



TOWARDS BETTER PAY AND FAIRER PAY SYSTEMS

EPSU checklist for the co-ordination of information on pay bargaining and pay systems in the state sector and in local and regional government

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Introduction

The current economic crisis has highlighted a number of issues around public sector pay with the European Central Bank (ECB) making a point about the extent to which public sector pay influences pay in the private sector. The reality is, as shown by the ETUC's collective bargaining analyses, that both public and private sectors across Europe have experienced over 10 years of wage moderation. However, the ECB challenge raises the issue of what workers should expect from their pay systems; how the public and private sectors inter-relate and what the main characteristics of a public sector pay system should involve.

Objectives

The main objectives of this checklist are to help:

- review progress on pay levels as part of EPSU's exchange of information on coordination of collective bargaining for achieving better pay deals at national levels;
- strengthen our position and achieve a more level playing field in the context of the European sectoral social dialogue and dealings with the European Central Bank, European Commission, and Economic and Finance (ECFIN) Council; and
- contribute to the ETUC Fair Wages Campaign and fairer distribution of income which have also become part of the solutions to the international crisis. In this regard, it will also help revive the notion of equitable wages¹ within and between the public sector and private sectors
- provide a framework for discussion on specific pay issues.

Towards a fair pay system

A central aim of collective bargaining in the public services should be the achievement of a fair, cohesive, progressive, transparent and gender-neutral pay system.

Cohesive pay systems

Public sector pay systems have traditionally been more equitable than many private sector pay structures with a narrower spread from the lowest to the highest paid. The pressures of marketisation have, in some cases, led to change in public sector pay systems with some employers insisting they have to adjust pay in line with "market forces" leading to a wider gap between the highest and lowest paid. There is also the question of whether pay levels properly

¹ Paraphrasing an opinion of the European Commission in 1993, the pursuit of an equitable wage has to be seen in terms of the aim to achieve growth in productivity and employment and to foster good relations between social partners.

reflect the nature of the job and the extent to which it is comparable between public and private sectors and across the public sector or even within specific parts of the public sector.

Pay increases

The ETUC/EPSU 2000 guideline on coordination of collective bargaining states that pay rises should compensate at least for inflation plus a share of national average productivity.

Role and level of collective bargaining

Collective bargaining is a fundamental right and has to be seen to work in practice, involving a proper process of negotiation between employers and trade unions. Collective bargaining increasingly takes place at different levels – national, regional and local – but there needs to be co-ordination between the levels to ensure equal treatment.

Gender pay gap

It is EPSU policy that affiliates should try to reduce the gender pay gap by 2%-5% over the next five years. The mechanisms to do this may involve using the law as well as collective bargaining and may require action on a range of issues such as career development, maternity and parental leave, transparency of pay systems, pay increases targeted at the low paid or occupations mainly carried out by women and the “motherhood penalty”. Evidence from the 2007 equal pay survey shows that only a small number of countries managed to achieve the target in the previous five-year period.

Individualisation and performance-related pay

EPSU does not have a policy on performance-related pay (PRP) but in its 2005 briefing on the issue it emphasized the need for transparency and that any PRP arrangements should be negotiated and regularly reviewed against objectives of fairness and equal treatment.

Privatisation, outsourcing, PPPs

Privatisation, outsourcing and PPPs very often involve a worsening of pay and conditions. It should be possible to promote labour and equality clause in public contracts as highlighted in EPSU's policies on public procurement and the gender pay gap.