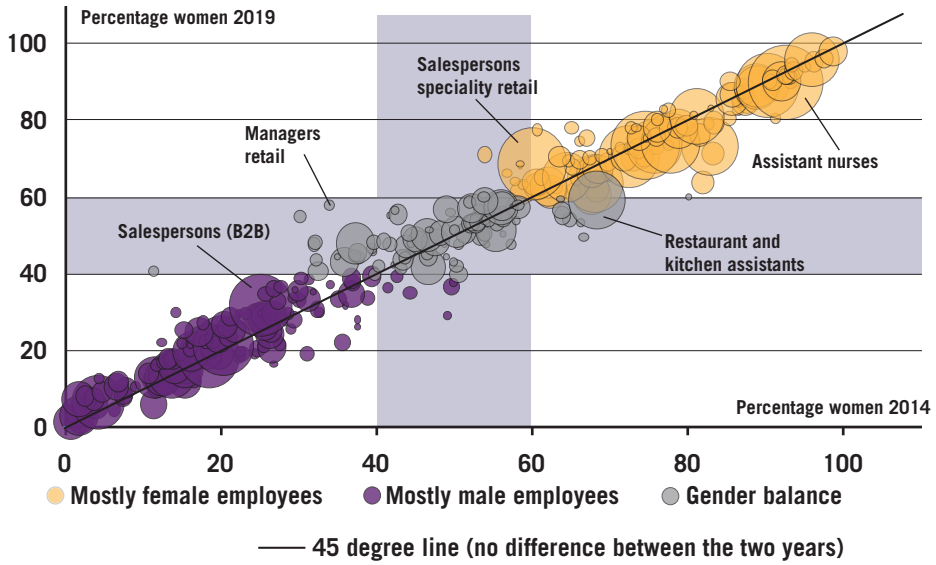
1.4.2 Occupation the most important explanation of pay gap

Of the various factors taken into account, it is occupation that makes the single largest contribution to explaining the wage differences between women and men. This is apparent when looking at what percentage of the average wage difference is explained by the different factors. When the calculation takes occupation into account, we see that the unexplained pay gap decreases substantially.

1.4.3 Reduced gender segregation

The labour market is gender-segregated so that women and men are to a large extent in different occupations with different wage levels. One explanation for the narrowing of the pay gap could be a decrease in gender segregation. **Diagram 1.4** illustrates the change from 2014 to 2019. The diagram plots the proportion of women for each occupation and year, where the x-axis indicates the proportion of women in 2014 and the y-axis the proportion of women in 2019. The diagram includes a help line with a gradient of 45 degrees. The help line makes it easier to determine whether the proportion of women has increased or decreased between the two years. A circle located on the line indicates that the proportion is unchanged. A circle above the line indicates that the proportion of women has increased, and below the line that it has decreased. The gender composition of the occupations is shown with different colours. The occupations in yellow have more than 60 per cent women, the occupations in purple have more than 60 per cent men, and the occupations in grey have a gender-neutral distribution. The size of the circles indicates the number of employees in the occupation. The shading shows the range of gender-neutral occupations.

Diagram 1.4 Proportion of women in 2014 and 2019 for each occupation and the number of employees in the occupation in 2019 broken down by gender composition



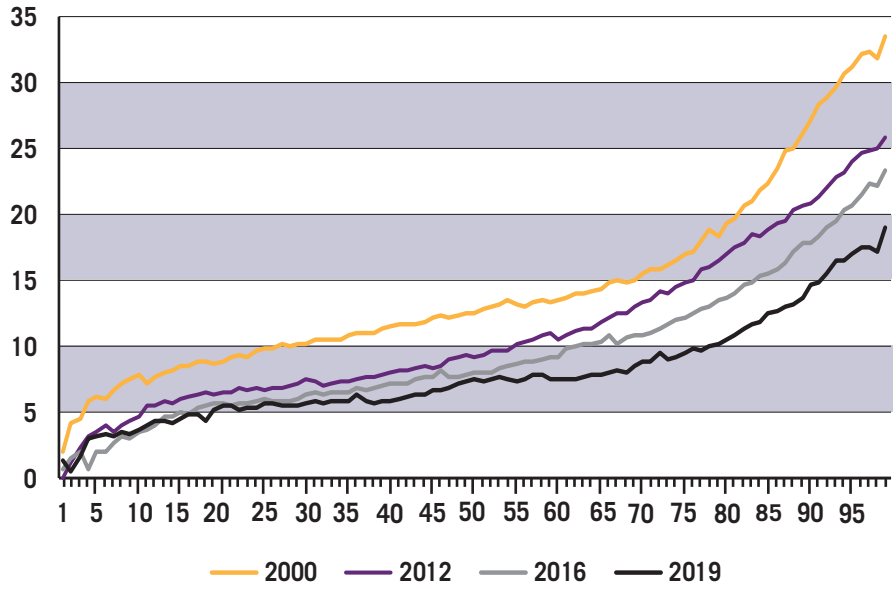
Source: Swedish National Mediation Office

The diagram shows that the proportion of women is increasing in male-dominated occupations and decreasing in female-dominated occupations, so that the occupational segregation is decreasing. The proportion of women has increased in 84 out of 132 male-dominated occupations and decreased in 63 out of 104 female-dominated occupations. The proportion of women has also increased in 53 out of 85 gender-neutral occupations. As male-dominated occupations often have a higher wage level, this development may be one explanation for the narrowing of the gender pay gap.

1.4.4 Reduced difference across the board

Diagram 1.5 illustrates the difference between women's and men's pay distributions for the years 2000, 2012, 2016 and 2019. The diagram indicates the percentage pay gap between women and men for each percentile. The diagram shows that the pay gap increases in distribution, i.e. the higher the salary, the greater the difference between the genders. This phenomenon is commonly referred to as the "glass ceiling". The main explanation is that there are fewer female than male managers in the Swedish labour market.

Diagram 1.5 Difference (in percentage) between women's and men's wages by percentile
Years 2000, 2012, 2016 and 2019



Source: Swedish National Mediation Office.

A comparison between the lines in the diagram shows that the pay gap decreases from year to year in almost all percentiles. The decrease is highest in the higher wage positions. This can be explained, for example, by the increase in the proportion of female managers. The difference between the median wage for men and women, i.e. the 50th percentile, was 7.5 per cent in 2019. This difference has decreased by 5.1 percentage points since the year 2000. In the 90th percentile the wage difference was 14.7 per cent, a decrease of 12.3 percentage points since the year 2000. The corresponding decrease for the 95th percentile is 14 percentage points.

2. Coronavirus pandemic and wage structure

The coronavirus pandemic has shaken Swedish society during the spring of 2020. The impact on the economy and the labour market has been dramatic, and the consequences are difficult to quantify. It is clear that total employment is adversely affected. The crisis affects different occupations to differing extents, which also has consequences for the wage structure, and this in turn may have an impact on the gender pay gap.

To illustrate how employment and the wage structure may be affected, we have created three scenarios in which different sectors are affected to differing extents. It should be pointed out that these scenarios are not forecasts but rather examples intended to make it easier to understand the effects of the downturn in employment. It is apparent from our examples that a broad downturn affecting both the service sector and industry would hit men harder than women, with a greater decline in employment. However, the statistical effect is an increase in the gender pay gap. If lower paid women and men lose their jobs, the effect is an increase in the average wage. In the USA, such an effect was already seen in April, when the rate of increase in wages increased from 3 per cent to nearly 8 per cent as many lower earners lost their jobs and disappeared from the wage statistics.[1]

At the time of writing, there is no outcome data available regarding how production and employment have developed during the second quarter of the year. The current downturn is extremely strong, and the future of the labour market is very uncertain. Together, a number of indicators and assessments contribute to this picture. The National Institute of Economic Research's update on the economic situation from 29 April reports a sharp downward revision of growth. GDP was expected to fall by 7 per cent for the whole of 2020, and an 11 per cent decline in growth was expected during the second quarter. The National Institute of Economic Research's barometer indicator, which summarises survey responses from both companies and households, fell sharply in April. All sectors of business and households contributed to the fall, although the service sector fell most strongly. Not even during the global financial crisis of 2007-2008 did these confidence indicators fall so strongly in a single month.

The reduced economic activity affects employment and unemployment. Statistics Sweden's Labour Force Survey (LFS) for April 2020 shows clear signs of the effects of the crisis in several of the estimates. In April 2020, the number of employed persons decreased by 99,000 in comparison with the corresponding month of the previous year, and the number of unemployed persons increased by 80,000. This corresponds to an unemployment rate of 8.2 per cent, an increase of 1.4 percentage points. The average number of hours worked was 143.6 million hours per week, which corresponds to a calendar-adjusted decrease of 11.2 per cent.

Despite the government's support measures, the National Institute of Economic Research estimates that unemployment will rise to over 11 per cent during the second quarter.

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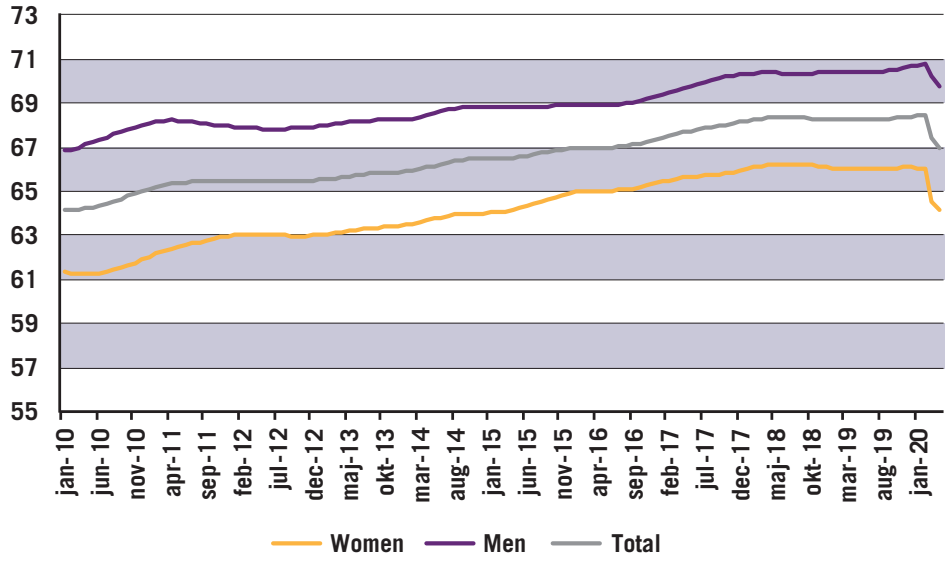
1 Employment Situation for April 2020, 8 May 2020, at https://www.bls.gov, Bureau of Labor Statistics, USA, 2020.

The picture of increasing redundancies and unemployment is also confirmed by the Swedish Public Employment Service's statistics on persons affected by notice of redundancies. During the third week of March, a record rate of redundancy notice was recorded, in particular in service industries. But there were also signs of more widespread effects of the crisis, as there had also been an increase in notice of redundancies within industry. In April 2020, 26,776 individuals were given notice of redundancy, with manufacturing the hardest hit sector, followed by hotel and restaurant and transport.

Initially, women have been hit harder than men by the coronavirus crisis. The reason for this is that women are over-represented in the industries where the crisis hit first, while many men work in industries with short-term work. The Labour Force Survey (LFS) up to and including April 2020 shows how the employment rate within the population has decreased more for women than for men, see **diagram 2.1.**

Diagram 2.1 Employment rate for women and men aged 15 to 74 including April 2020
Seasonally adjusted and smoothed data



Source: Statistics Sweden's labour force surveys.

The duration and depth of the impact of the crisis in the various sectors affected by it (or in some cases benefiting from it) may affect future demand for different types of goods and services. In other words, industry and employees may be faced with everything from an accelerated structural change to a return to the starting point prior to the crisis, or other changes in the composition of the labour market. In any event, the current relationships between the size of different occupations may be affected. As men and women tend to work in different occupations, the statistics on the gender pay gap may therefore also be affected during the next few years.

2.1 Downturn in employment - three different scenarios

In order to provide examples of how the development of the structural change driven by the current crisis could affect gender composition and thus the pay gap,

we have chosen to study three different scenarios. We wish to emphasise that these scenarios are not forecasts but rather examples of calculations intended to show how the crisis could affect the wage structure and thus the gender pay gap.

We have conceived three different scenarios in which the economic downturn reaches a different level of depth in different industries. As regards the total downturn in employment, we are basing our scenarios on assessments from the National Institute of Economic Research, while the variation in the impact of the crisis on different occupational groups is based on our own assumptions.

In the scenarios, we, like the National Institute of Economic Research, assume that it will take time for employment to recover. In our scenarios, the National Institute of Economic Research's assessments are used to set the outer framework for the change in employment. Our scenarios are based on a reduction in employment ranging from 4 per cent to 7.3 per cent over two years (see **table 2.1**).

Table 2.1 Estimated employment growth 2020-2021 based on assessments by the National Institute of Economic Research

	Base scenario	Alternative scenario*
2020 compared to 2019	-3.7%	-5.8%
2021 compared to 2020	-0.3%	-1.6%
2021 compared to 2019	-4.0%	-7.3%

Note: The growth rates refer to employment between the ages of 15 and 74, annual average, the entire economy.
*Calculated on the basis of the scenario for relative unemployment and an assumption of a labour force equivalent to the base scenario at the same points in time.
Source: National Institute of Economic Research (2020) and our own calculations.

We have created three different scenarios based on these assessments of the future development of employment.

The scenarios show how the crisis could affect different occupational groups. We are working on the basis of the classification of occupations in SSYK and have divided the occupations into four different categories based on assumptions of how they could be affected by reduced employment as a consequence of the crisis.[2] The first category includes occupations in which many employees risk losing their jobs. The second category includes occupations that could be affected by a wider international recession, such as occupations within industry. The third category includes occupations that are deemed to be affected by the crisis to a lesser extent. The fourth category includes occupations where the level of demand is adjudged to be unaffected or increasing, for example occupations within healthcare. In all of the scenarios, we assume that part-time work or youth entails an increased risk of losing one's job.

Detailed information: How we have constructed our scenarios

The different scenarios simulate all reductions in the number of employees and are based on 2.3 million individual items of data in the outcome of the 2018 wage structure statistics. This data is representative of all employees and was enumerated to 4.3 million individuals. The reductions in the number of employees have been simulated by allowing certain individuals in the wage structure statistics to contribute less to various estimates of average wages. No

2 The categorisation is further described in Appendix 4. Our examples aim to highlight structural effects of the pandemic and do not take into account various measures intended to limit its effects on the labour market.

individuals are weighted up, although certain individuals are weighted down, which achieves the desired effect, namely a decrease in the calculations of the number of employees.

The extent to which the employee is weighted down i.e. contributes less to calculations of wages etc. varies depending on the individual's occupation, length of service and age. In the three different scenarios we have calculated, the only assumption that varies is the assumption of how much different professions are affected, while the assumptions of how much more the weights decrease among young people or part-time workers are the same in all scenarios.

The values selected to create new weights are calibrated against the total employment change specified in the National Institute of Economic Research scenarios for 2021 compared to 2019. In other words, our scenarios describe developments over two years. Once the weights have been calibrated, a calculation is performed of average wages, wage dispersion, women's wage as a percentage of men's, and so on. The following is a more detailed description of how the reduction in employment is simulated in the various calculations. For each individual, the new weights are Scenario weight$_{ydu}$=(1-ΔTot$_{ydu}$) x Normal weight, where ΔTot$_{ydu}$ is the proportion of employees decreased in the group with occupation y, part-time status d and age status u. The decreases vary depending on a combination of occupation, part-time status and age, so that Scenario weight$_{ydu}$ = (1-dTot$_{ydu}$) x Normal weight= (1-Δy) x (1-Δd) x (1-Δu) x Normal weight.

The example below shows how the normal weight is affected for an employee in a profession that decreases by 23%, who works part-time, which entails a further decrease of 20%, and who is young, which also entails a further decrease in weight by 20%:

(1-dTot$_{ydu}$)=(1-0.23) x (1-0.20) x (1-0.20)=(1-0.51)=0.49

Thus, in this example, this individual will only contribute half as much to the estimates of the relevant scenario. In other words, the calculated figures will show what would have been the case if this individual and others in the same group had been decreased by half.

Here is another example for an individual working in the same profession, although in this case the individual is neither young nor working part-time:

(1-dTot$_{ydu}$)=(1-0.23) x (1-0) x (1-0)=(1-0.23)=0.77.

Finally, here is an example for individuals who are not affected at all in the different scenarios:

(1-dTot$_{ydu}$)=(1-0) x (1-0) x (1-0)=(1-0)=1. For these individuals, the weight level does not change at all. In relation to the individuals who decrease their weight, the contribution to the estimates from these individuals increases at the same time.

2.2 Outcome of different scenarios

Below is a presentation of the results of how the gender composition of the labour market and the wage structure change in different scenarios regarding a reduction in employment as a consequence of the coronavirus pandemic.

2.2.1 Scenario 1 – the service sector is hit hardest

In a first scenario, total employment decreases by 4 per cent over two years.[3] The reduction in employment primarily affects the service sector, and occupations with a lot of personal contact are hit particularly hard. We call this category 1. The second category of occupations assumed to be affected in this scenario as a result of reduced trade are found within industry and related areas (category 2).

Table 2.2 shows that one in four service sector employees and almost one in ten employees within industry lose their jobs in this scenario. There is a higher proportion of men in either of these two areas compared to women, especially in industry. Consequently, the reduction in employment is greater for men (-4.4 per cent) than it is for women (-3.5 per cent). Please note that the number of employees in the public sector, where women are over-represented, is assumed to be constant in this scenario.

Table 2.2 Change in employment, scenario 1

	Change in employment*		
	Total	Women	Men
All employees	-4	-3.5	-4.4
Services, transport, etc.	-26.4	-25.8	-27.4
Industrial jobs, etc.	-9.4	-10.5	-9.1
Other jobs	0.0	0.0	0.0
Healthcare personnel, etc.	0.0	0.0	0.0

*In relation to the number of employees at the outset.
Source: Swedish National Mediation Office and our own calculations.

Table 2.3 shows how the wage structure changes due to the structural change that occurs in the chosen scenario. Wage dispersion can be said to be unaffected, although the table shows that there is a positive structural effect on the average wage. This effect can be partly explained by the fact that the average wage levels in the occupations where employment decreases are lower than the wage levels in the remaining occupations. This effect is also enhanced by the fact that younger employees and part-time employees are at greater risk of losing their jobs. The overall effects in this scenario are similar for both sexes, although men's average wage increases more than women's average wage (men's wages increase by SEK 400 or 1.0 per cent, compared to SEK 300 or 0.8 per cent for women).

Overall, therefore, the reduction in employment in this scenario would contribute to an increase in the gender pay gap by 0.2 percentage points.

3 In its scenarios, the National Institute of Economic Research works on the basis of the change in the number of employed persons according to Statistics Sweden's Labour Force Surveys (LFS). In this context, the term "employed persons" refers to employees as well as entrepreneurs/businessmen. In our scenarios, on the other hand, we work with the official wage statistics, which only refer to employees, not entrepreneurs/businessmen. In all likelihood, the magnitude of negative crisis impact for employees and entrepreneurs/businessmen varies between different industries. However, this is difficult to assess, and in our scenarios we have therefore allowed the changes in the number of employees to be based on the total changes in employment reported by the National Institute of Economic Research in its scenarios.

Table 2.3 Wage effects, scenario 1.

		Total	Women	Men
Average wage	Outcome, SEK	34,600	32,600	36,500
	Scenario 1, SEK	34,900	32,900	36,900
	Percentage difference	0.9	0.8	1.0
Wage dispersion	Outcome, per cent	2.14	1.99	2.25
	Scenario 1, per cent	2.15	1.98	2.26
	Difference, percentage points	0.01	-0.01	0.01
Women's wage as a percentage of men's wage	Outcome, per cent	10.7		
	Scenario 1, per cent	10.9		
	Difference, percentage points	0.2		

Source: Swedish National Mediation Office and our own calculations.

2.2.2 Scenario 2 – the service sector and industry are hit hard

In the second scenario, the crisis hits hard against both the service sector and industry. In this scenario, total employment decreases by 5.6 per cent over two years. As in scenario 1, it is assumed that one in four service sector employees (category 1) lose their jobs. Furthermore, in this scenario, it is assumed that one in five employees in occupations within industry (category 2) lose their jobs.

When broken down by gender, the change in employment shows that men would be hit harder than women, with a downturn of 7.0 per cent compared with a downturn for women of 4.0 per cent, see table 2.4. The reason for this is that the proportion of male employees in industry is significantly greater than for women

Table 2.4 Change in employment, scenario 2

	Change in employment*		
	Total	Women	Men
All employees	-5.6	-4	-7.0
Services, transport, etc.	-26.4	-25.8	-27.4
Industrial jobs, etc.	-20.3	-21.1	-20.1
Other jobs	0.0	0.0	0.0
Healthcare personnel, etc.	0.0	0.0	0.0

*In relation to the number of employees at the outset.
Source: Swedish National Mediation Office and our own calculations.

Table 2.5 shows how the wage structure changes due to the structural change that occurs in scenario 2. The table shows that there is a positive structural effect on the average wage in this scenario as well.

The changed structure contributes to an increase in the average wage of 1 per cent. The effect in this scenario varies between the sexes, with men's wage increase greater than that of women (SEK 500 or 1.3 per cent for men compared to SEK 300 or 0.9 per cent for women).

The structural effect on wage dispersion increases slightly among men and decreases marginally among women. Overall, the reduction in employment in this scenario would contribute to an increase in the gender pay gap of 0.4 percentage points.

Table 2.5 Wage effects, scenario 2.

		Total	Women	Men
Average wage	Outcome, SEK	34,600	32,600	36,500
	Scenario 2, SEK	35,000	32,900	37,000
	Percentage difference	1.0	0.9	1.3
Wage dispersion	Outcome, per cent	2.14	1.99	2.25
	Scenario 2, per cent	2.15	1.98	2.28
	Difference, percentage points	0.02	-0.01	0.02
Women's wage as a percentage of men's wage	Outcome, per cent	10.7		
	Scenario 2, per cent	11.2		
	Difference, percentage points	0.4		

Source: Swedish National Mediation Office and our own calculations.

2.2.3 Scenario 3 – broad downturn in the economy

In the third scenario, we assume that an international recession will affect the Swedish economy more broadly and that there will be a further reduction in employment in the manufacturing industry, while demand in the service sector will have recovered somewhat after the effects of the coronavirus pandemic have slowed down. In this scenario, total employment decreases by 7.5 per cent over two years. In addition to reductions in employment in the service sector and industry, there is also a decrease in the number of employees in category 3 occupations, including occupations in the construction sector and occupations requiring higher education.

Table 2.6 shows that the reduction in employment in this scenario means that one in four employees within industry lose their jobs. When broken down by gender, the change in employment shows that men would be hit significantly harder than women, with a downturn of 9.3 per cent for men compared to a downturn of 5.2 per cent for women. This difference can be primarily explained by the fact that there is no reduction in the number of employees in (above all else) healthcare occupations in the public sector (category 4), where the proportion of women is significantly higher than men.

Table 2.6 Change in employment, scenario 3

	Change in employment*		
	Total	Women	Men
All employees	-7.3	-5.2	-9.3
Services, transport, etc.	-20.1	-19.9	-0.4
Industrial jobs, etc.	-22.8	-23.6	-22.7
Other jobs	-3.3	-2.9	-3.7
Healthcare personnel, etc.	0.0	0.0	0.0

*In relation to the number of employees at the outset.
Source: Swedish National Mediation Office and our own calculations.

Table 2.7 shows how the wage structure changes in the chosen scenario. The table shows that the changes have positive effects on average wages in this scenario as well.

In this scenario, the structural effect is estimated to make a positive contribution to the average wage of 0.7 per cent. Even in this scenario, the positive effect is greater among men than among women (SEK 400 or 1.1 per cent for men compared to SEK 200 or 0.6 per cent for women). Overall, the reduction in employment in this scenario would contribute to an increase in the gender pay gap by 0.5 percentage points.

The structural effect on wage dispersion is marginally positive.

Table 2.7 Wage effects, scenario 3.

		Total	Women	Men
Average wage	Outcome, SEK	34,600	32,600	36,500
	Scenario 3, SEK	34,800	32,800	36,900
	Percentage difference	0.7	0.6	1.1
Wage dispersion	Outcome, per cent	2.14	1.99	2.25
	Scenario 3, per cent	2.15	1.98	2.27
	Difference, percentage points	0.01	-0.01	0.02
Women's wage as a percentage of men's wage	Outcome, per cent	10.7		
	Scenario 3, per cent	11.2		
	Difference, percentage points	0.5		

Source: Swedish National Mediation Office and our own calculations.

2.3 Summary

In this chapter we have specifically been interested in highlighting how the gender composition of the labour market and the wage structure could change as a consequence of the coronavirus pandemic. We have therefore constructed three different scenarios in which we have calculated the structural effect of a reduction in employment on the labour market, and specifically how the gender composition and wage structure would change.

The average wage level among those who are assumed to lose their jobs is lower than the wage level among those who remain in employment. Given that we have assumed that a large part of the reduction in employment takes place in the private sector and primarily affects services, the service sector and industry, the effect on wages is greater among men than among women in the calculations. This is due to the fact that many men work in industry and that young men and part-time employees are at greater risk of losing their jobs. Overall, our examples show that the gender pay gap could increase due to the fact that the reduction in employment varies between the sexes.

In our examples we have only highlighted wage changes based on the change in the composition of employees. How wages will actually develop in reality is, of course, influenced by a large number of factors in addition to changes in the occupational composition of the labour market.