1.20 Wage Differentials Between Occupations and the Gender Pay Gap: Test Pack

AQA 7136 · Calculators not allowed · about 20 minutes

Total Marks

Name: _____ Date: ____ / ____ / _____

Answer all questions. Write full sentences for questions worth 6 marks or more. Time guidance: 20 minutes for the whole pack.

1 Explain, in the context of wage differentials between occupations in the UK labour market, what is meant by 'human capital'.

(Total for Question 1 is 3 marks)

2 State two ways in which trade union power can lead to higher wages in a particular occupation or industry in the UK.

(Total for Question 2 is 2 marks)

3 State and briefly explain one way in which statutory maternity leave and career breaks can contribute to persistent gender pay differences between men and women in the UK labour market.

(Total for Question 3 is 2 marks)

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4 Define occupational segregation and explain how it contributes to the gender pay gap in a UK context.

(Total for Question 4 is 3 marks)

5 Explain, using an example, the difference between wage differentials caused by compensating differentials and those caused by labour market discrimination in the UK labour market.

(Total for Question 5 is 4 marks)

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Mark scheme · 1.20 Wage Differentials Between Occupations and the Gender Pay Gap: Test Pack

Question 1

definition: human capital is the stock of skills, knowledge, training and experience that workers possess which affects their productivity	**M1**
link to wages: higher human capital raises worker productivity, so employers are willing to pay higher wages for more skilled workers	**A1**
example: e.g. a surgeon or an aerospace engineer with long training has higher human capital and therefore higher wages than an unskilled worker	**B1**

Answer: Human capital is skills, knowledge and training that increase a worker's productivity; higher human capital justifies higher wages, for example specialists like surgeons earn more due to long training and higher productivity.

Question 2

collective bargaining: unions negotiate higher pay rates on behalf of members	**B1**
restricting supply: unions can limit entry or hours (or impose qualification rules), reducing labour supply and pushing wages up	**B1**

Answer: Collective bargaining secures higher pay; unions may restrict labour supply via entry rules or work controls, pushing wages up.

Question 3

states that career breaks reduce accumulated experience/human capital for women	**B1**
explains that lower accumulated experience can lead to slower wage progression, lower promotion prospects and thus lower average pay	**B1**

Answer: Career breaks such as maternity leave reduce accumulated experience and human capital for women, which can slow wage progression and reduce promotion prospects, lowering average pay.

Question 4

definition: occupational segregation is the concentration of different groups, such as men and women, in different kinds of jobs or industries	**M1**
explanation: if women are concentrated in lower-paid occupations (e.g. caring, hospitality) and men in higher-paid occupations (e.g. engineering), average pay for women falls relative to men	**A1**
example or development: historic social norms, differences in career choices and part-time work patterns help sustain segregation and the pay gap	**B1**

Answer: Occupational segregation is the concentration of men and women in different jobs; if women are overrepresented in lower-paid sectors and men in higher-paid sectors, this helps explain the gender pay gap, reinforced by norms and part-time patterns.

Question 5

defines compensating differential: higher wages paid to compensate workers for undesirable job attributes (risk, unsocial hours) and gives an example	**M1**
defines discrimination: pay differences arising from bias against a group rather than productivity differences, with an example	**A1**
explains how compensating differentials reflect market equilibrium where workers accept pay for unpleasant jobs, whereas discrimination represents a market inefficiency or employer prejudice	**M1**
provides a clear comparative example, e.g. higher pay in night-shift logging job (compensating) versus equally productive women paid less in an office job due to discriminatory pay practices	**A1**

Answer: Compensating differentials are wage premia for undesirable job features, e.g. hazardous night-shift mining attracts higher pay; discrimination is when similar productivity groups are paid differently because of prejudice or statistical discrimination, e.g. women paid less for similar office work. The former is a market mechanism to attract labour, the latter is an inequity not explained by productivity.

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