

## Summary

### 1. Introduction

Equal pay, including the ending of discriminatory pay systems and low pay, is a priority for EPSU and PSI. Campaigning for equal pay is part of the broader objectives to enhance the value of women's work and to improve the quality of public services. These are important aspects of the PSI's *Quality Public Service Campaign*, and to EPSU's campaign for an EU legal framework on Services of General Interest.

Women continue to be concentrated in a narrow range of occupations, in part-time and low-paid work, and in jobs where their skills and contributions are undervalued. Because of this equal pay is on the agenda of many public service trade unions.

In Central and Eastern Europe the transition to market economies, cuts in public services and privatisation have worked against gender equality. Most unions there see it as a priority to address low pay and the inequalities between rates of pay in the public and private sectors, but gender equality itself is not yet seen as a central issue.

### 2. The gender pay gap

A range of historical and cultural factors impact on the setting of wages and the undervaluing of women's work. Women tend to work shorter hours than men, they make up the majority of part-time workers and they are also likely to have shorter working lives. These result from the unequal sharing of work and family responsibilities coupled with a lack of facilities for child care and elder care. In addition, very few public authorities have earmarked funds to close the gender wage gap.

There is also a problem with pay data. Most of the statistics collected at the European level excludes some areas of the public services. So pay data has to be treated with caution because it may mask real and significant areas of discrimination and inequality. Whilst on paper it appears that men and women are on the same pay rates, this can conceal other factors that impact on take home pay such as bonuses, performance related pay, non-pay benefits etc. that predominantly benefit men.

The gender pay gap remains on average 16% in the EU. Overall there is a general narrowing of the gender wage gap and in the new member states of the EU, other than in the Czech Republic, there is evidence of a gradual reduction of the gap. Between 1995 and 2001 pay inequality increased in Greece, Sweden, Spain, France and Portugal.

Bearing in mind the difficulties with the figures, there is generally, a smaller pay gap in the public sector (estimated by the European Commission to be 12%) compared to the private sector (21%).

At European level there has also been a renewed interest in equal pay. Reducing the gender wage gap has become an objective of the annual Employment Guidelines. Member states have been urged to introduce measures to reduce the gender wage gap as an incentive to meeting the targets set at the Lisbon European Council in March 2000.

Gender mainstreaming is a major objective of EU policy. It requires the uncovering of gender pay inequalities and discrimination and requires that equal pay issues are integrated into collective bargaining at all levels and by all parties concerned. This means understanding the impact of the wage structure in shaping the gender pay gap. This can also help to show differential levels of bargaining power between women and men.

Evidence of the impact of reducing public sector expenditure can be seen in a decline in relative pay and the widening of the gender pay gap in some countries.

### **3. Strategies to address the gender pay gap used by public service unions**

Public service unions have adopted a variety of strategies to address the gender pay gap. These include:

- Using the law: court cases have sometimes helped to clarify and extend the scope of equal pay. Claims can take a long time to process through the courts and action can be very costly to unions supporting these cases.
- Tackling discriminatory grading schemes and occupational segregation by addressing the undervaluing of women's work through job evaluation.
- Lobbying for living minimum wages on the basis that increases in minimum wage can have significant benefits for low paid women workers.
- Promoting equality bargaining whereby equal pay is mainstreamed into pay bargaining. Trade union negotiators have had to address gender pay issues specifically and reorganise negotiating teams to ensure that women are properly represented.
- Training union negotiators and women trade unionists, to develop their skills and capacity to act as equal pay advocates and negotiators.

### **4. Legislation**

All member states have equality legislation that has implemented the provisions of the Equal Pay Directive. Non-EU member states are also beginning to introduce legislation, which prohibits wage discrimination. The 2004 EPSU survey found that a large number of countries from Central and Eastern Europe have introduced gender equality provisions into their legislation and several countries have incorporated gender equality provisions into revised Labour Codes. The majority of these countries have seen limited implementation of these legal or other provisions. Of particular interest is that in some countries legislation has been pro-active (Cyprus, Hungary and Czech Republic) and has built in the evaluation of women's work in order to achieve equal pay for work of an equal value.

In the 'old' member states of the EU there is more experience of using the courts to implement and establish equal pay. In some countries legislation has been amended to ensure that there is a pro-active duty on employers to promote equal pay for work of an equal value.

In addition to the Equal Pay Directive, the amended Equal Treatment Directive, due to be transposed in national legislation by October 2005, provides for voluntary workplace equality reviews. The role of social dialogue and the collection of gender disaggregated data are also highlighted. However, there are no prospects for new EU legislation on women at work in coming years, with the emphasis on implementation of existing legislation. The ETUC has been calling for a revision of the Equal Pay directive to incorporate the possibility for trade unions, as opposed to individuals, to institute legal proceedings and to ensure that equal pay is integrated into the collective bargaining agenda. At this stage there appears to be little support from the European Commission for this proposal.

### **5. Collective bargaining, changes in pay systems and negotiating targets**

Many unions see collective bargaining as the most important route for achieving gender pay equality. This has been reinforced by EPSU and PSI's policies, which have emphasised the importance of ensuring a gender sensitive collective bargaining process.

There is a general lack of progress in some countries in integrating equality and equal pay issues into collective bargaining. In others there are positive developments to highlight

gender pay issues in collective bargaining. Examples of this can be found in the Czech Republic, Latvia, Ireland, Germany, Sweden, Finland, France, Norway and the UK.

- In Ireland, reducing the gender wage gap has been an objective of the national partnership agreement.
- In Germany, Verdi is engaged in negotiations over fundamental reform of the pay system covering public sector workers with the intention of creating a gender-neutral pay structure.
- In Sweden, the social partners in the municipal and county labour markets have launched a project to draw up guidelines on wage policies free from gender bias.
- In Finland separately negotiated adjustments to pay scales have been put in place through an 'equality allowance' in the public services.
- In Norway, women's pay has been given priority in company-level negotiations. Several agreements state that men's and women's wages should be mapped in order to see if there are pay gaps that cannot be accounted for.
- In the energy sector in the Czech Republic and in the health sector in Latvia unions are emphasising the use of collective bargaining to improve pay for low paid workers.
- In the UK, a new pay system being piloted in the health sector involves job evaluations and pay reviews, which are expected to help reduce the gender wage gap.
- In France, equality is now required in negotiations and wage bargaining. The unions in the electricity and gas sectors have signed an agreement promoting gender equality in employment in terms of pay, career development, recruitment, working time and training.

## **6. Equality plans and equal pay reviews**

Recent good practice includes the development of equality plans to identify and take action to achieve equality. The recently amended Equal Treatment Directive makes provision for workplace equality reviews on a voluntary basis. Several countries have had long standing provisions to support this initiative (Sweden, Finland, Norway, Ireland and the UK). For example in Sweden, Action Plans for Equality must be undertaken by all employers with 10 or more staff. This includes identifying differences in pay between women and men and carrying out assessments of any action taken. The legislation was strengthened in 2001 to enable comparisons to be undertaken between women and men whose work can be considered to be of an equal value. Unions are given an important role in this process.

Examples of equality plans include:

- In Sweden, Vastra Gotaland County carried out a gender wage survey of all 650 employees and found that men had a higher and more individualised wage and that average pay for women in equal jobs to men was less. Steps were taken to remedy this.
- The Finnish Police have received an award for their initiative on equality planning. The success of their equality plan, which covers pay, is now monitored annually using specially developed indicators
- In Norway, Stavanger Municipality, with 7000 employees, have included actions to breakdown wage statistics by gender and the monitoring and recording of wage developments among men and women on an annual basis.

Legislation around Europe increasingly requires employers to make public gender-based wage statistics. In France, employers now have a duty to provide information about women's and men's wages, which has to be issued on an annual basis before pay negotiations. The legislation was strengthened in 2000 with provisions requiring employers to initiate annual negotiations on gender equality. In Sweden, employers are also required to break down data and make it available to the public.

## 7. Job evaluation

Job evaluation has been important in revaluing undervalued work and to establish whether jobs are of an equal value. In particular, unions have played a vital role in highlighting gender bias in existing schemes and in advocating job evaluation schemes free from gender bias.

In the UK, the new NHS pay structure and job evaluation scheme, *Agenda for Change*, is being piloted in several areas during 2004 before being extended nationwide. Kommunal (Municipal Workers' Union) in Sweden has a Gender Equality Programme which places a high priority on equal pay. This includes job evaluation schemes, increasing the value of female dominated jobs and pressing for extra resources in health and social care. In Cyprus, the government recently agreed to implement job evaluation in both the public and private sectors in order to address pay inequalities.

## 8. Conclusions and recommendations

EPSU and PSI activities have been important for the sharing of information, experiences and understanding of the problems of gender pay inequalities. This has helped affiliates to raise these issues with national governments and in collective bargaining. Suggested ways forward for affiliates, for public service unions include the following:

### PSI/EPSU/EI

- Allocate specific resources and draw up guidelines to develop further a gender mainstreaming approach to include measures to tackle the gender wage gap, such as job evaluation free from gender bias, equal pay reviews and the introduction of living minimum wages. This should also set out how equal pay is a core element of work in other public sector union campaigns.
- Continue to focus on equal pay in the coordination of collective bargaining and collect information about the impact of restructuring, privatisation and deregulation on the gender wage gap.
- Develop union awareness and capacity to tackle the gender pay gap including drawing up an equal pay negotiators' checklist to support the collective bargaining process.
- Place greater emphasis on the importance of the annual EPSU equal pay survey with mechanisms to ensure that it is extended as widely as possible .
- Lobby for improved data on the gender pay gap in the public services
- Allocate specific resources, including through the social dialogue funds or the European Structural Funds, for the development of trade union expertise in the area of equal pay reviews and equality reviews (as provided for under the revised Equal Treatment Directive), or through the ILO, including resources at the national level in the new member states.

### Affiliates:

- Lobby national governments to implement the Equal Treatment Directive including the carrying out of equality audits and provision of gender disaggregated statistics.
- Identify pilot projects for carrying out equal pay and equality reviews.
- Train trade union negotiators on the importance of addressing the gender wage gap in collective bargaining.
- Improve the representation of women on collective bargaining teams.
- Lobby governments to address the lack of funding and priority given to closing the gender wage gap in the public sector.
- Campaign for living minimum wages.