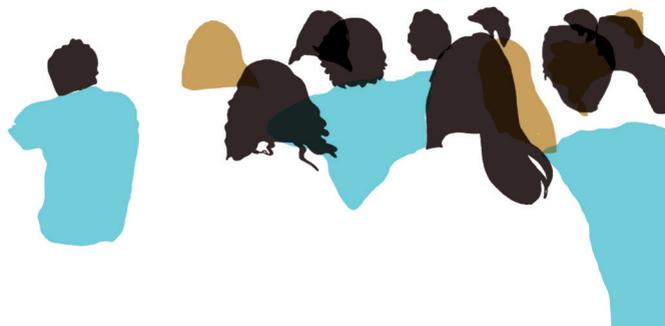


A large, stylized illustration of a person wearing a teal surgical cap and a white face mask with a brown nose piece. The person is shown from the chest up, looking towards the right. The background is a textured, light brown color.

# Closing the gender pay gap: a policy guide

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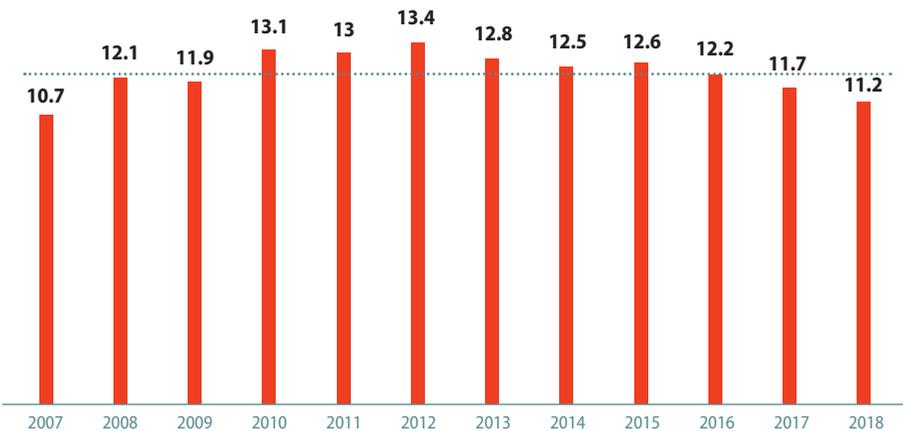
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# CLOSING THE GENDER PAY GAP: A POLICY GUIDE

This guide is based on the findings of a European Union social dialogue project exploring the impact of austerity on the gender pay gap (GPG) in public services across Europe and the strategies that have been adopted by trade unions to address pay inequality. These findings constitute a stark warning for governments in the light of a Covid-19-driven recession.

It is important to emphasise the distinction between the GPG and equal pay. The unadjusted GPG represents the difference between average gross hourly earnings of men and women as a percentage of the average gross hourly earnings of male employees (excluding overtime). Equal pay is enshrined in EU and national legislation wherein all workers irrespective of gender are entitled to equal pay for work of equal value.

**TABLE 1**  
Average unadjusted gender pay gap in public sector in EU-28 (% , 2007 – 2018)



Source of data: Eurostat. GPG in unadjusted form by financial control - public ownership and the economic activity - NACE Rev. 2 activity (B-S except O), structure of earnings survey methodology [online data code: EARN\_GR\_GPGR2CT].

## KEY FINDINGS

The project is based upon 21 case studies of union responses to the gender pay gap (GPG) and analysis of Eurostat data. Table 1 identifies the case studies and case study summaries can be found on EPSU's website under [Gender Pay Gap](#) policies, along with statistical tables and calculations.

**These are the key findings:**

### The Impact of Austerity Measures

- The average unadjusted GPG in the public sector across the EU-28 between 2007 and 2018 increased during recession and has only just started to recover as Figure 1 confirms, although the overall average obscures variation between countries.
- Austerity measures have varied in their ferocity between EU states and have had differential outcomes.
  - Two measures of austerity impact the GPG. Both increases in unemployment and cuts in expenditure on public sector pay increase the GPG. The latter will reflect both job cuts and pay freezes and cuts and suggests that public sector pay policies under austerity have impacted negatively on the GPG.
  - The GPG has widened for those earning most and narrowed at the bottom of pay distributions, supporting the suggestion that austerity may cause convergence between men and women's pay at the lower end. The trend may be affected by trade union attempts to protect the lowest paid against pay cuts or freezes or an outcome of statutory minimum pay policies.
  - Overall, there has also been a narrowing in the difference between the hours worked by men and women between 2008 and 2018. A number of EU countries have seen a decline in the proportion of full-time men in the public sector, this is the case in Italy where there has also been a reduction in the GPG.

**'Even in the public sector, the unions agreed not to push for wage growth and rather to try to maintain employment in a time of crisis' (Representative of the Confederation of Trade Unions of the Slovak Republic)**

- Austerity measures, and associated privatisation, have undermined collective bargaining across Europe including the suspension of collective bargaining that may address gender inequality (Italy).
- Recruitment and pay freezes stall progress on closing the GPG, particularly where they lead to the informal recruitment of freelancers or contractors on an ad hoc basis that blocks career progression (Ireland), or the ad hoc use of recruitment and retention allowances that distorts pay systems (UK). Where wage systems are based on seniority, pay freezes can trap younger women at the bottom of pay grades. However, resulting inequality has been the subject of successful legal cases by trade unions, challenging length of service as the means of progression and establishing a new pay structure. In the UK Civil Service this was despite the impact of imposed localised pay bargaining and pay restraint within the public sector from 2010 onwards.
- A key feature of the austerity period has been industrial action by women across Europe in occupationally segregated sectors, particularly health, social care and education, to defend their jobs, pay and conditions (Polish teachers and Polish nurses and German childcare workers). This includes action where strikes are outlawed (Slovakian nurses) and amongst outsourced workers with no stable workplace that are considered to be hard to organise. In many cases such action is not posed in terms of the GPG, but the recognition and societal value of women's work. In the Netherlands, action reversed budgetary cuts to homecare.

**'We want to point out that nursing is just as important as medicine. So what nurses do, even though it seems to be such an invisible work, is often perceived by the public as just injecting and pick up phones. It is necessary to describe the activities that the nurses do, because simply, if it is not described, we cannot measure it, then it is difficult to want a decent salary' (Representative of the Slovak Chamber of Nurses and Midwives)**

- Pay cuts and freezes have led to pay rates lower than statutory minimums or 'living wages' (Slovakia, UK). Subsequent moves by trade unions focussing increases on the lowest paid or removing the lowest paid grades can positively impact on the GPG, but can also disrupt established pay and grading systems producing 'crowding' at the bottom end of pay scales and undermine equal value proofed job evaluated differentials. In doing so, they can also undermine those in supervisory grades who find themselves paid little more than those they supervise.
- Privatisation of public services in which women predominate – social care, health and education services – has led to downward pressure on women's earnings and working conditions, fragmentation of collective bargaining and exclusion of women in these groups from GPG reporting by public sector bodies commissioning outsourced services, thereby disguising the real gender pay gap within public services.

## Gender Pay Gap Reporting

- Pay Transparency measures requiring organisations to report their GPG have been introduced across a number of countries, but in some have been limited to the private sector (Austria, France). Trade unions have produced critiques of the current reporting guidelines and online checklists of how to analyse GPG reports, highlighting the elements that should be included to produce real transparency (Austria, Spain). France saw its first direct collective initiative on the GPG when the Confédération Générale du Travail (CGT) took a class action against the Ile-de-France Savings Bank (CEIDF) to secure measures to end a 18% GPG. The Bank claimed the GPG was one per cent and unions argue that the Index has been used to conceal pay gaps in organisations.
- In a number of EU Member States the GPG is still not recognised as an issue and there is an absence of reliable data on it. In others, concern about low pay in general overshadows discussions of gender inequality and equal pay for work of equal value (Romania, Slovakia).

## Equal Pay For Work of Equal Value

- Despite some important trade union initiatives to counteract low pay in occupations in which women predominate, there is limited knowledge and use of EU or Member State equal pay legislation or EU initiatives intended to promote it. This means that it is not being fully utilised as a vital tool to help close the gender pay gap – whether in collective bargaining, legal action or the

design of gender-neutral job evaluation schemes. In Hungary the principle has been removed from the Labour Code altogether.

**BOX 'The rule of equal pay for work of equal value was taken out from the Labour Code by legislators, and trade unions are fighting to bring it back now.'** (Representatives of the Women Committee of Hungarian Trade Union Confederation)

- In two UK case studies in local government and the civil service, equal pay legislation was the explicit basis of legal and industrial strategies and collective bargaining that addressed the GPG. In the case of local government, the GPG has been substantively narrowed.
- Attempts to establish equal pay in the context of budget cuts can lead to a 'levelling down' of men's pay, rather than 'levelling up' of women's pay. This is a weakness in equal pay legislation which does not require 'levelling up' of women's pay to that of men doing work of equal value.
- Where equal pay for work of equal value has been raised for women in senior and/or high profile positions, trade unions have reported that women concentrated in lower grades have not seen this as relevant to them. In this context trade unions have raised the wider GPG and occupational segregation (Ireland).

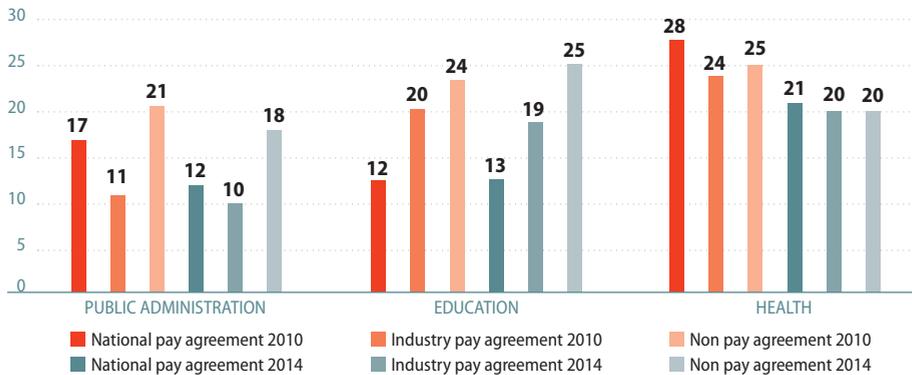
**'Much of the discussion around the pay of senior journalists is far from the experience of the vast majority of women ... we have a job of education to do with our own members to get them to understand'** (Representative of the Irish Congress of Trade Unions)

- The UK local government case study highlights an example of the negotiation of a job evaluation scheme designed explicitly to evaluate all jobs in a way which reflects equal value principles with a subsequent closing of the GPG. Other case studies show unions attempting to link occupational wage levels to educational attainment (Sweden, Italy, Cyprus).

**FIGURE 2:**

**Gender pay gap by public subsectors and type of collective pay agreement**

(% of EU-level, 2010 and 2014)



Source of data: Eurostat; Mean hourly earnings by sex, economic activity and collective pay agreement [online data code: EARN\_SES14\_12\_custom\_311554; EARN\_SES10\_12\_custom\_311676], own calculation.

## Collective Bargaining

- The positive effect of collective agreements on the GPG was confirmed in public administration and education where the average GPG was lower in organisations with national or industry level pay agreements in comparison to those with no agreement (Figure 2). However, in health and social work, the relationship is not as straightforward, and the collective agreement does not necessarily translate into a lower GPG (possibly because privatisation has removed these groups from collective bargaining). The case studies highlight how austerity measures have undermined collective bargaining across Europe including the suspension of collective bargaining that may address gender inequality (Italy).
- The case studies evidence attempts by unions to reform collective bargaining structures that reinforce gender segregation by negotiating higher rates for sectors dominated by women in lower paid jobs. In Sweden there was agreement between Kommunal and the Swedish metal workers' union, Metall, that the unions would demand an additional increase for assistant nurses, and that if the strategy was not successful Metall would join Kommunal in strike action. This resulted in a three-year agreement with additional pay increases for assistant nurses. In Finland TEHY has pushed for the removal of health and social care professionals from the general collective agreements and for a separate collective agreement, accompanied by an Equality Allowance which would secure successive higher pay increases in female-dominated sectors that will eventually close the pay gap.

**'The removal of health and social care professionals from the general collective agreements allows better consideration for the special characteristics of nursing work in terms of working hours and wages, such as shift work and being on call, the wage system and renewals in job descriptions due to health and social care reform. It is a laborious task to change the regulations governing the working hours and wages of nursing staff because these regulations are incorporated in the larger general agreements, and changes always require approval from all parties.'** (Representative of THEY)

- In the Italian Prison Service, trade unions have promoted Azioni Positive (positive action) in a male-dominated sector to address organisational and cultural barriers perpetrating direct and indirect discrimination against female participation and progression, including improving work-life balance, increasing women's representation and participation in decision-making positions and combating sexual abuse and harassment.

## **Women's Organisation within Trade Unions**

- Trade union women's committees and trade union training and development activity can educate and empower women to raise the issue of the GPG (Romania). The failure of mainstream trade unions to address women's low pay and poor conditions has led to initiatives to organise women separately, within and outside trade unions (Slovakia, Poland). In a number of cases women in trade unions have established networks of allies from public and political life to raise awareness of the GPG and in Hungary have done so in a resistant environment.

**'It was biggest success of my life, because every day somebody asked me for a leaflet. This campaign was unique, because there had not been anything similar in the history of trade unions. When female committee decided to go to the streets to demonstrate, everybody was afraid.'** (Representative of Women Committee of Hungarian Trade Union Confederation.)

**The symbol of the Hungarian GPG campaign was a coin of the value of 100 Ft with a missing part representing the GPG**



Translation of the text in the picture: „Let’s say NO together to the wage gap!”

## RECOMMENDATIONS

### Ensuring Equal Pay for Work of Equal Value

- The European Commission must ensure that all Member States have adequately transposed the principle of equal pay for work of equal value into domestic legislation and take urgent action to ensure it is applied across the public sector and private providers funded by public bodies.
- Knowledge and expertise of equal pay legislation and how it can be utilised to close the GPG through collective bargaining, legal action or the design of gender-neutral job evaluation schemes needs to be substantially improved across European trade unions, governments and public sector employers.
- The EU Commission could help support public sector trade union initiatives to mainstream equal pay principles in collective bargaining and to develop gender-neutral job evaluation schemes.
- Attempts to establish equal pay must be adequately funded to ensure that there is no ‘levelling down’ of men’s pay, rather than ‘levelling up’ of women’s pay. Equal pay legislation should be amended to ensure that it requires the ‘levelling up’ of women’s pay to that of men doing work of equal value.

### Closing the Gender Pay Gap in a Covid Era Recession

- Closing the GPG should be a policy priority for public sector employers and private providers across the EU, particularly in times of recession when the GPG is likely to stagnate or increase.

- Under Covid-related recession it needs to be made clear that redundancies and pay freezes and reductions will lead to at least the stagnation of the GPG, particularly if collective bargaining is suspended.
- Statutory minimum pay rates should not become a benchmark for public sector pay systems or be allowed to undermine pay systems based on equal value principles.

## **Strengthening collective bargaining to close the GPG**

- Trade unions, governments and public sector employers should take steps to address the gendered nature of collective bargaining systems, particularly the extent to which they reflect pay differentials based on occupational segregation.
- Equality allowances or supplements for female-dominated occupations may help to close gaps in the medium-term, but should not be seen as an alternative to effective collective bargaining arrangements (as above).
- Public sector and outsourced public service pay systems should be re-designed to ensure equal pay for work of equal value, using jointly designed, gender neutral, job evaluation schemes.
- Occupational segregation itself needs to be addressed through collective bargaining initiatives to establish equal pay for work of equal value, access to training and development, appropriate childcare, good maternity agreements and parental leave.
- Trade unions must empower women members to address unequal pay and the GPG through self-organisation in trade unions, widespread education and training and links with supportive external women's organisations. The EU Commission could usefully support such measures.

## **Improving Gender Pay Gap Reporting**

- Gender pay gap reporting and pay transparency measures need to be improved and standardised to enable rigorous comparisons.
- GPG reporting should be based on transparent criteria and not permit employer discretion in classifying comparable work. All components of pay - bonuses, overtime, allowances, supplements - should be included and length of service taken into account. Access to training and progression should also be reported, along with the rate of return from maternity leave.

- Groups of outsourced employees such as care workers should be included in GPG reports of public bodies commissioning outsourced services.
- Employers should be required to negotiate and agree reporting mechanisms with trade unions and provide all emerging information, which must be open to challenge by trade unions.
- Employers should be required to draw up annual action plans based on the results of GPG reporting, with trade unions.

## **Closing the GPG in an Uncertain Future**

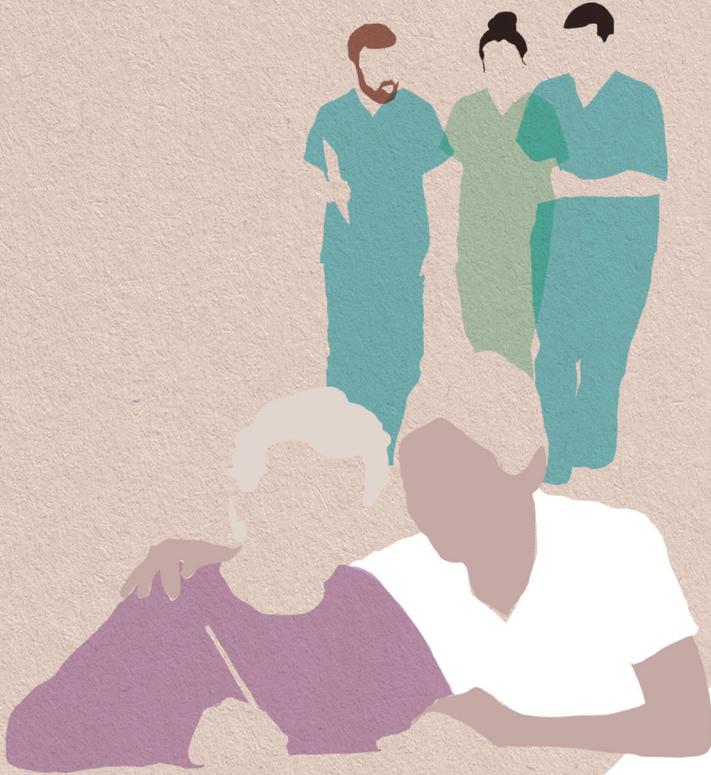
- In the context of major challenges to work and society – pandemics, climate change, automation and artificial intelligence - ending the GPG must be linked to a more fundamental reorganisation of paid work and unpaid domestic labour. This should include a shorter working week that allows equal labour market participation on the basis of truly shared domestic labour, eldercare and childcare; universal access to childcare and eldercare; maternity and parental rights which remove the ‘motherhood’ pay penalty and allow fathers/partners to share childcare; equal access to education and work-based training and time for trade union and democratic participation. Trade unions should lead this debate, with support from the EU Commission, governments and trade union confederations.

**TABLE 1**  
**The Case Studies**

	<b>COUNTRY</b>	<b>CASE STUDY</b>	<b>ORGANISATION</b>
<i>Central and Eastern Europe</i>			
Case Study 1	<b>Austria</b>	Real Pay Transparency	ÖGB (Österreichische Gewerkschaftsbund)
Case Study 2	<b>Hungary</b>	Women trade unionists raising awareness in a hostile environment	Hungarian Trade Union Confederation (MASZSZ)
Case Study 3	<b>Poland1</b>	National Teachers Strike	ZNP (Związek Nauczycielstwa Polskiego)
Case Study 4	<b>Poland2</b>	Nurses coordinated action	All-Poland Trade Union of Nurses and Midwives (Ogólnopolskiego Związku Zawodowego Pielęgniarek i Położnych OZZPiP) and National Chamber of Nurses and Midwives (Naczelnej Izby Pielęgniarek i Położnych, NIPiP)
Case Study 5	<b>Romania</b>	The empowerment of women	GAZ-ROMANIA (Fedraica Sindicatelor Gaz Romania, GAZ)
Case Study 6	<b>Slovakia1</b>	The Higher-Level collective agreement for public sector workers	KOZ SR (Konfederácia odborových zväzov Slovenskej)
Case Study 7	<b>Slovakia2</b>	The mass resignation of nurses and midwives	OZ SaPA (Odborové združenie sestier a pôrodných asistentiek) and SK SaPA (Slovenská komora sestier a pôrodných asistentiek)
<i>Southern Europe</i>			
Case Study 8	<b>Italy1</b>	The movement of men into public education	UIL SCUOLA RUA Federation. (Unione Italiana del Lavoro- Federazione sindacale Scuola, Ricerca, Università e AFAM)
Case Study 9	<b>Italy2</b>	Azioni Positive for Prison Officers	FP CGIL (Confederazione Generale Italiana del Lavoro, Funzione Pubblica)
Case Study 10	<b>Spain</b>	Planes de Igualdad (Equality Plan)	UGT (Unión General de Trabajadores)
Case Study 11	<b>Greece</b>	Gendered pension reform	ADEDY (Anotati Diikisis Enoseon Dimosion Ypallilon)
Case Study 12	<b>Cyprus</b>	The varying impact of austerity?	PA.SY.D.Y (Pancyprian Public Servants' Trade Union)
Case Study 13	<b>Malta</b>	Fiscal stimulus of female workforce participation	UHM (Union Haddiema Maghqudin)
Case Study 14	<b>France</b>	The Index Égalité	CGT (Confédération Générale du Travail)

	<b>COUNTRY</b>	<b>CASE STUDY</b>	<b>ORGANISATION</b>
<i>Northern and Central Europe</i>			
Case Study 15	<b>Finland</b>	Equality Allowances	THEY (Terveydenhuoltoalan ammattijärjestö)
Case Study 16	<b>Germany</b>	Industrial action by Kita (childcare workers)	Ver.di (Vereinte Dienstleistungsgewerkschaft)
Case Study 17	<b>Ireland</b>	Equal Pay and the Gender Pay Gap in RTÉ	SIPTU (Services Industrial Professional and Technical Union)
Case Study 18	<b>Netherlands</b>	Action by Thuiszorg (homecare workers)	FNV (Federatie Nederlandse Vakbeweging)
Case Study 19	<b>Sweden</b>	Assistant Nurses – the reform of collective bargaining	Kommunal
Case Study 20	<b>UK1</b>	UK Civil Service – Using Equal Pay Legislation	Prospect
Case Study 21	<b>UK2</b>	Local Government – enshrining equal pay for work of equal value	UNISON





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