



THE DIVERSITY INDEX

REPRESENTATION AND WAGES OF DISCRIMINATED AND VULNERABLE GROUPS IN THE PRIVATE LABOUR MARKET IN ISRAEL

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It's All in the Numbers!



WHAT IS THE DIVERSITY INDEX?

- An easy policy tool to identify the situation of vulnerable / discriminated population in the work force
- Identify by: age , gender, economic branch and size of industry, type of population
- Mapping data to examine the diversity in representation and in wages of different groups suffering from discrimination in the labour market.

THE PROJECT TEAM

- The Equal Employment Opportunity Commission (EEOC) – Hagit Sarid and Hana Kupfer
- The Israeli Central Bureau of Statistics (CBS) – Ayala Ginat and Yafit Alfandari
- Tel Aviv University- Prof. Alexandra Kalev and Gal Deutsch

THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION (EEOC)

- The Equal Employment Opportunities Commission (E.E.O.C.) established in 2008;
- Israeli law forbids employers to discriminate on various grounds whether current or potential employees;



COMMISSION (EEOC) AUTHORITIES

Publicity	Legal
Raising public awareness for both employees and employers	Handling complaints against employers
Publicity and training throughout the country	Issuing legal orders to submit data
	Filing legal procedures in the labor courts on behalf of the Commission, or on behalf of the employee himself
	Submitting opinions / attitudes proceedings

GOALS OF THE DIVERSITY INDEX

- Providing a tool to the Equal Employment Opportunity Commission to enforce its regulations for diversity and equality within the labour market.
- Providing a snapshot of the integration of workers from diverse population groups in the Israeli labour market.
- Formulating effective public and business policy to increase diversity.
- Tools for employers in Israel to identify discrimination in the labour market by type of industry and size of organization.

SELECTION OF POPULATIONS

- Groups that have been marginalized, weak and vulnerable in Israeli society for years.
- Information on discrimination against these groups comes from two sources:
 1. Appeals to the Equal Employment Opportunity Commission about discrimination;
 2. The Civil Service Law considers these groups as being worthy of proper representation.

THE POPULATIONS GROUPS AND THE CAUSE OF DISCRIMINATION

Population	Definition-discrimination cause	Percentage of the total population	Wage – compression group
Women	Gender	50%	Men
Arabs	Nationality	20%	Jews
Ethiopian-Origin	Ethnic	1.5%	Other non-Ethiopian Origin Jews
Ultra-Orthodox Jews	Religious	10%	Other non-Ultra-Orthodox Jews
People aged 45+	Age	42%	People aged 18-44

ZOOM IN TO THE SUB-GROUPS

Ethiopian-Origin:
Jews who born in or originating from Ethiopia; including those born in Habash and Eritrea and whose religion is Jewish. Most of them came to Israel in the 1980s. This population suffers primarily from ethnic discrimination.



Arabs:
A population originating from the Arab countries and speaking Arabic; for the most part its religion is Muslim, but it can be made up of Christians and Druze as well. The women are likely to be much more educated from men. A lot the men work in blue collar industry. This population suffers mainly from discrimination on the basis of nationality.



Ultra-Orthodox Jews:
A very religious Jewish population distinct from the general population in its way of life and customs. A lot of the men don't work, they study religious texts. The women are the main earners and responsible for home maintenance. This population suffers mainly from religious discrimination.



METHODOLOGY - DATA SOURCE

Administrative files - Income tax files of employee jobs: employers' reports to the Income Tax Authority through Form 126 for 2015. The file includes **all employee jobs** in the economy on which the employer reports to the Income Tax Authority.

METHODOLOGY


















THE DIVERSITY INDEX METHOD

The index is composed of two dimensions - representation and wage equality.

The grade received by each dimension ranges from 0 to 1 in both representation and wages, as follows:

- **The representation dimension:** The representation of each group in each of the industries is measured relative to its representation in the working-age population (18-64). In other words, the grade shows the representation of the group in the industry relative to its representation in the labour force:
- **The equality in wages dimension:** The wage gap of each group is measured relative to the relevant comparison group. The grade in the index is the percentage of wages of each group out of the comparison group's wages. A grade greater than 1 is adjusted to 1 (perfect score).

DIVERSITY INDEX - MAIN FINDINGS

population	Representation of selected industries	Representation in "White collar"	Over represented in "Blue-collar"	Wage equality
Women				
Arabs				
People of Ethiopian origin				
ultra-orthodox community				
people of ages 45+				

MAIN FINDINGS

- ✓ Large organizations are generally less diverse
- ✓ Wage gaps are lower in large organizations
- ✓ The 29 and under age group - is the most diverse



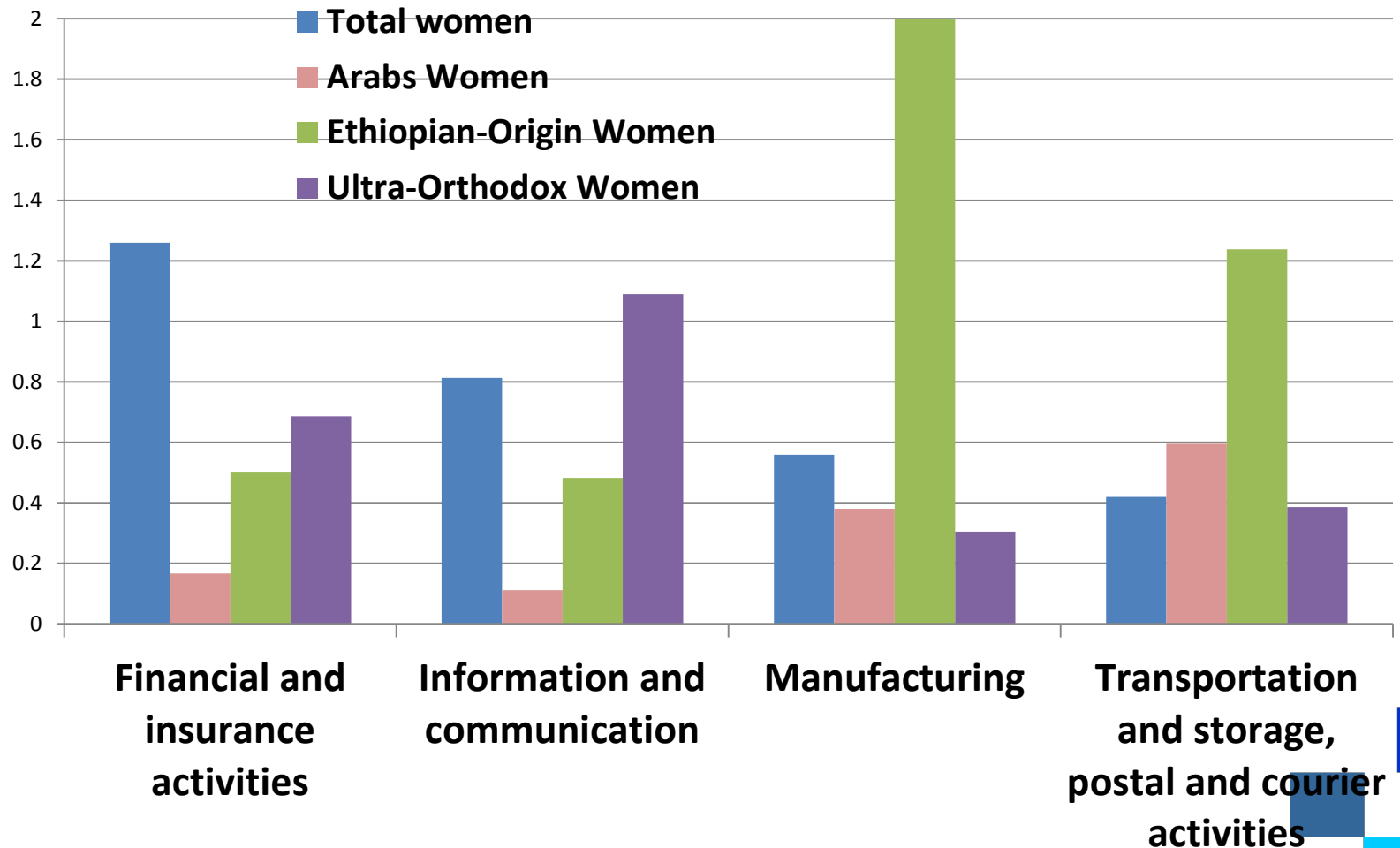
MAIN FINDINGS – GENDER ASPECT

- Women as a whole have a higher representation, but suffer from larger wage gaps than the other groups.
- There are two exceptions regarding the higher representation of women: manufacturing and scientific research and development.
- Regarding the manufacturing industry: the participation of men, especially in the subgroups, is very high. It can be assumed that women do not participate in that industry because of the nature of the work (physical and manual jobs).
- Regarding the manufacturing industry: the scientific research industry is also very low because women do not have the education required.
- High level of representation does not guarantee wage equality.

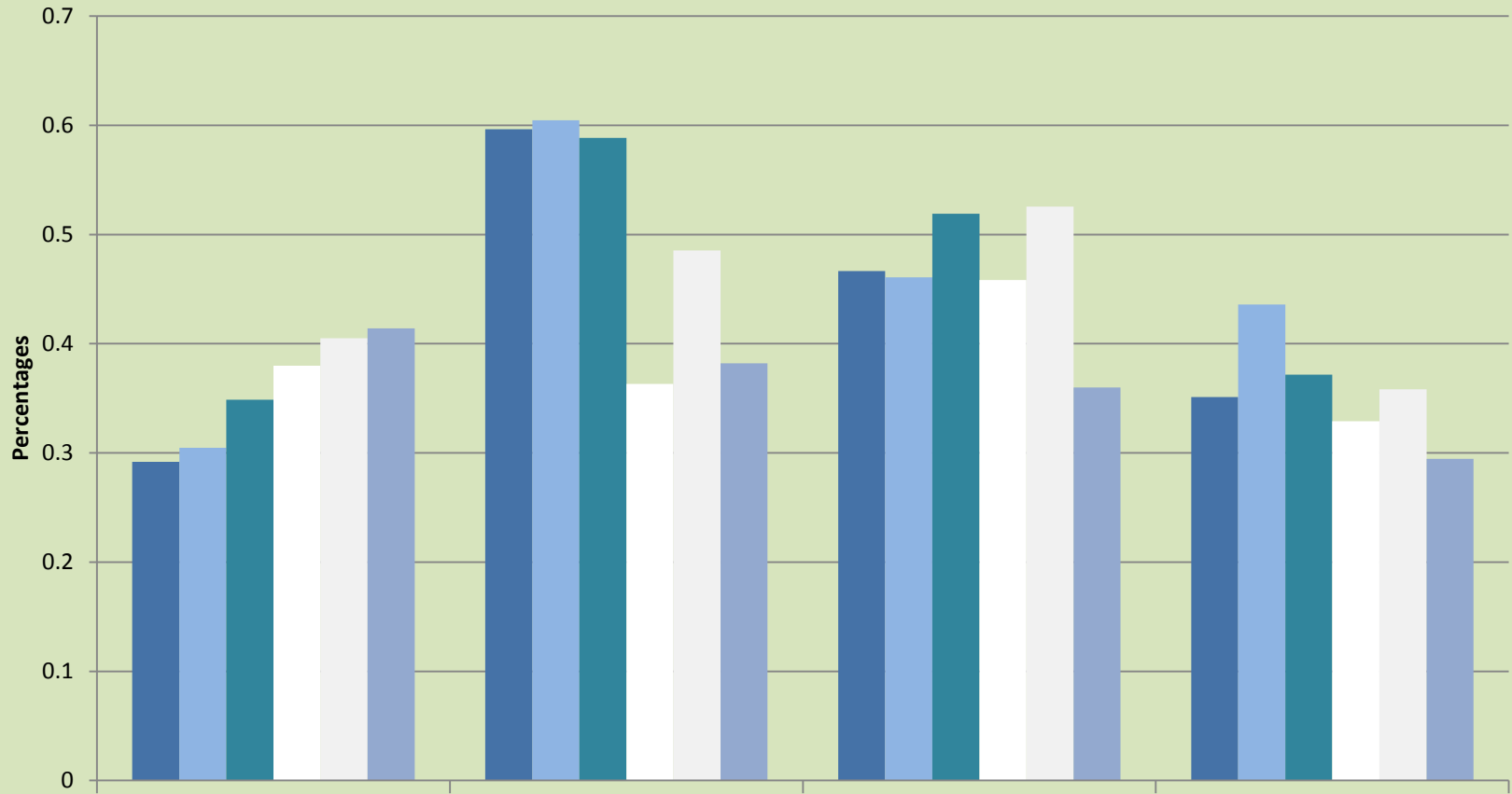
MAIN FINDINGS – GENDER ASPECT IN THE 3 SUB-GROUPS (ARABS, ETHIOPIAN-ORIGIN, ULTRA-ORTHODOX)

- The phenomenon of the “sticky floor” is intensified in the discriminated groups examined. Women in the discriminated groups suffer from low income, compared to the other women in the same industry branch (double discrimination).
- The phenomenon of the triple discrimination age*sub group*gender is also clearly expressed.
- Even in industries where the situation of women is good, the situation of women within the subgroups does not catch up to the general average. Those women are more vulnerable and suffer more from discrimination in the labour force.

The Diversity Index for Participation of Women Aged 18-64 in the Labour Force, by Sub-Groups and Industry, 2015



Gender Pay Gap by Sub-Groups and Industry, 2015



■ Transportation and storage, postal and courier activities

■ Manufacturing

■ Information and communication

■ Electricity, gas, steam and Water supply

■ Financial and insurance activities

■ Wholesale and retail trade;

FURTHER WORK

- Improving employee data in terms of education level and the field of education;
- Multi-year comparison;
- Add population with disabilities, which also suffers from discrimination in the labour market.



Thank you

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