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Equal Pay for Equal Results

**Review of Articles and Their Relevance with Economic Theory**

France was the winner of the last men's football world cup and it got 38 million USD as prize money. The women's football team of the US won the last women's world cup and got 4 million USD as a winning award (Baxter). Both teams won the same title but there were huge differences in their reward money. Women athletes earn less as compared to the wage rate of men athletes. Women’s football and hockey teams of the US had performed great in the last Olympics and earned five gold medals (Tylt). In contrast with the performance of female athletes, male athletes could not perform well. They succeeded to get only four gold medals. Even the great performance of women athletes could not increase their salaries. Is this gap in wages on the bases of gender justified? Should there not be equal pay in both of the genders? Women athletes performed amazing but still their earnings are lesser than their male counterparts.

These questions can be answered well with the use of economics. Classical economists argued that the wage rate of a worker should be determined by the demand and supply of labor in the labor market. Athletes are also like workers and their salaries should be determined by their respective demand and supply. The salaries of male athletes are higher just because of their higher demand. More people like to watch the sports of male athletes as compared to women athletes. The differences in the wages on the basis of gender can also be explained by the theories of neoclassical economists. Marginal productivity theory gives justifiable explanations about these differences as the wage of an individual should be according to his marginal productivity. Athletes are also like workers and their productivity can be defined as how much revenue they generated by playing their respective sport. FIFA earned 5.357 billion USD from a men's football tournament in Russia. Forbes estimates of women's football world cup displayed that the expected revenue would be 131 million USD. So, there can be found huge differences in the productivity of men and women soccer players. In this sense, the differences in salaries are quite justified. Women athletes generate lesser revenues and as a result, get lower wages.

Sports have also become a source of business these days and they also have to operate within the principles of economics. There is a higher demand for men footballers around the globe. This higher demand helps them generate higher revenues. People like to spend on men's sports events. They generate a higher level of business. These are all the factors that show the higher productivity of men athletes. As a result, they get higher salaries.

Q: Can economics define this gender based wage differential?

A: One can find enough justifications for gender-based wage differential in sports. According to the laws of economics, the wage of a worker should be paid according to the marginal productivity of a worker. Soccer players are also doing a job and economics will treat them as a worker of labor. The wage rate of male athletes is high just because of their higher productivity. Male football world cup attracts more spectators as compared to the female football world cup and earns more profit (Kumar et al.). Higher earnings of the football world cup are just because of the higher productivity of male footballers. They attract more crowds and as a result, earn more.

Q: Should male and female athletes paid equally?

A: Economics considers more aspects in the determination of wages. According to the laws of economics, the wage of a worker should be paid according to the marginal productivity of a worker. So, there is no need for equal wages in sports in the laws of economics. One must be rewarded according to one’s productivity. Female athletes can earn more than male athletes by increasing their productivity. An athlete’s productivity can be defined as the public’s interest in the concerned sport.

Q: Are female footballers paid less than their male counterparts?

A: In Economics, one cannot compare the wages of two individuals without considering the marginal productivity of these individuals. According to the statistics of last male and female football world cups, female footballers got more than 25% of the total revenue. While the male footballers got only 10% of the generated revenues. So in this case, female athletes got higher wages as compared to their marginal productivity. They generated fewer revenues and got higher salaries.

Q: Should the Government intervene in the matter of athletes’ wages?

A: Classical economists suggest that the government should not intervene in any market. Markets worked well when they were left on the forces of the market. But Keynesians are in favor of government interventions. The government can intervene in the market but should also take care of the laws of economics.

Q: What should be the criteria for the athlete’s wage determination?

A: Athletes are just like other workers and their wages should also be determined as per the laws of economics. The productivity of an athlete should be the sole criterion for the determination of his wages.

**Works Cited:**

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