

# EQPay

Social partner approaches to reduce the gender pay gap in  
the public services



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## **Background**

On 3<sup>rd</sup> March 2009 the European Commission launched an information campaign on the gender pay gap, which aims to raise awareness of its causes, measurement; relevant EU legislation and action and how it can be tackled<sup>1</sup>. At the same time, the European Commission has been conducting an evaluation of existing Community legislation on equal pay<sup>2</sup>. Depending on the Commission's assessment of this analysis, the Commission may present new legislative or policy proposals on the issue. The 2009/2010 Work Programme to implement the 2006-2010 Roadmap for Equality between women and men indicates that the Commission will publish a report in 2010 on the state of progress and quality of the transposition by Member States of the Directive on equal treatment between men and women in the access to and supply of goods and services<sup>3</sup>.

The Roadmap for equality between women and men confirms the Commission's commitment to reducing the gender pay gap. It identifies six priority areas for action on gender equality, including:

1. Achieving equal economic independence for men and women
2. Enhancing reconciliation of work, private and family life
3. Promoting equal participation of men and women in decision-making
4. Eradicating gender-based violence and trafficking
5. Eliminating gender stereotypes in society

Eliminating the gender pay gap is a critical objective of priority area one. The Commission argues that the persistence of an average 17% gender pay gap, in spite of EU legislation and national initiatives, demonstrates that further effort is necessary. According to the roadmap, direct gender-based discrimination, structural inequalities, labour market segregation, access to education and training, biased pay systems and gender stereotypes all contribute to the gender pay gap. In the light of these inter-related factors, a complex political response is required<sup>4</sup>.

As the planning period for the current Roadmap runs out in 2010, discussions are currently under way to frame the priorities and timescale for a new Roadmap to be finalised in 2010.

Running along the same timescale and, similarly critical to addressing the gender pay gap is the Lisbon Strategy for Growth and Jobs. On the face of it, good progress has been made in meeting the target of 60% female employment by 2010 – the overall female employment rate was 59.1% in 2008 and gender gaps in unemployment have

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<sup>1</sup> <http://ec.europa.eu/equalpay>

<sup>2</sup> Directive 75/117 EEC

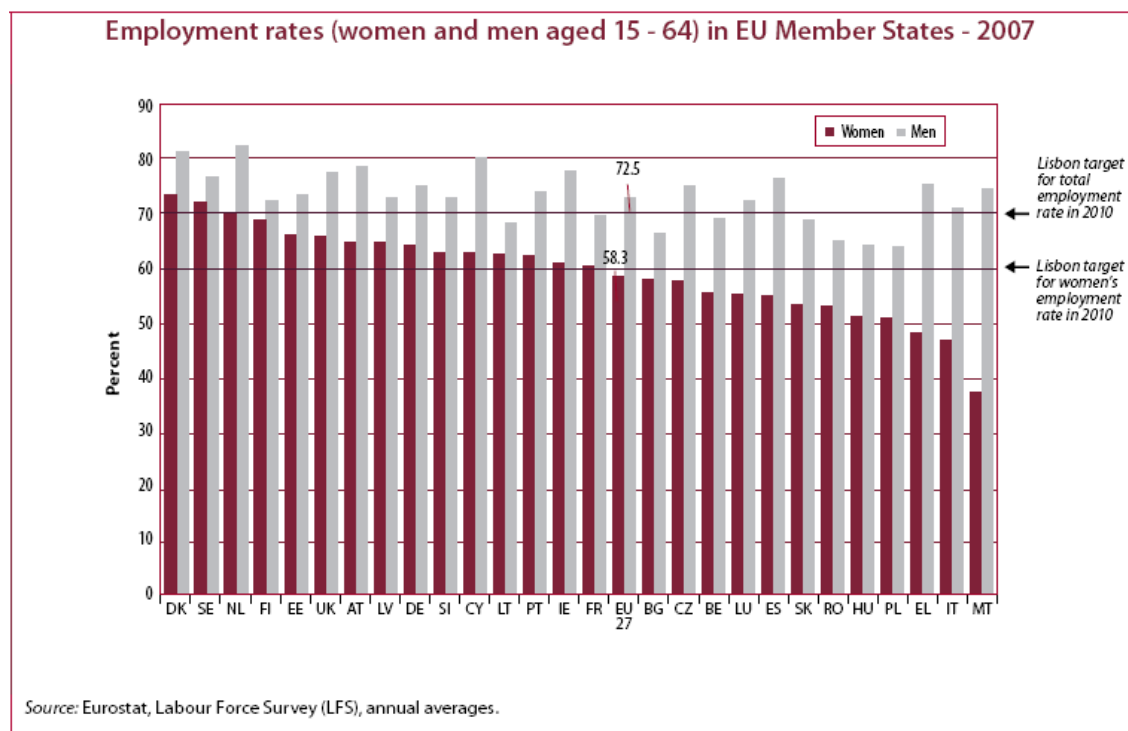
<sup>3</sup> <http://ec.europa.eu/social/main.jsp?catId=422&langId=en>

<sup>4</sup> European Commission (2006) 'A Roadmap for Equality between Women and Men'  
[http://ec.europa.eu/employment\\_social/news/2006/mar/como6092\\_roadmap\\_en.pdf](http://ec.europa.eu/employment_social/news/2006/mar/como6092_roadmap_en.pdf)

been reducing (and have indeed closed in 2009 as a result of the crisis, which has thus far affected male employment more significantly). However, as the impact of public spending cuts feeds through into the labour market, it is possible that the female employment rate could decline again.

Despite improvements to date in female overall labour force participation, strong variations remain between Member States (see figure 1) and vertical and horizontal labour market segregation remains very much in evidence and must be addressed in order to effectively tackle the gender pay gap.

Figure 1



For the European Commission, the European Strategy for Growth and Jobs is an essential means of supporting gender equality in the workplace and has active backing from the Structural Funds. As part of the current European Strategy for Growth and Jobs, the reduction of the gender pay gap is included in two of the integrated guidelines, which encourage Member States to define their commitments and objectives with regard to the established priorities.

Discussions are now under way on the shape of the post-Lisbon strategy and the role and nature of the European Employment Strategy and guidelines within it.

All these elements of the policy debate are of critical significance to public service employers and providers of public services, as employers of an important proportion of the female workforce, but also as suppliers of much of the infrastructure to help boost female participation (education and health services, child care and other care services etc.).

As key actors in shaping the framework of the labour market, CEEP and the other European social partners have also taken steps to address the issue of equality in the labour market and the gender pay gap. An important element of their work is the preparation and implementation of the Framework of Actions on Gender Equality adopted in March 2005. Four priority areas were identified by the framework:

- To address gender roles
- To promote women in decision-making
- To support work-life balance
- To tackle the gender pay gap.

The social partners, BusinessEurope/UEAPME, CEEP and ETUC agreed to promote the framework of actions in Member States, taking into account national practices. An annual report is produced on national activities taken under the four priorities. Three annual reports as well as an evaluation report have now been prepared. The reports describe how the framework of actions has been followed up in social partner activities at European, national, sectoral and company levels, as well as assessing the overall impact of the Framework of actions.

In addition, social partner agreements on parental leave, part-time work and teleworking are also important instruments to assist in the creation of an equal opportunities framework for the labour market.

One of the goals of the current project is to help CEEP determine its priorities for the future EU equalities agenda as implemented through social dialogue or other policy initiatives.

## ***The project***

The project EQPay was run by CEEP UK<sup>5</sup> with the support of CEEP started in January 2009. It was initiated to help underpin not only CEEP's implementation of the Framework of Actions on Gender Equality, but also to provide the organisation with important background information to be able to contribute to the review of EU Equal Pay legislation.

It largely arises from a concern expressed by a number of member organisations of CEEP UK that current measures and methods being utilised to tackle the gender pay gap in the public services in the UK are often not serving to reduce the pay gap significantly, while at the same time bringing significant costs and disruption to public services and could bar the way to more effective measures to tackle differentials in the wages of women and men.

CEEP UK was therefore keen to learn from the experience of other public service employers and enterprises providing services in the general interest which have assessed the causes of and sought to address the gender pay gap within their sector or enterprise.

The main goals of the twelve month project are as follows<sup>6</sup>:

- To assess the extent to which public service employers in other Member States face similar challenges and what might have been done to overcome these to allow social partner to address the gender pay gap more effectively.
- In order to do so, a survey will be conducted to address the following issues and questions
  - a. The size of the gender pay gap in the public services
  - b. Understanding the causes behind the gender pay gap
  - c. How the concept of equal pay for work of equal value is being implemented at national, sectoral and local level
  - d. Other measures taken to reduce the gender pay gap
  - e. Understanding any barriers to the implementation of equal pay for work of equal value and the reduction of the gender pay gap
  - f. The perceived need for any legislative or policy changes at national or European level to allow social partners to address the gender pay gap effectively
- A closing seminar will be held on 27 November 2009 in Brussels to discuss the results of the survey; to present and discuss best practices and to define the

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<sup>5</sup> In June 2009, CEEP UK changed its name to PPE (Partnership for Public Employers); the structure and membership of the organisation remains the same. PPE is the UK section of CEEP. As the project funding was granted when PPE was known as CEEP UK, we will continue to refer to CEEP UK in this report.

<sup>6</sup> The project was initially designed to run for 6 months but as a result of difficulties in obtaining replies to the questionnaire, an extension of 6 months was requested and granted.

input CEEP should make to any forthcoming consultation on changes to the EU legislative or policy framework.

### *Methodology and challenges facing the project*

A review of existing literature took place between January and March 2009, during which CEEP UK also contributed to the Commission's review of Equal Pay legislation and participated in the dissemination seminar organised by the Commission's consultants for the study on 19 March 2009. It was considered important to review the preliminary results of this study prior to framing the final questions for our survey in order to avoid any duplication of information collection.

Rather than organising specific meetings, members of the management team met on the fringes of other CEEP and CEEP UK events to agree the approach to information collection and the questionnaire. These meetings took place on 9 March as part of the Executive Committee of CEEP UK and on 11 March as part of the General Assembly of CEEP<sup>7</sup>.

The project questionnaire was finalised in March 2009 and sent out to all members of the CEEP Social Affairs Committee (a total sending list of 120). It was decided that as all SAC meetings are held in English and participants are sufficiently proficient in English, there was no need to translate the questionnaire. However, despite additional efforts to gather information through a re-sending of the questionnaire and telephone calls, very few replies were received. This was clearly not because of a lack of translation, or indeed a lack of interest in the subject matter, but because the questionnaire was clearly slated to help CEEP UK to understand how some of its European counterparts were addressing the challenges it was facing in operationalising equal pay for work of equal value. It will become clear in the background research and in the discussions at the final project seminar, that these challenges are fundamentally different in the UK and the other Member States and the issue of the lack of feedback to the surveys will therefore be addressed again in the project conclusions.

As a result of the shortage of replies, the project has required additional efforts by the project manager to see to gather the relevant information through a review of background literature, telephone and face to face conversations with CEEP members and in preparing the EQPay seminar held on 27 November 2009. This report is the result of this literature review, interviews, national presentations and discussions at the seminar.

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<sup>7</sup> Travel to these regular meetings will not be charged to the project as already scheduled UK and European meetings allowed us to finalise the approach to the project. With the exit of one of our project partners, La Poste from CEEP and therefore from the steering of the project, this has meant that meetings have been arranged more informally as the other project partners meet on a regular basis in the context of other CEEP meetings/events. Another change occurring during the project was the departure of Inge Reichert as Director of CEEP and her replacement by Valeria Ronzitti, previously Head of Social Affairs and now Director of CEEP.

## ***The gender pay gap: size, causes and possible solutions***

This section will summarise the main findings from the background research, looking first of all the measurement and size of the gender pay gap, different causes of the pay gap, the implementation of EU legislation on equal pay and equal pay for work of equal value and finally, measures taken to tackle the pay gap in different countries.

### ***Measurement and size of the gender pay gap***

As already indicated above, according to the definition used in the European Commission *Communication on Tackling the Pay Gap between Women and Men*, the gender pay gap is a measure of the difference in the average gross hourly earnings of women and men within the economy as a whole. Table 1 below provides information gathered by the European Commission on the size of the gender pay gap in different EU countries measured in accordance with the above definition.

Table 1: Size of the gender pay gap in the EU countries according to the EU's definition (2007 data)

Country	Gender Pay Gap	Country	Gender Pay Gap
Belgium	9.1	Luxembourg	10.0
Bulgaria	12.7	Hungary	16.3
Czech Republic	23.6	Malta	5.2
Denmark	17.7	Netherlands	23.6
Germany	23.0	Austria	25.5
Estonia	30.3	Poland	7.5
Ireland	17.1	Portugal	8.3
Greece	20.7	Roumania	12.7
Spain	17.6	Slovenia	8.3
France	15.8	Slovakia	23.6
Italy	4.4	Finland	20.0
Cyprus	23.1	Sweden	17.9
Latvia	15.4	United Kingdom	21.1
Lithuania	20.0		

Source: European Commission<sup>8</sup>

However, interpretations of how the gender pay gap should be measured are by no means agreed between countries, let alone between academics and politicians. The main point of disagreement rests on the question whether the basis for the calculation should be the amalgamated figure of full-timers and part-timers or whether these two

<sup>8</sup> <http://ec.europa.eu/social/main.jsp?catId=685&langId=en>

groups should be looked at separately. In the UK, for example, there is an almost 10% gap in the measurement of the “amalgamated gender pay gap” and the pay gap when comparing full-timers and part-timers separately (with the amalgamated measurement being the higher one). This difference is not necessarily due to the fact that part-timers are paid less than full-timers for the same job (indeed the Directive on part-time work calls for equal treatment), but the fact that part-time work is more concentrated in certain sectors and occupations which tend to be female dominated.

### *Causes of the gender pay gap*

The European Commission itself acknowledges that the gender pay gap has many different causes, the least important of which may well be direct discrimination in pay. Other factors are:

- Shortcomings or difficulties in implementing the concept of “equal pay for work of equal value”;
- Segregation of the labour market (vertical and horizontal);
- Stereotypes in wider society, education, training and the labour market;
- Difficulties in balancing work and family life.

The factors above are also among the main challenges and priorities for the achievement of gender equality in the labour market identified by the European cross-sectoral social partners CEEP, BusinessEurope/UEAPME and ETUC in their 2005 Framework of Actions on Gender Equality<sup>9</sup>. The Framework of Actions highlights that the wages of individual employees are influenced by many different factors and pay differentials between men and women can arise from the following:

- Objective differences relating to the individual concerned (age, level of education, experience);
- The job itself (profession, type of contract or working conditions);
- The company (economic sector or company size or location).

However, not all differences in pay can be easily explained through these factors and BusinessEurope, ETUC, CEEP and UEAPME expressed concern that remaining differentials could, among other things, signify labour market dysfunction and that the real reasons behind the gender pay gap are not always well understood.

A full section below will be dedicated to assessing the impact of equal pay legislation and difficulties in implementing the concept of equal pay for work of equal value. In the remainder of this section, emphasis will be placed on exploring a number of other potential causes of the gender pay gap:

- Segregation of the labour market (vertical and horizontal)

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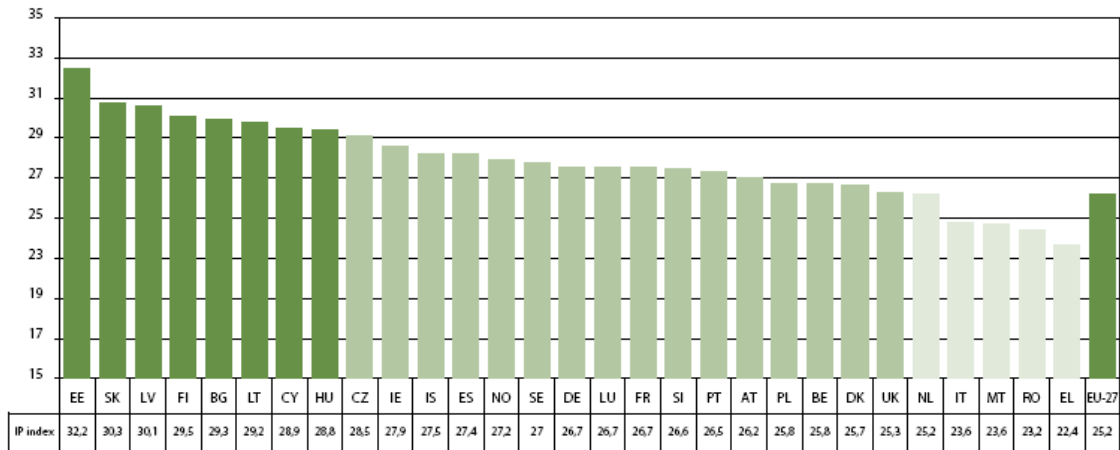
<sup>9</sup> <http://www.ceepuk.org/equalopportunities.htm>

- Stereotypes in education and training
- Differences in the distribution of paid and unpaid work

*Labour market segregation*

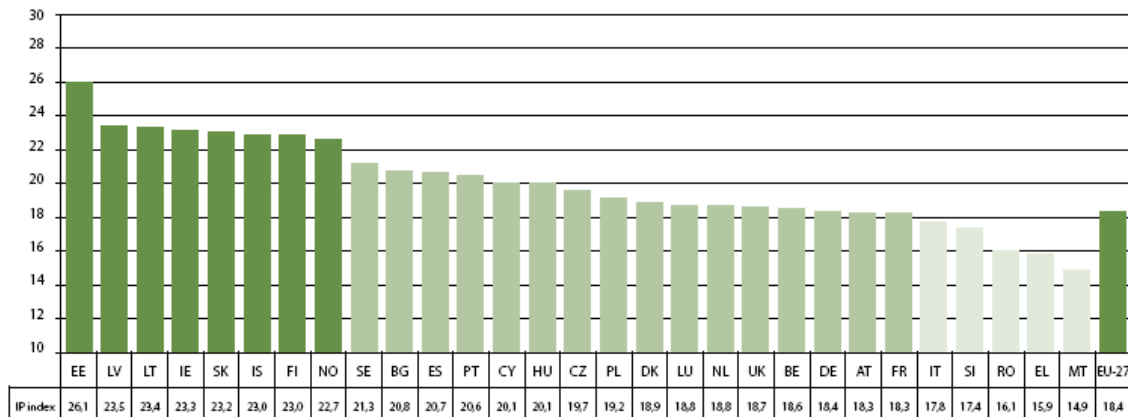
It is undeniable that labour market segregation along gender lines remains an important feature of EU labour markets. Segregation is visible along occupational, sectoral (horizontal) and hierarchical lines (vertical). Within the European Employment Strategy, horizontal segregation is measured according to the so-called IP index which measures the share in the employed population which would need to change occupation or sector to bring about a more even distribution of men and women among occupations or sectors. Figures 2 and 3 below show the level of occupational and sectoral segregation measured according to this index in 2007.

**Figure 2. Gender occupational segregation in Europe, 2007**



Source: European Commission; Gender segregation in the labour market (2009)

**Figure 3: Gender sectoral segregation in Europe, 2007**



Source: European Commission; Gender segregation in the labour market (2009)

The figures show that around 26% of the EU workforce would have to change occupations and 18% would have to switch sectors to achieve a more equal distribution of men and women in the labour force. In general there has been some trend towards de-segregation, but this overall modest change hides the fact that de-segregation has been relatively significant in countries such as the UK, Sweden, Denmark, the Czech Republic and Austria (from different starting points). In contrast, segregation has increased in Bulgaria, Ireland, Italy, Latvia, Romania and Spain. In all these countries, increased segregation went hand in hand with a growth in the female employment rate above the EU average.

In most of the countries where segregation has declined, mixed occupations have increased. On the whole, change has affected the male domination occupations more as their share has decreased proportionately more. A 2009 EC report on Gender segregation in the labour market, which presents these findings<sup>10</sup>, argues that evidence shows that significant increases in female employment are likely to raise the level of segregation in the short to medium term, with de-segregation only resulting in the longer term. The tables below, presented in the Annex of this report, highlight some of the policy initiatives taken in different countries which seek to address gender segregation in the labour market.

Table 2: Overview of policies taken at Member State level to reduce gender segregation in the labour market

<b>Current policies</b>	
<b>AT</b>	<b>A range of different policies is in place. Individual educational pathways and career choices are being monitored and influenced with a view to de-segregation. A gender-balanced distribution of unpaid care work is being promoted. Positive action measures for the promotion of women have also been implemented: a voluntary 40 % quota for female employees in all fields, at all levels has been set; grants of EUR 10 000 are assigned to the 10 best positive action plans in SMEs.</b>
<b>BE</b>	<b>The existing job evaluation system has not proved successful for reducing segregation and is now being reformed.  In order to tackle skill shortages, the government in 2006 asked regions and the social partners to list the so-called 'critical activities'. The latter turned out to be overwhelmingly male, and this launched a debate on how better to approach the issue in order to avoid exacerbating segregation.</b>

<sup>10</sup> <http://ec.europa.eu/social/main.jsp?catId=418&langId=en&furtherPubs=yes>

BG	The issue of employment segregation is relatively new for the country and has not been the subject of regular studies or of policy debate.
CY	Segregation is not seen as a policy issue.
CZ	Segregation is generally recognised to be one of the main causes of disparities between men and women. Nevertheless no concrete measure has been taken to address the phenomenon.
DE	Two prominent recent policies are the 2003 reform of job evaluation and motivational events. The reform, launched in 2003, was also aimed at creating 'gender-fair job evaluation and grading systems' in order to fight undervaluation. Motivational events like Girls'/Boys' Day (Box 5) are becoming common practice and prove to be effective in attracting the interest of secondary-school attendees to professions atypical for their sex.
DK	Gender segregation is still considered to be a problem by public authorities in Denmark. A study on the issue was commissioned by the government in 2006 and has led to a memorandum on 'how to' break down segregation drafted by an interdepartmental group at the Ministry of Equality, Employment and Education. However, de-segregation is not a special objective of active employment policies. Public authorities, employers and organisations can, if they want to, set up initiatives to attract women or men if either represents less than 25 % of the workforce.

EE	<p>Policies addressing horizontal segregation include: educational guidance and career counselling (for students and, since 2008, also for adult workers); popularising vocational education among young persons while raising its effectiveness for matching labour supply and demand.</p>
EL	<p>Segregation is primarily tackled via education, especially by giving guidance to students in secondary and post-secondary education, as well as in curricular training.</p> <p>In addition, a special scheme has been designed to enhance female entrepreneurship, a 30 % quota has been set for women's representation on promotion panels in the public sector, and positive actions have been undertaken to further women's careers within firms.</p>
ES	<p>The debate on segregation is quite recent because efforts have gone primarily into raising participation and reducing unemployment for women. It is expected that the establishment of the Ministry of Equality will help promote de-segregation. Important steps in this direction are the 2007 law on gender equality banning any form of discrimination and the law on personal autonomy and assistance to dependants (2006) promoting reconciliation.</p>
FI	<p>The country has a long tradition of dealing with gender segregation, which nevertheless remains quite high. Lately, however, there has been limited academic and political interest in the issue and it concerns vertical rather than horizontal segregation. The National Thematic Network for De-segregation in the Labour Market (2003–07) outlines future policy directions. Most projects are funded through the ESF and include initiatives to motivate children to make educational choices atypical of their sex. One project worth mentioning assesses the impact of job evaluation on gender pay disparities.</p>
FR	<p>Long-standing de-segregation policies in France include campaigns to affect educational choices of boys and girls (since the 1980s), and 'gender balance contracts' to facilitate women's entry into male-dominated occupations (since 1987). A programme launched in 2004 focuses on potential discrimination arising from biases in skill grading and the evaluation criteria used.</p>

HU	<p>Social policy, labour policy and educational policies are in place but do not directly address segregation. Some policies may have an indirect impact: since 2002, for example, women returning from maternity leave can take part in integrated labour market programmes which offer training and work experience and subsidise commuting costs and employers' contributions.</p>
IE	<p>Recently proposed policies for tackling vertical segregation include: addressing indirect discrimination in recruitment and promotion systems; proactively developing women for management; incorporating greater accountability into organisational practice and awareness-raising programmes on the benefits afforded by equal opportunities. Additional provisions include: training programmes; work placements for women in under-represented areas; information initiatives to facilitate recognition of women's skills among managers; and the setting up of a network of women in technology and science.</p>
IS	<p>The main policy targets are the educational and occupational choices of young men and women, and pay in female-dominated public jobs. The government is targeting pay rise in these jobs so as to also make them more attractive to men.</p>
IT	<p>Under-representation of women in decision-making positions has recently been at the centre of media and political debates, but has not translated into a wider interest in segregation or a policy approach towards de-segregation.</p>
LI	<p>Segregation is explicitly addressed primarily via education and communication. Provisions include career guidance, vocational orientation and motivational events (see Box 5). Awareness raising is pursued through measures like the Equal Opportunity Prize for women-friendly and family-friendly businesses.</p>

LT	De-segregation is not a policy target on its own.
LU	The policy debate remains focused on gender wage inequality and on childcare, both of which are relevant for segregation. Traditionally, policy effort has been directed primarily at developing legislation that may facilitate women's entry or re-entry into the labour market. Examples are the right to two years unpaid leave in the public sector (1994), the right to parental leave in 1999, and the 2003 lengthening of this leave.
LV	Current policies do not directly address gender segregation, although they might indirectly influence the phenomenon. Included in these policies are education and vocational training programmes aimed at promoting higher education for women. One exception is a small-scale initiative to train unemployed women in male-dominated skills (20 women involved).
MT	Policies are mainly aimed at increasing the labour market participation of women rather than addressing segregation.
NL	<p>The policy discussion is focused on increasing participation alongside reducing segregation, both horizontal and vertical.</p> <p>Regarding horizontal segregation, measures include pilots for girls in male occupations and increasing expertise among teachers and school managers.</p> <p>To tackle vertical segregation a target has been set to increase the share of women in higher management positions in the public sector to at least 25 % in 2011. For the private sector, the share of women in top positions should be 20 % in 2010. The issue of a possible quota for women in corporate boards is on the political agenda. In addition, there are several initiatives to increase the share of women in higher positions in education.</p> <p>The efficacy of job evaluation schemes to address the gender pay gap has also been addressed.</p>
NO	<p>The country has a long tradition of dealing with gender equality issues, including segregation. Among recent measures feature a commission on equal pay, the action plan for gender equality in day-care services, programmes sustaining women in science and women in management, and the well-known quota for women's representation on company boards.</p> <p>Also, ongoing wage negotiations are targeting the reduction of the gender wage gap via a comparable worth strategy.</p>

PL	<p>The issue of gender segregation does not hold centre stage in academic, policy or societal debates. At the same time, related policies such as the recent diffusion of flexible forms of employment in the attempt to foster reconciliation of work and family may have an indirect impact on the phenomenon.</p>
PT	<p>De-segregation policy mainly uses the fiscal leverage. Financial support is provided to balance the sex composition of occupations, and it is monitored on an annual basis.</p> <p>A Prize for Equality of Opportunities amounting to 10 % of the cost of creating the enterprise is given to firms where at least 60 % of the occupations do not accrue to the same sex. Incentives are also provided to promote self-employment and female entrepreneurship.</p> <p>Reconciliation policies are also relevant, and there is an important public investment in care services (crèches, homes for the elderly, etc.)</p>
RO	<p>Gender segregation is not a subject of policy debate, despite the fact that gender equality is becoming a matter of concern, and that this marks a change of perspective in comparison with the pre-transition period.</p>
SE	<p>After decades of reports and policies, sex segregation in the labour market is still on the agenda and new measures are continuously introduced. The government has commissioned three major reports or investigations in the last 10 years, respectively in 1998, 2003 and 2007 on different aspects of segregation. A key issue in the perception of the public or in the policy debate are women in decision-making positions, female entrepreneurs and women in science and technology. The Equal Opportunity Act regulates the practical implementation of gender equality and has been repeatedly amended. Policies have been implemented in all areas — from education and training to job evaluation, management of skill shortages and so on.</p>
SI	<p>Segregation is discussed mainly in connection with the gender pay gap, and only recently (NRP, 2006) it was singled out as a policy issue in its own right.</p> <p>However, scholarships encouraging boys and girls to enter fields which are dominated by the opposite sex are an example of specific provisions. Additional measures that have bearing on segregation include well-developed childcare services whereby women can afford to be highly involved in the labour market.</p>

SK	The problem of horizontal and vertical gender segregation is not among the issues frequently discussed by policymakers or in academia. Public awareness of the problem is also rather low.
UK	<p>The problems of occupational gender segregation have been recognised in the UK policy debates since the 1970s.</p> <p>Currently there is the so-called General Duty on Gender in the public sector: since 2007 all public authorities have a statutory duty to:</p> <p>(a) have due regard to the need to eliminate unlawful discrimination and harassment, and</p> <p>(b) to promote equality of opportunity between men and women; the government's quantified targets ('public service agreements'); and the government action plan developed in response to the recommendations of the Women and Work Commission.</p>

Source: European Commission; Gender segregation in the labour market (2009)<sup>11</sup>

The report published by the Commission also assesses the causes for gender segregation. *"Given widespread enforcement of equality legislation over the past years, impressive advances of women in education, progressive low of importance of physical attributes for productivity, change in family roles and, last but not least, successful challenging of gender norms by feminism, current research has both narrowed down the list of potentially relevant factors identified in the early debate and nuanced the original explanations"* (p8).

#### *Educational outcomes and choices*

Educational choices are often argued to be an important factor in the gendered segregation of the labour market. Although women now tend to leave school and university with higher qualifications than their male counterparts, vertical segregation and a gender pay gap remain.

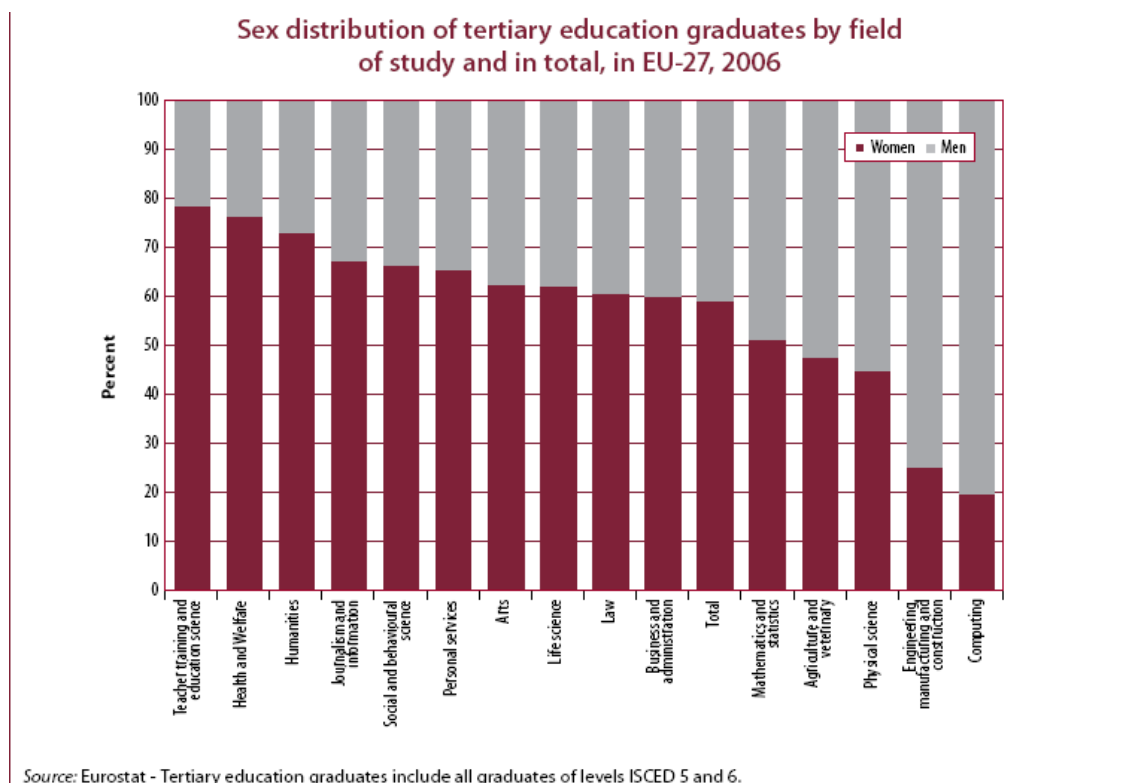
Figure 4 shows the gender distribution of tertiary education choices, demonstrating the proclivity for women to enter fields of study associated with lower paid sectors and occupations. However, the report published by the Commission on Gender Segregation in the labour market argues that there is mixed statistical evidence that the field of study still influences which occupations men and women enter. The last 15 years have seen greater diversification in many countries. In addition, it is argued that field of

<sup>11</sup> <http://ec.europa.eu/social/main.jsp?catId=418&langId=en&furtherPubs=yes>

study and occupation chosen subsequently are only sufficiently close in about 10% of jobs to be a real predictor of the outcomes tertiary study. However, when looking at the gender distribution in the labour force in general, it would seem that at least study patterns are still reflected in choices of occupation.

For a long time, it has been argued that so-called “women’s jobs” reflect stereotypes in women’s roles in society. A few studies, which have looked at this from the opposite perspective have found that the reasons men do not wish to enter the more caring professions is not for fear or stereotyping, but because these jobs tend to be more poorly paid.

Figure 4

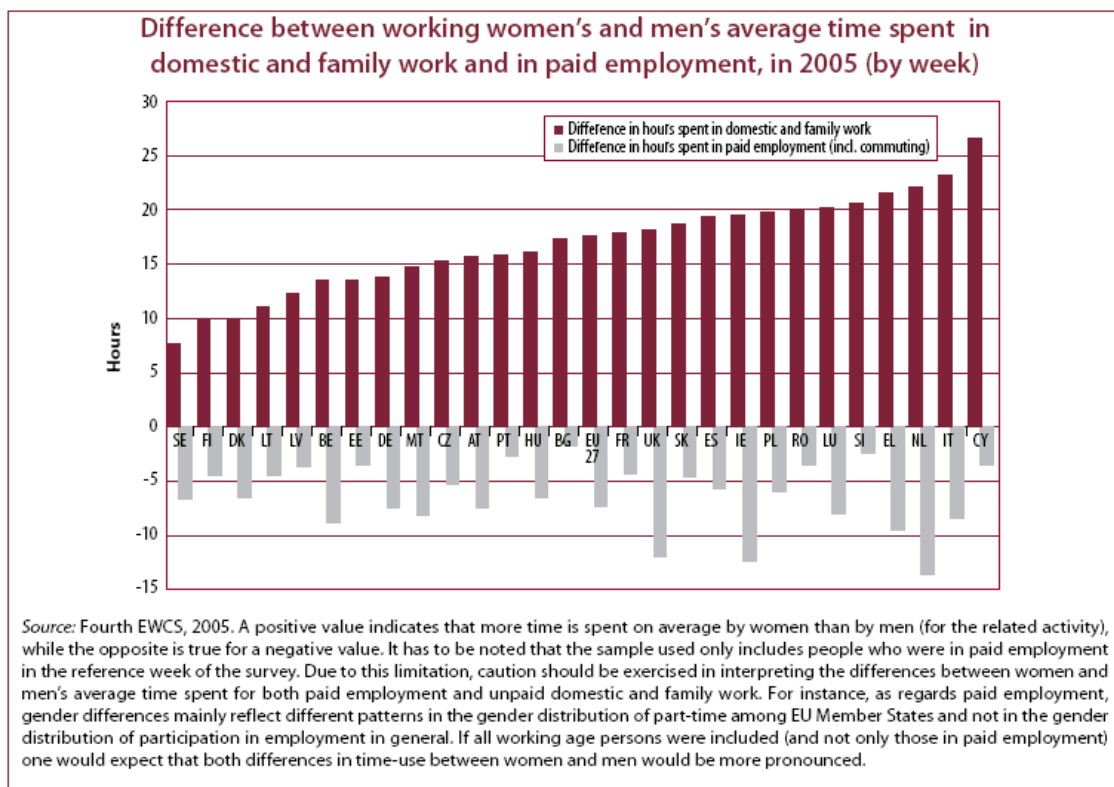


### *Unequal distribution of paid and unpaid time*

Another important factor influencing (mostly) women’s career choices is the unequal distribution which remains between paid and unpaid time. Women still continue to shoulder the majority of unpaid work in the home, raising children, looking after dependent relatives and general household chores. Figure 5 below shows the difference between working women and working men’s average time spent in domestic and family work and paid employment with women on average spending 17 hours more than men in domestic unpaid work and 7 hours less in paid work per week. According to the 2009 report on Gender segregation in the labour market “The unequal care burden and the consequent inability to prioritise income commitment within the family drive

the quest for man women for shorter and more flexible hours of work. Among qualified women [...] this search for hour-friendly occupational niches often results in re-segregation into a professional niche, or it hinders entry into occupations featuring high/irregular work hours and workload [.....] When the search for shorter working hours becomes a choice for part-time work, it further restricts the choice of occupational, especially among the less qualified” (p8). Indeed, it clear that gender segregation and gender pay gap indices drop significantly in most countries if part-time women are dropped from the equation, making it clear that caring responsibilities and the choice for more flexible working play an important role in labour market segregation and the gender pay gap. Absences from work due to child birth and child caring also need to be factored in and play their part in the segregation of the labour market.

Figure 5



### *Implementing EU Equal Pay legislation: what has been the impact?*

EU Equal Pay Legislation has now been in force for nearly 35 years. Council Directive 75/117/EC provides for equal pay for equal work and equal pay for work of equal value<sup>12</sup>.

In relation to *equal pay for equal work*, distinctions need to be made between instances of direct discrimination and indirect discrimination of men and women doing the same job. Direct discrimination would be in evidence if a man and women with equal experience in the same job (in the same company) were paid differently. Indirect discrimination would be in evidence if a woman had more limited access to bonuses or other additional benefits, or was paid differently purely because of her working hours (e.g. working part time etc.).

However, even once such discriminatory practices have been fully eliminated, it has been acknowledged that the pay gap would still exist<sup>13</sup>, as it is also linked to a number of cultural, socio-economic and legal factors which go beyond the issue of equal pay for the same job.

The issue of guaranteeing *equal pay for work of equal value* is also an extremely complex one, as it raises the question how different tasks and jobs and the work done by every individual are valued. The persistence of the pay gap has been ascribed by some commentators to the fact that professions and jobs in which women predominate have been undervalued, compared to those in which men predominate, as the Commission Communication reiterates "*without necessarily being justified by objective criteria*". Sociologists and gender experts have attributed this to the fact that many jobs today largely performed by women reflect roles carried out largely by women in the home and are therefore often undervalued in the labour market; in particular the so-called three "c"s (cleaning, caring and catering). Similarly, traditionally more value has been attributed to physical strengths than to interpersonal skills and responsibility for capital rather than responsibility for people.

As outlined above, segregation of the labour market is therefore a particularly important factor in explaining the persistence of the gender pay gap and statistics shown above highly that significant segregation remains a factor in EU labour markets and the level of segregation in each Member State therefore needs to be taken into account when comparing the respective size of the gender pay gap.

As already demonstrated above, other important factors in explaining the gender pay gap, which are also linked to traditional stereotypes regarding gender roles relate to the choice of education options which serve to influence occupational choices. Similarly, women continue to face greater challenges in reconciling work and family life, which means they are more likely to have interrupted careers or return to work part-time, which can impact significantly on their career and therefore earnings potential. The degree of vertical segregation still experienced in most EU labour

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<sup>12</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:71975L0117:EN:NOT>

<sup>13</sup> "The Gender Pay Gap – Origins and Policy Responses", Group of economic experts on Gender, Social Inclusion and Employment, [http://bookshop.europa.eu/eubookshop/FileCache/PUBPDF/KE7606200ENC/KE7606200ENC\\_002.pdf](http://bookshop.europa.eu/eubookshop/FileCache/PUBPDF/KE7606200ENC/KE7606200ENC_002.pdf)

markets, with few women senior managers, is testament less to direct discrimination than to women's career and family "choices" and management cultures, which often appear to require which would be traditionally identified as "male" characteristics as well as levels of time commitment for their senior managers. The European Commission has taken account of these challenges in its Communication on Reconciling Work and Family Life<sup>14</sup>, which highlights the need for revised policy approaches in relation to leave arrangements, work organisation and care infrastructure.

A 2007 report for the European Commission on the Legal Aspects of the Gender Pay Gap argues that *"at national level, the Community law principle of equal pay is, in general, also fully reflected in the legislation of the Member States..."*<sup>15</sup>. Depending on the specific legislative framework of each Member State, the principle is often safeguarded at both Constitutional and legislative level, either in labour law or in specific anti-discrimination legislation. The report states that *"as a rule, both direct and indirect discrimination are explicitly covered. Similarly, the requirement of equal pay for similar work or work of equal value is often laid down in the law. In brief 'the letter of the law' is not the problem, but rather its application or enforcement..."*<sup>16</sup>.

The Commission's Communication on the gender pay gap argues that Community legislation has been effective in eliminating direct discrimination, where a woman is paid less than her male colleague for the same job. *"These cases can be effectively dealt with by legal or other mechanisms at national level"*. While it is clear that the legal framework is more effective in dealing with direct pay discrimination, the formal evidence to underpin the assertion that direct discrimination has been eliminated is difficult to gather, as few companies (particularly in the private sector) are open in relation to their pay systems and actual salaries, particularly where there is no collective bargaining coverage and pay negotiations are carried out at a decentralised or individual level. Evidence of successes in tackling this form of discrimination therefore has to be found not only in further national research, but also in the evidence relating to the magnitude of relevant prosecutions and their outcomes.

Table 3 below provides a summary of the legislative measures taken at Member State level to implement EU equal pay legislation.

This information is taken from a report by the network of legal experts in the fields of employment, social affairs and equality between men and women on legal aspects of the Gender pay gap, published in 2007.

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<sup>14</sup> [http://ec.europa.eu/employment\\_social/social\\_dialogue/docs/reconciliation2\\_en.pdf](http://ec.europa.eu/employment_social/social_dialogue/docs/reconciliation2_en.pdf)

<sup>15</sup> P.5, Legal Aspects of the Gender Pay Gap; Report by the Commission's Network of legal experts in the fields of employment, social affairs and equality between men and women; European Commission, DG EMPL; 2007

<sup>16</sup> P.5, Legal Aspects of the Gender Pay Gap; Report by the Commission's Network of legal experts in the fields of employment, social affairs and equality between men and women; European Commission, DG EMPL; 2007

Table 3: Implementation of EU Equal Pay legislation in different Member States

Country	Implementing legislation
Austria	<p><b>The Equal Treatment Act (1993) (2004)</b></p> <p>Prohibits discrimination on the grounds of sex in remuneration and collective agreements to take into account the principle of equal pay for equal work.</p> <p>The Equal Treatment Commission and the Labour Courts deal with disputes referring to equal pay.</p>
Belgium	<p><b>Collective Agreement no.25</b> on equal pay for male and female employees adopted by the National Labour Council in 1975 and made legally binding by a Royal Decree in the same year. This legislation only applies to the private sector.</p> <p><b>The Economic Reorientation Act, Heading V</b>, implemented Directive 75/117/EEC for the public sector as well.</p> <p><b>The Equal Treatment of Men and Women in Working Conditions (1999)</b> replaced the above mentioned 'Heading V'.</p>
Bulgaria	<p><b>Article 243</b> from the <b>Labour Code</b> declares that women and men should receive equal remuneration for equal work.</p> <p><b>Article 14</b> from the <b>Law on Protection against Discrimination</b> provides a more general provision on equal pay stating that the employer should ensure equal remuneration for equal and equivalent work.</p>
Cyprus	<p>Article 28(1) of the Constitution prohibits direct or indirect discrimination against persons on the grounds of gender.</p> <p>Equal Pay Law (1989)</p> <p>Law on Equal Pay for Men and Women for Similar Work or Work of Equal Value (2002)</p> <p>Law on Equal Treatment for Men and Women in Employment and Vocational Training (2002)</p>
Czech Republic	<p>Act no. 1/1992 Collective on Pay, Remuneration for Overtime Work and Average Income; and,</p> <p>Act no. 143/1991 Collective on Pay and Remuneration for Overtime Work in Civil Service Employment</p> <p>Amendment no. 217/2000 transposed the rules of Directive 75/117/EC to both above mentioned acts</p> <p><b>Act no. 262/2006 Labour Code</b> introduced radical changes to pay and remuneration.</p>
Denmark	<p><b>Equal Pay Act (1976)</b></p> <p>Act no. 906 August 2006 is the most recent amendment.</p>
Estonia	<p>The <b>Wages Act (1994)</b>, complimented by <b>Article 5</b>, to include Directive 75/117/EEC.</p> <p>The <b>Gender Equality Act (2001)</b> prohibits discrimination in remuneration of work on grounds of gender and direct and indirect</p>

Country	Implementing legislation
	discrimination. A <b>Gender Equality Commissioner</b> issues opinions on discrimination claims
<b>Finland</b>	The <b>Finnish Constitution, Chapter 2, Section 6</b> and the <b>Act on Equality between Women and Men</b> .
<b>France</b>	The <b>Labour Code</b> (1983) contains clauses implementing Directive 76/207/EEC The <b>Law on Equal Pay between Men and Women</b> (2006)
<b>Germany</b>	The <b>Act of Adjustment of Employment Law to EC Law (Act on Equal Treatment of Men and Women at the Workplace)</b> and <b>Acquired rights of Workers in case of Transfer of Undertakings</b> (1980). The <b>General Treatment Act</b> (2006) introduced to implement Directive 76/207/EEC.
<b>Greece</b>	The <b>Greek Constitution, Article 22(1)</b> covers equal pay. <b>Act 1414/1984</b> implemented Directive 75/117/EEC and 76/207/EEC.
<b>Hungary</b>	The <b>Equal Treatment and Equal Opportunities Act</b> (2003) The <b>Labour Code</b> (1992) adopted to comply with equality requirements of EU
<b>Ireland</b>	The <b>Anti-Discrimination (Pay) Act</b> (1974) re-enacted under the <b>Employment Equality Acts</b> 1998-2004.
<b>Italy</b>	<b>Article 36 of the Italian Constitution</b> provides general principle on equal pay. <b>Article 37</b> was reworded in order to comply with Directive 75/117/EEC.
<b>Latvia</b>	The <b>Constitution of the Republic of Latvia, Article 107</b> guarantees the right to equal remuneration. The <b>Labour Code, Section 29 and Article 60</b> contain a general anti-discrimination principle and the right to equal remuneration for men and women.
<b>Lithuania</b>	Section 29 of the <b>Constitution of the Republic of Lithuania</b> <b>Section 186 of the Labour Code</b> The <b>Equal Opportunities of Women and Men Act</b>
<b>Luxembourg</b>	<b>Règlement grand-ducal</b> July 1974, which anticipated Directive 75/117/EEC
<b>Malta</b>	The <b>Employment and Industrial Relations Act</b> (2002), further supplemented by the <b>Equality of Men and Women Act</b> (2003)

Country	Implementing legislation
<b>The Netherlands</b>	The <b>Civil Code</b> and the <b>Equal Treatment Act</b>
<b>Poland</b>	The <b>Polish Constitution</b> and the <b>Labour Code, Section 11</b> (2001)
<b>Portugal</b>	The <b>Portuguese Constitution Article 59</b> , the <b>Equality Act</b> of 1979 (for private sector employees) and the <b>Equality Act</b> of 1988 (for public sector employees). These matters are now covered by the <b>Labour Code</b> , applicable to both public and private sector employees.
<b>Romania</b>	The <b>Romanian Constitution</b> and the <b>Equal Opportunities Act</b> (2002)
<b>Slovak Republic</b>	Section 12 of the Slovak Constitution Anti-Discrimination Act – Collective on Equal Treatment in Certain Areas and on Protection against Discrimination, effective from July 2004 The Labour Code, Section 6
<b>Slovenia</b>	Article 14 of the Constitution on the Republic of Slovenia The Equal Opportunities Act The Act on the Implementation of the Principle of Equal Treatment
<b>Spain</b>	The Spanish Constitution The Workers' Statute
<b>Sweden</b>	The <b>Equal Opportunities Act</b> (1991), amended in 1992
<b>United Kingdom</b>	The <b>Equal Pay Act</b> (1975)

The same Communication states that legislation has been less effective in ensuring respect for the principle of equal pay for work of equal value. This is also underlined by the report on the legal aspects of the gender pay gap, because even where equal pay for work of equal value is specifically laid down in national implementing legislation, it is a concept which needs to be operationalised in practice. The critical component in this equation is the system of wage setting applied and its gender awareness and neutrality. A tool used in some countries to gender proof wage systems is that of job evaluation, which aims to compare the skills and capacities required by different jobs and rank them in a systematic manner in order to allow comparisons.

Internationally, nationally and locally, many different systems of job evaluation have been designed, largely following similar principles in their conception but still with some significant differences, demonstrating that job evaluation is still a matter for debate (an “art” rather than a “science”?). In his presentation to the EQPay seminar, Mick Brodie (Director, NEREO) quoted an article by Nicolas Kavanagh, QC, a senior barrister in the UK, published in the Equal Opportunities Review in which he argued that job evaluation was simply a matter of perspective. Thus, a job evaluation system which favours consideration of criteria such as working in cold, inclement environments; dealing with the public; dealing with dusty and dirty working environments etc would potentially value the job of a dustbin collector more highly than that of judge working in a nice warm office and dealing with the interpretation of learned legal arguments. A slightly exaggerated point, but nonetheless one well made when one looks at the very different outcomes of different job evaluation systems purporting to use similar methods.

It is therefore particularly important to obtain social partner agreements on an agreed job evaluation system<sup>17</sup>.

In addition, the question of the appropriate comparator in terms of job evaluation and equal value claims is one which has been addressed in different ways in different Member States, sectors and individual cases. The concept, for example, that no equal pay comparisons can be made across different collective agreements has been challenged in the European Court of Justice. In the case of small employers or in sectors largely dominated by women, the availability of a comparator for an equal pay comparison can be critical in establishing greater pay parity between tasks largely carried out by women and those performed by men.

As the study on legal aspects of equal pay has shown, other methods to ensure equal pay for equal work and equal pay for work of equal value have also been operationalised through collective bargaining, legislation, guidance, toolkits and other means, and some of these methods will be described in more detail below.

Finally, it must be emphasised that an evaluation of the value of different tasks and capacities is not the only factor which can lead to discrimination in wage setting. Other

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<sup>17</sup> As will be shown in the UK example, even the joint agreement of job evaluation systems has not prevented significant litigations in sectors where such schemes have been implemented.

factors include, for example, the granting of bonuses for particular work such as overtime or shift work, while are traditionally more likely to be enjoyed by men. In addition, the concept of a wage has been interpreted as including items such as occupational pensions and therefore the design of such pension systems may also need to be taken into account, for instance because of the penalties applied to interrupted services.

Table 4 below summarises the information gathered to date from existing literature on the measurement and causes of the gender pay gap, the operationalisation of equal pay, the level of litigation in this area and obstacles to addressing the gender pay gap. This includes the above mentioned report by the network of experts on the Legal Aspects of the Gender pay gap, the 3 annual implementation reports on the social partners' Framework of Actions on Gender equality as well the evaluation report prepared in 2009, interviews and surveys returned by CEEP members and other material published by the European Commission and the European Foundation for the Improvement of Living and Working Conditions.

Country	Measurement and causes of GPG	Operationalising equal pay	Making an equal pay claim	Obstacles to addressing GPG
Austria	25.5%  Occupational segregation is a key factor.	<p>Equal pay regulated in equal treatment act, but does not define the term equal pay for equal value. The role of collective agreements in operationalising equal pay has mainly been highlighted as part of specific projects which concluded that work remains to be done to reduce indirect discrimination.</p> <p>The Works Constitution Act contains two provisions aimed at encouraging social partners to include equal opportunities in their work and/or in collective agreements. These are:</p> <ul style="list-style-type: none"> <li>▪ Works council may install a committee on questions of equal opportunities; and,</li> <li>▪ Specific collective agreements may be developed for action in favour of women and on the reconciliation of work and family life.</li> </ul> <p><b>Good practice examples:</b> A collective agreement in the banking sector contains explicit reference to the equal treatment of men and women, including; periods of parental leave count as terms of employment for a regular promotion to a higher-wage level; additional qualifications are remunerated and must be considered in job promotions; and, collective agreement provides for better payment for beginners and higher chances of promotion.</p> <p>In 2005, the Austrian trade unions launched a campaign “Full wage instead of things by halves – Let’s close the gap” which contained a catalogue of actions required to close the pay gap.</p>	<p>Generally, individual claims are made to the Equal Treatment Commission or labour courts, through in one case a discriminatory group classification was ruled invalid by the Supreme Court following a challenge by the unions. Apart from that there have been few judgements on equal pay challenges.</p>	<p>Pay rates, bonuses and other supplements beyond collectively agreed minima are largely negotiated on an individual basis. Comparisons are difficult and rely on individuals to bring challenges.</p>

Country	Measurement and causes of GPG	Operationalising equal pay	Making an equal pay claim	Obstacles to addressing GPG
Belgium	<p>9.1%</p> <p>Salary gap between full and part time workers seen to be important factor.</p>	<p>In the public sector, pay schemes and working conditions are set by decree following negotiations between social partners who have a shared responsibility to take account of equal pay principle. In the private sector wage setting is by collective bargaining or individual agreement. Some agreements made by social partners in recent years on pensions and overtime serve to reinforce the gender pay gap as they benefit male dominated sectors. A cross-sectoral agreement of 2001 aims to raise awareness of the GPG and the necessity to adopt gender neutral job evaluation systems. A 2006 programme of the national government aims to provide social partners with the tools to implement gender neutral job evaluation and provide training to negotiators. It asked for all schemes to be reviewed in the next 5 years and all collective agreements to be reviewed from gender perspective.</p> <p><b>Good practice examples:</b> Federal government presented its programme in favour of equal pay for women and men in 2006 and the EVA Project from the government and the Institute for Equality of Women and Men have delivered training to social partners in gender-neutral job evaluation.</p> <p>A central collective agreement of 9 July 2009 guarantees equal pay for work of equal value, arguing that job classification systems must be gender neutral. It is specified that sectors and enterprises should review their job classification systems to ensure this is the case.</p> <p>Toolkits have been developed to assist in the process.</p>		<p>Pay rates, bonuses and other supplements beyond collective agreed minima are largely negotiated on an individual basis. Comparisons are difficult and rely on individuals to bring challenges.</p> <p>Relative absence of women in sectors with high-pay scales and significant numbers of women in part-time employment. Legislation, in principle, should exclude any discrimination in pay; however, new legislation referring to 'availability' includes a risk of indirect discrimination, particularly for women who are more likely to work part-time or take parental leave.</p>

Country	Measurement and causes of GPG	Operationalising equal pay	Making an equal pay claim	Obstacles to addressing GPG
<b>Bulgaria</b>	<p>12.7%</p> <p>Occupational segregation is considered to be a key factor in GPG.</p>	<p>Equal pay is regulated by the labour code and law on protection against discrimination. Equal pay considerations currently do not play a significant role in collective bargaining.</p> <p>The government and trade unions acknowledge the notion of a gender pay gap, although, higher salaries are paid in sectors where working conditions are not considered attractive for women, rather than discrimination of pay on the basis of gender.</p> <p><b>Good practice:</b> Article 14 from the Law on Protection against Discrimination refers to collective agreements for the elaboration of equal assessment criteria in determining labour remuneration and work performance. Article 18, of this law, states that employers should work with trade unions to prevent discrimination in the workplace. There do not appear to be any specific obligations for employers' organisations.</p>		<p>The law calls for equal pay for work of equal value, but little has been done to operationalise this so far.</p>

Country	Measurement and causes of GPG	Operationalising equal pay	Making an equal pay claim	Obstacles to addressing GPG
Cyprus	<p>23.1%</p> <p>GPG attributed to differences in qualifications, length of service, and occupational segregation.</p>	<p>A law of 2002 seeks to implement the concept of equal pay for work of equal value.</p> <p>In 2005 the government issued a circular requiring social partner organisations to assess existing provisions in collective agreements to remove any obstacles to the implementation of the concept of equal pay for work of equal value.</p> <p>An Ombudsman acts as a Gender Equality Body, where persons can file complaints on gender discrimination. This is considered an efficient institution for the protection of gender equality. The Industrial Relations Code defines the procedure for social partners in resolving conflicts, including equal pay disputes, in the private and semi-public sector.</p> <p>The Strategic Development Plan 2004-2006 acknowledges that gender quality needs to be further promoted and the gender pay gap decreased.</p> <p><b>Good practice examples:</b> In 2005 Ministry of Labour and Social Insurance distributed a circular to all social partners on the immediate implementation of provisions on equal pay for men and women for similar work or work of equal value. On the basis of this, many social partners have abolished discrimination of men and women from their collective agreements and contracts, although the process is not yet complete.</p> <p>The Law concerning Public Service Commission covers public service employees concerning equal remuneration. Men and women receive equal pay if they hold positions that belong to the same salary level.</p>	<p>So far, no cases have been brought forward under the new legislation on equal pay for work of equal value.</p> <p>Equal pay claims have to be brought by individuals to the Industrial Disputes Court.</p>	

Country	Measurement and causes of GPG	Operationalising equal pay	Making an equal pay claim	Obstacles to addressing GPG
Czech Republic	<p>23.6%</p> <p>Some direct but largely indirect discrimination as a result of vertical and horizontal segregation.</p>	<p>2006 Labour Code incorporates provisions on equal pay and equal pay for work of equal value.</p> <p>There are no specific collective agreements aimed at reducing the GPG.</p> <p>Attempts to improve the situation surrounding equal pay include seminars organised by the Government. Themes include; protection of women's rights and the promotion of the equality of men and women.</p> <p><b>Good practice examples:</b> - Between September and December 2006 the social partners were involved in the twinning project CZ-Germany —Gender Equality Treatment: The Role of Social Partners at the Workplace organised by the Czech Ministry of Labour and Social Affairs and focused on campaign for the reduction of the gender pay gap. The Confederation of Industry distributed a guide for employers called "How to tackle the pay gap" developed as part of an EQUAL project.</p>	<p>Few cases have been brought in relation to equal pay.</p>	<p>Although collective agreements exist in the public sector which stipulate wage groups, here and in the private sector actual wage rates are determined by individual negotiation making comparisons difficult.</p>

Country	Measurement and causes of GPG	Operationalising equal pay	Making an equal pay claim	Obstacles to addressing GPG
Denmark	<p>17.7%</p> <p>Main cause is gender segregated labour market and differences in educational qualification according to a joint social partner study.</p>	<p>Equal pay is governed by the Equal Pay Act. All collective agreements in Denmark are interpreted as providing for equal pay, even if this is not expressly mentioned.</p> <p>A recent amendment of the Equal Pay Act means that employers with more than 35 employees have to publish gender specific wage statistics.</p> <p>All collective agreements on wages in Denmark are interpreted as providing equal pay for men and women.</p> <p>Gender segregation in the labour market is cited as the cause for the gender pay gap. In manual occupations a gender segregated labour market can be used to explain 50% of the gender pay gap; among tertiary occupations it can explain about 25% of the total wage difference.</p> <p><b>Good practice examples: As an outcome of the collective bargaining round for public sector employees, the government established a wage commission for the public sector with a focus on the gender-segregated labour market and equal wages.</b></p>		<p>Although collectively agreed wages should be gender proofed, any additional increments are not subject to the same scrutiny and could lead to differences.</p>

Country	Measurement and causes of GPG	Operationalising equal pay	Making an equal pay claim	Obstacles to addressing GPG
<b>Estonia</b>	<p>30.3%</p> <p>Women tend to make lower demands for wages when taking up a new job and change jobs less frequently, thus entrenching pay differentials.</p>	<p>Wages Act sets out the principle of equal pay and equal pay for work of equal value. Employees can request information on the basis for calculation of their salary.</p> <p>The role of social partners is rather weak in comparison to older Member States. Consequently, collective bargaining has not played an active role in equal pay. More recently, gender equality has become an area covered by trade union activities.</p> <p>The Confederation of Estonian Employees' Unions mentions equal pay for men and women in its Action Plan for 2005-2009.</p> <p>Research has identified an 'unjustified pay gap', such as different personality traits and potential discrimination, and a 'justified pay gap', such as differences in education and productivity. The pay gap in Estonia is higher than anywhere else in Central and Eastern Europe.</p>	<p>Few, if any, equal pay claims have been brought to court by individuals.</p>	

Country	Measurement and causes of GPG	Operationalising equal pay	Making an equal pay claim	Obstacles to addressing GPG
Finland	<p>20.0%</p> <p>GPG is mainly due to job segregation. Studies comparing pay within same sector or occupation show much lower wage gaps.</p>	<p>Equal treatment (including in pay) is set out in the constitution and the Act on Equality between men and women. The employer has an obligation to promote equality, including in relation to pay. Equality plans must be drawn up annually and wage statistics must be published.</p> <p>The current cross-sectoral collective agreement refers to the "equality component". According to this provision, collective agreements must contain a component of pay, the amount of which depends on the proportion of women under the agreement and the proportion of persons working for low pay. The proportion of women is multiplied by 0.45 and to this figure is added the proportion of people earning less than a particular amount multiplied by 0.15. The component is to be divided among the employees according to an agreement in each sector. In the public sector in particular, salaries are negotiated on the basis of job evaluations. The particular form of job evaluation used is negotiated at sectoral or local level. The remaining part of salary is calculated on the basis of personal competence and performance.</p> <p><b>Good practice examples:</b> a working group was assigned under the Government Equality Programme, to promote equal pay for women and men. Social partners have proposed measures to reduce horizontal and vertical segregation in the labour market. The general objective is to reduce the gender pay gap by 5% by 2010. In general, the equal pay programme has brought the concept of equal pay to general attention and received a lot of media publicity. Unfortunately the programme has not been able to reach the stakeholders at the workplace level to the extent the national social partners hoped for, nor has it been able to bring the concept of equal pay much closer to every-day work-place activities or turn into concrete action. Some of the structural problems of the Finnish labour market, such as occupational segregation, have not been sufficiently addressed.</p>	<p>Equal pay cases can either be brought to labour of civil courts. Labour courts tend to deal with challenges of the content of collective agreements while civil courts deal with individual cases. There have been few equal pay cases. In the late 1990s an employees' organisation in the municipal sector won a case claiming the collective agreement was invalid because parental leave could not be taken to count as experience with certain absences from work typical for men taken into account. Also in the 1990s a civil court decided that a pay differential between a man and a women doing like work was justified because at the time when the man was recruited there was a shortage of specialists in the field.</p>	<p>There is an objective to reduce the wage gap by 5% by 2015. Jointly agreed priority actions have been set, mainly involving measures to reduce horizontal and vertical segregation.</p> <p>In a court case, the employers must give the claimant the information on the basis on which their pay is calculated, but does not have to provide the same information for the comparator (in the public sector this information is publicly available, but in the private sector can only be given if the comparator consents).</p>

Country	Measurement and causes of GPG	Operationalising equal pay	Making an equal pay claim	Obstacles to addressing GPG
France	<p>15.8%</p> <p>Job segregation has been identified as the main cause of the gender pay gap.</p>	<p>The Labour Code sets out the principle of equal pay. A new law of 2006 on equal pay between men and women specifies that the wage gap must disappear by 2010 and argues that collective bargaining is the main tool by which this must be achieved by discussing this as part of annual wage negotiations.</p> <p>An inter-professional agreement of 2004 seeks to promote gender equality and contains commitments to publish information and reduce differences in salary. So far only few relevant agreements have been signed, but some that have, have improved the salary position of women.</p> <p><b>Good practice examples:</b> National administrations and temporary employment agencies are involved in European 'equality' programmes that aim to tackle discrimination. The Government has created an 'equality label', which is given to companies once they have satisfied 18 criteria. This includes: actions that promote equality and that pay attention to the reconciliation of work and family life.</p>	<p>Equal value cases are rare and in equal pay cases, economic justifications for unequal pay are often considered to suffice. Individual litigation is very difficult and individuals have problems gathering sufficient information to prove their case.</p>	<p>Negotiations currently only cover equal pay for equal work and only take into account minimum pay (and not other forms of compensation/benefits). The operationalisation of equal pay for work of equal value is so far not discussed.</p> <p>The use of insertion contracts to integrate mainly young people, ethnic minorities and women into the labour market has meant that they are offered lower pay and lower protection as well as fewer rights regarding equal pay claims.</p>

Country	Measurement and causes of GPG	Operationalising equal pay	Making an equal pay claim	Obstacles to addressing GPG
Germany	<p>23.0%</p> <p>Socio-economic causes including job segregation and distribution of roles in the family.</p>	<p>Equal treatment is a principle set out in the constitution and is considered to have horizontal effect (including on collective agreements). However, the concept of indirect discrimination is not well recognised. This is shown by the fact that it was possible to replace specific wage groups for women with "light wage groups". Most recently, in 2006, the General Equal Treatment Act has added some greater clarity particularly in relation to indirect discrimination. Nonetheless, there is no specific legislation implementing the equal pay principle. There is no tradition of collective bargaining specifically for equal pay. The public service trade union Ver.DI has used the revision of the general collective agreement for white collar workers in the public services for a gender mainstreaming check of its wage groups. In order to do so, it had commissioned studies to analyse the collective agreements with a view to equal pay.</p> <p><b>Good practice:</b> The Institute for Economic and Social Research have commissioned an ongoing campaign, funded by trade unions, for equal pay. The objective is to encourage women to compare their earnings to those of male colleagues. For the second time in 2009, a successful "Equal pay day" was held to highlight this difference. This is supported by an alliance of social partner organisations. One of the aims of this alliance for action is to raise awareness about the causes of pay differences and to inject objectivity into the debate on pay differences. In addition, the different career opportunities in individual professions and sectors are demonstrated and promising routes for success are highlighted.</p>	<p>No legal procedure for pursuing equal value claims through job evaluation.</p>	

Country	Measurement and causes of GPG	Operationalising equal pay	Making an equal pay claim	Obstacles to addressing GPG
Greece	20.7%	<p>Collective bargaining is insufficiently used to implement the concept of equal pay. While wage differentials in terms of equal pay for equal work have been removed, some primarily female dominated occupations are still considered to be “undervalued” and benefits other than pay have rarely be part of salary reviews and tend to benefit men more. The ECJ has found Greece in breach of EC law in relation to this.</p> <p>On the issue of gender equality, collective bargaining is very important. Although unions have made considerable contributions in some areas, gender equality in pay is not a union priority area. Unfortunately. Collective bargaining is under-utilised on this issue.</p> <p><b>Good practice examples:</b> there are some branch agreements which prohibit gender discrimination regarding employment conditions. The General Secretariat of Equality, a public service from the Ministry of Interior is running a project ‘Positive Action in Favour of Women in Medium-Small and Big Enterprises’. It offers financial incentives for training women and sharing information on gender equality with a view to encouraging the promotion of women into senior positions.</p>	Very few equal pay cases go before court. Very limited awareness of concept of equal value and indirect discrimination.	Collective agreements set minimum pay rates. Higher standards and additional benefits are agreed individually and are not made public, making it difficult to prove discriminatory treatment.

Country	Measurement and causes of GPG	Operationalising equal pay	Making an equal pay claim	Obstacles to addressing GPG
Hungary	<p>16.3%</p> <p>Occupational segregation is diminishing as a cause. Causes relate to arbitrary measures (higher benefits for male dominated jobs for instance) and objective attributes of employees.</p>	<p>Equal pay is regulated by anti-discrimination legislation and the labour code.</p> <p>A ministerial decree asked for job evaluation to be carried out when setting wage structures, but in reality this is rarely implemented.</p> <p>There is a new duty to complete Equal Opportunities Plans which also include wage elements.</p> <p>Collective bargaining does not play a significant role in implementing equal pay.</p> <p>The gender pay gap differs between professional/tertiary and manual workers. It appears that the pay gap is smaller among low skilled male and female workers.</p> <p><b>Good practice examples:</b> An Equal Opportunity Plan may be adopted by an employer or trade union to eliminate inequalities in employment for groups who traditionally faced discrimination. Pay is one category of the plan.</p> <p>The Minister of Labour issued a Decree requiring employers to classify all jobs in the workplace and to assign a wage to each job-heading. This may encourage analysis and an improvement in the gender pay gap.</p>	<p>Difficult to obtain evidence of unequal pay. Employees are often prohibited from revealing their salary to others. Wages must only be revealed in court by employers but few workers take cases for fear of victimisation.</p>	<p>The size of the pay gap may be underestimated, as the size of the “grey” economy is large with employers recruiting workers at a minimum salary and supplementing this with undeclared pay and benefits.</p>

Country	Measurement and causes of GPG	Operationalising equal pay	Making an equal pay claim	Obstacles to addressing GPG
Ireland	17.1%	<p>Employment Equalities Act 1998 is most recent legislation implementing the principle of equal pay. Wide definition of pay which also includes other benefits.</p> <p>National social partner agreements set guidelines on pay but wages are generally set by individual agreement (in the private sector). <b>Ten-year framework social partnership agreement 2006-2015</b> takes a life cycle approach with clauses for equal opportunities at every stage of life regardless of gender and background. These agreements are not enforceable on pay. In 2002, the Public Service Benchmarking body carried out a detailed examination of the jobs, pay and conditions of service of public servants compared with jobs in the private sector.</p> <p><b>Good practice examples:</b> The Irish Congress of Trade Unions published a report on its Fourth Gender Equality Programme – one of the priorities of this programme was the gender pay gap. As part of the project a toolkit and training programme for negotiators, pay audits, bias free job evaluations and gender proofing for existing agreements. The Fifth Programme also prioritises the gender pay gap and key actions to the inclusion of equality audits, gender-neutral job evaluation, gender impact assessment of proposed actions in employment and improving the percentage of women in the workforce with adequate pensions cover.</p>	<p>An equal pay complaint must show that that there is a person of the opposite sex in the same employment working for the same or an associated employer doing “like work”. There is no provision for a hypothetical comparator. There is no provision for job evaluation.</p>	<p>Employees can request information on salaries of workers doing comparable jobs, but confidentiality reasons can be used to refuse to supply such information.</p>

Country	Measurement and causes of GPG	Operationalising equal pay	Making an equal pay claim	Obstacles to addressing GPG
Italy	<p>4.4%</p> <p>GPG mainly caused by job segregation.</p>	<p>Articles 3 and 26 of the Italian constitution establish the principle of equal pay between men and women. No further legislation has been passed on this issue. The courts have argued that such a rule would undermine the employers' freedom of initiative and the autonomy of collective bargaining.</p> <p>However, in general, collectively agreed minimum wages (usually at national sectoral level) should be gender neutral.</p> <p>There is strict division of competences between national, enterprise and local negotiating levels on the subject of remuneration. Industry-wide agreements provide minimum wages, while pay increases are negotiated at enterprise level.</p> <p>Employment segregation remains consistent resulting, from choices made during formal education. Typically, female-dominated jobs are under-rated, leading to an inferior earning position of women.</p> <p>The reform of the fixed term contract led to an increase of women in the labour market. However, this has also increased the number of women, particularly young women, working in precarious jobs.</p>	<p>Italian courts are prepared to scrutinise the criteria adopted by collective agreements in job classifications and pay scale settlements. This approach could lead the courts to make cross-industry comparisons in order to evaluate whether the existing differential treatment between branches is justified or not.</p>	<p>In reality, unequal treatment in pay can be hidden in additional wages bargained at local level and individual supplements negotiated with employees. It is therefore difficult to deliver proof of unequal pay.</p>

Country	Measurement and causes of GPG	Operationalising equal pay	Making an equal pay claim	Obstacles to addressing GPG
Latvia	<p>15.4%</p> <p>GPG caused by labour market segregation and lack of implementation of equal value concept.</p>	<p>Equal treatment and equal pay are set down in the constitution and labour code. Collective bargaining plays a limited role.</p> <p>A new remuneration system based on job evaluation was recently introduced in the public sector.</p> <p>There is little evidence available to evaluate the role of collective bargaining in equal pay. Effective social dialogue is still at an early stage and less than half of employment relations are covered by collective agreements.</p> <p>Gender segregation in the labour market and different pay for a job of equal value in the same area of employment are two crucial aspects explaining the gender pay gap in Latvia. The labour market is divided into so-called male and female industries. Furthermore, a survey revealed that women do receive the same pay as men in all 10 major occupation groups.</p> <p><b>Good practice examples:</b> The Free Trade Union Confederation of Latvia published 'Recommendations for the drafting of collective agreements' which recommend addressing the principle of equal pay in the process of collective bargaining and including the concept in collective agreements. Some progress had been made in improving salaries of female dominated jobs in the public sector such as teachers and health care workers. However, there is a strong probability that as a result of the devastating impact of the crisis, any progress made in this area will be rolled back.</p>	Individual equal pay claims can be brought to court.	"Envelope salaries" in the private sector are a serious impediment to the implementation of equal pay for the majority of employees.

Country	Measurement and causes of GPG	Operationalising equal pay	Making an equal pay claim	Obstacles to addressing GPG
Lithuania	20.0%	Equal pay principle covered by the Labour Code. Collective bargaining does not play a significant role in implementing equal pay concept. Wages are either set by the state (public sector) or by individual agreement (private sector).	Mechanisms of enforcement of equal pay principle are considered to be lacking.	
Luxembourg	10.0%  Occupational segregation and length of career, differences in training and differences in conditions between public and private sector.	The principle of equal pay must be mentioned in collective agreements. The labour inspectorate is responsible for enforcement. The definition of equal value is left to the courts. Social partners have a very important role as they have the possibility of concluding agreements regarding inter-professional and national social dialogue. They may also act as a substitute for the legislator.  <b>Good practice examples:</b> under the new law (Article 20) regarding the new National Action Plan in Favour of Employment, collective agreements have to include a provision for equal pay for men and women. Additionally, this agreement has to include the results of collective negotiations, including the establishment of an equality plan for employment and pay. Only a handful of equality plans have been introduced so far. Women's organisations continue to lobby for equality plans to become obligatory.		

Country	Measurement and causes of GPG	Operationalising equal pay	Making an equal pay claim	Obstacles to addressing GPG
Malta	<p>5.2%</p> <p>Part time work, career choices made by women</p>	<p>New collective agreements in the public sector make enhanced provisions for work-life balance, to assist in reducing the gender pay gap.</p> <p>The most recent collective agreement makes new provisions to address the issue of reconciling work and family life. This will reduce the gender pay gap by making new provisions for career breaks.</p> <p>Collective agreements in the private sector are usually formulated at enterprise level and can address career breaks and progression, compressed or annualised hours and flexitime.</p> <p>The inability of women to work full-time and the career choices made by women are cited as causes of the gender pay gap. Many women are part-time employees or work in lower paid professions and occupations.</p> <p><b>Good practice examples:</b> “Gender Mainstreaming – the way forward” is an ESF project that contains a Gender Pay Review component. The review is qualitative and aims to identify any barriers to equal pay and equal opportunities. The Gender Equality Clause has also been revised, ensuring that the principle of equal pay is inserted into every document.</p>		

Country	Measurement and causes of GPG	Operationalising equal pay	Making an equal pay claim	Obstacles to addressing GPG
Netherlands	<p>23.6%</p> <p>The pay gap in the private sector is larger than in the public sector. Official data distinguish between a “corrected” and “uncorrected” pay gap. The corrected pay gap data takes account of working part time, age and job level and is significantly lower than the uncorrected gap.</p>	<p>The Equal Pay principle is stipulated in the Civil Code as well as the Equal Treatment Act. The ETA sets out a definition of pay, how to compare jobs and carry out job evaluation and how to compare jobs/pay in cases of part time work. Collectively agreed pay scales are the same for men and women and job evaluation generally defines which pay scale applies to which job. The position on a pay scale tends to be defined by level of education, qualifications, performance and seniority and is at the discretion of the employer.</p> <p>An action programme on equal pay, dating back to 2000 assisted in the preparation of equal pay checklists by social partner organisations which can be applied by individual employers to establish if pay systems are discriminatory. A software programme providing an “equal pay quickscan”, which can rapidly analyse pay data to see if a further investigation is required has been developed.</p> <p>A guide to sex-neutral job evaluation has been published which compares the most commonly used job evaluation systems to see if they are indeed gender neutral.</p> <p>An internet wage indicator which can be used by individuals to see whether their wages are higher or lower than those in the same branch and job elsewhere has been developed.</p> <p><b>Good practice examples:</b> The Minister for Social Affairs started an action programme promoting equal pay for men and women as well as other groups of employees (this includes the measures indicated above).</p>	<p>Individual pay is confidential, but employers have to reveal relevant information when a case is brought to court.</p>	<p>Social norms with regards to caring responsibilities etc continue to be an obstacle. Society is still considered to frown on families with two parents working full time. It is generally women who work part time and the pay gap tends to be due to women working in lower grades.</p>

Country	Measurement and causes of GPG	Operationalising equal pay	Making an equal pay claim	Obstacles to addressing GPG
Poland	<p>7.5%</p> <p>Labour market segregation; interruption of careers and gender stereotypes are at the heart of the GPG.</p>	<p>Principle of Equal Pay is set out in the Constitution and in the Labour Code. Collective agreements with infringe the equal treatment principle are considered invalid. There is no universal system of job classification or for evaluating work. Equal pay consideration and reducing the GPG are of limited importance in collective agreements. Elimination of the GPG not perceived a priority for Polish trade unions.</p> <p>Segregation of occupations and sectors, the classification and value of jobs, gender stereotypes, differences in education and training and career breaks are all cited as explanations for the gender pay gap.</p> <p>Tackling the gender pay gap is not considered a priority for trade unions. At present it may be possible to assume that collective labour agreements contribute to the preservation of the gender pay gap rather than tackling it.</p> <p>In public sector pay rates are published and comparisons are easier. Since 1996 any employer employing more than 5 persons must set transparent rules to allow trade unions to get information on individual remuneration.</p>		<p>Gender stereotypes and labour market segregation are important causes of the GPG.</p>

Country	Measurement and causes of GPG	Operationalising equal pay	Making an equal pay claim	Obstacles to addressing GPG
Portugal	8.3%	<p>Equal treatment is set out as a core principle in the constitution and labour code. Although equal pay and equal pay for work of equal value are stipulated in many collective agreements, a number are considered to contain discriminatory clauses relating to the definition of professional categories in agreements; additional payments which favour men and leave arrangements generally treated as only affecting women.</p> <p>A tripartite National Observatory for Gender Equality in Collective Bargaining exists which has been reviewing job categorisations from a gender equality perspective.</p> <p><b>Good practice examples:</b> A special commission, the National Observatory for Gender Equality in Collective Bargaining, composed of trade unions and employers' organisations has been created. It monitors gender equality issues in collective bargaining to further promote the effectiveness of gender equality rules.</p>	In a court case the employer must prove that different treatment with a comparator has an objective ground.	
Romania	12.7%	<p>GPG seen to be the result of different qualifications and hierarchical structure of the workplace.</p> <p>Equal pay principle is set out in the constitution. Equal Opportunities Act provides for implementation of principle of equal pay for work of equal value. The equal pay principle is not specifically referred to in the National Collective Agreement.</p> <p>Furthermore, it appears that this agreement has gone backwards; it does not monitor the implementation of equal pay for equal work. This type of monitoring was contained in the 2003 agreement.</p>	Little is know about the function of the Labour Inspectorate in implementing the equal pay principle.	GPG seen to be only part of phenomenon of unequal treatment between men and women.

Country	Measurement and causes of GPG	Operationalising equal pay	Making an equal pay claim	Obstacles to addressing GPG
Slovakia	<p>23.6%</p> <p>There is still little research regarding the GPG and the concept is not widely used/known.</p>	<p>Constitution and Labour Code are the legal foundations of the equal pay principle. Very basic principles of job classification are included in the labour code relating to complexity, responsibility and physical/mental effort. Special criteria exist for public servants.</p> <p>Generally, collective agreement at sectoral or company level do not contain specific references to the equal pay principle. However, agreements do contain provisions on pay increases, working time, remuneration based on work performance, paid leave, redundancy payments and special bonus payments.</p> <p>The gender pay gap is not considered a significant political priority.</p> <p>The National Action Plan for Women (1997), the Concept on Equal Opportunities for Men and Women (2001) and the National Plan on Employment (NAPE) (2004-2006) are important documents when considering the gender pay gap. The NAPE contains a specific guideline to eliminate gender discrimination in the labour market and in remuneration.</p> <p>The Confederation of Trade Unions has delivered a project on 'Equal Opportunities policy for women and men in trade unions'. Objectives include enforcing gender equality principles at all levels of the collective bargaining process. According to collective agreements made available, little progress has been made on this issue.</p>	<p>The Labour inspectorate monitors the implementation of the equal pay principle and reports improvements. The number of breaches detected per year is very low and individuals do not bring court cases.</p>	<p>Job segregation is an important factor</p>

Country	Measurement and causes of GPG	Operationalising equal pay	Making an equal pay claim	Obstacles to addressing GPG
<b>Slovenia</b>	8.3%  Allowances paid for years of service and job segregation are considered to be the main factors behind the GPG	The Constitution and Equal Opportunities Act and labour code are main sources of legislation in this field. Although collective bargaining is important in setting wage and benefit rates, it does not play a significant role in implementing the concept of equal pay. A Social Agreement made by the social partners to apply between 2003-2005 called for the reduction of the pay gap. Trade unions are called upon to identify breaches and employers should implement good practice not only in relation to pay directly, but also work life balance arrangements. In addition, many other action plans have been formulated to address the issue of equal treatment and equal pay.		
<b>Spain</b>	17.6%	<p>The constitution sets out the equal pay principle and the Workers' Statute defines job classification systems by setting out common rules for both sexes using neutral criteria for classification. There have been significant efforts over the years to reduce or eliminate direct and indirect pay discrimination from collective agreements. Such actions have included positive action to increase the number of women in senior positions. However, there is still considered to be a lack of reliable mechanisms to develop collective bargaining from a gender perspective.</p> <p>The National Economic and Social Council published a report on Collective Bargaining as a Mechanism for the Promotion of Equality between Men and Women which looked at the general balance of the gender perspective in collective agreements and considered it to be moderate.</p> <p><b>The Inter-Confederate Agreement on Collective Bargaining</b> (2003) introduced several criteria relating to equal pay such as the adoption of anti-discrimination clauses in collective</p>	Labour inspectorates are responsible for implementation and better training has been called for to allow general inspectors to identify infringements to equal pay and equal treatment principles.	

Country	Measurement and causes of GPG	Operationalising equal pay	Making an equal pay claim	Obstacles to addressing GPG
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agreements.

The Wage Equality in Collective Bargaining, Final Report and Good Practice Guide published in 2003 was followed by several positive action measures incorporated to combat disadvantages in women's employment contracts.

The Fourth Plan of Equal Opportunities to Eradicate Labour Discrimination for Sexual Reasons between Men and Women (2002-2006) recognised that there are certain tasks, relating to the gender pay gap, that are difficult to implement under the current remit of the Labour Inspection.

Good practice examples: Legal Plans of Equality serve as minimum standards during collective bargaining and specifically mention the gender pay gap. Additionally, the implementations of legal and conventional measures strive to assure full transparency in the salary structure.

Country	Measurement and causes of GPG	Operationalising equal pay	Making an equal pay claim	Obstacles to addressing GPG
Sweden	<p>17.9%</p> <p>Significant labour market segregation. Figures are provided as adjusted and unadjusted with significant differences between both sets of figures. Adjusted figures take into account age, education, occupational sector and working time.</p>	<p>The new Discrimination Act incorporates the old Equal Opportunities Act with some changes. There is still an obligation to prepare a gender equality plan, but every third year instead of every year. It will apply to organisations with more than 25 (rather than 10) workers.</p> <p>Collective bargaining plays an important role in addressing the gender pay gap. However, as collective agreements cover most of the labour market that is highly gender-segregated, they can play an important role in reducing the gender pay gap.</p> <p><b>Good practice examples:</b> Many collective agreements contain elements of the wording of the old Equal Opportunities Act. It is not yet clear how they will be affected by the new legislation.</p>	<p>Debate in Sweden has expressed a preference for keeping pay (including equal pay) issues outside the court system as this is considered to be a matter for social partners.</p>	<p>Stereotypes regarding family obligations and work obligations.</p>

Country	Measurement and causes of GPG	Operationalising equal pay	Making an equal pay claim	Obstacles to addressing GPG
UK	<p>21.1%</p> <p>Main factors affecting the GPG are age, presence of dependent children, part time work and occupational segregation.</p>	<p>Equal Pay Act 1970 has been amended several times. The Equal Opportunities Commission publishes a Code of Practice on Equal Pay. Since 2007 public sector duty on gender equality which includes pay requires carrying out of job evaluations. Collective bargaining plays a significant role but in the private sector is largely decentralised. Local government and NHS have agreements on job evaluation. In NHS this process (Agenda for Change) is considered complete; in local government local level implementation is ongoing. Higher and further education sectors as well as civil service have also instituted pay audits.</p> <p>The <b>Equal Opportunities Commission</b> publishes a <b>Code of Practice on Equal Pay</b> that offers practical advice to employers.</p> <p><b>Good practice examples:</b> An investigation in to the ongoing causes of the gender pay gap formed the remit of the Women and Work Commission, established by the UK Government in 2004. The CBI, TUC and members of PPE were represented by Commissioners on this body along with representatives from trade unions, public and private sector organisations. In February 2006, the Commission published 40 final recommendations which concentrated on improving good practice from education into employment in an effort to close the pay gap. While the Commission was unable to reach consensus around mandatory pay reviews, it did reach agreement on the need for changes in how education was delivered, how work was structured, how training was delivered and to whom and how discrimination in the workplace should be tackled. The Commission's recommendations were aimed at Government, employers and trade unions, all of whom committed themselves to its</p>	<p>High number of equal pay claims as a result of no-win-no-fee litigation</p>	<p>Long period of backdating, pay protection and outcomes of recent court cases make it difficult and make both employers and trade unions more reluctant to negotiate settlements. Where settlements have been reached, impact on GPG tends to be low as both men and women are affected by regarding. At the same time job segregation and other underlying factors are insufficiently addressed.</p>

Country	Measurement and causes of GPG	Operationalising equal pay	Making an equal pay claim	Obstacles to addressing GPG
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implementation. The TUC and CBI were also members of a steering group which developed a “light touch tool” to help employers look across the range of issues that impact on the Both central and local government, as well as the National Health Service, have agreed a framework for job evaluation through social dialogue. The NHS has completed implementation of its “Agenda for Change” standard with all NHS organisation having undergone job evaluation exercises. In the context of the announced review of the EU equal pay legislation and the new Equality Bill, local government employers have focused on raising awareness of their efforts to reduce the gender pay gap, which they feel are being undermined by current trends in no-win-no-fee legal cases. These cases appear to have had the effect of eroding possibilities for collective agreements on the outcomes of job evaluations and are diverting resources away from measures which would tackle the pay gap more effectively (e.g. measures to reduce labour market segregation).

A number of interesting preliminary conclusions can be drawn from this table:

- The UK appears to be the only country where litigation on equal pay has been a significant issue in recent years. In light of the comparison of the gender pay gap in different countries, this cannot be attributed to the size of the gender pay gap.
- A significant number of countries seem not to have explicitly addressed the concept of equal pay for work of equal value in their implementation of the legislation or through social partner agreements. Only Belgium, Cyprus, Finland, France, Ireland, Luxembourg, Netherlands, Portugal, Slovenia and the UK appear to have taken some steps towards reviewing pay systems to ensure that they are gender neutral.
  - In Belgium, following the initiative of the government, the social partners signed a collective agreement in 2009 guaranteeing equal pay for work of equal value which calls for gender neutral job classification and provides toolkits to help achieve this goal. It is too early to know anything about progress made towards this goal, its process and outcomes.
  - In Cyprus, the initiative also rested with the government, which issued a circular to social partners in 2005 calling for immediate action to implement equal pay for work of equal value through collective agreements. It is argued that the process of reviewing pay setting mechanisms is not yet complete and little is known about the nature and outcome of these processes.
  - Finland has sought to utilise a rather unique approach to addressing the gender pay gap, by introducing the “equality component” through collective bargaining. This essentially compensates female dominated sectors, by utilising a multiplier in setting wage rates.
  - In France, there is an inter-professional agreement aimed at promoting gender equality, but according to the literature, only few relevant agreements have been signed. In Ireland, the partnership agreement refers to the importance of reducing the gender pay gap, but this overarching agreement is not enforceable in relation to pay and therefore implementation depends very much on the local level.
  - Legislation in Luxembourg requires the formulation of equality plans and taking equal pay considerations into account in collective bargaining. Little is known about the impact of these measures.
  - In the Netherlands, the Equal Treatment Act specifies how jobs are to be compared and equal pay checklists and tools were developed as part of an action programme on equal pay agreed by the social partners.

- In Portugal equal pay for work of equal value is stipulated in collective agreements, but it is unclear to what extent this has been implemented in reality.
- There is a national tripartite observatory for gender equality in collective bargaining. In Slovenia, a Social Agreement made by the social partners in 2003 called for the reduction of the gender pay gap, but again little is known about implementation.
- As will be elaborated in the UK case study section, in the public sector in the UK social partner agreements on job evaluations have been reached in many sectors and have been implemented in the NHS and are in the process of being implemented in local government and other sectors. Despite agreement over the general principles of the job evaluation system, legal challenges are common and costly to employers having to provide 6 years' back pay as well as protecting the pay of employers losing out as a result of job evaluation.
- Little evidence is available from any country suggesting how successful different measures may have been in reducing the gender pay gap, suggesting that this is a complex issue which does not lend itself easily to simple evaluation and assessment.
- Occupational segregation, the salary gap between full and part-timers and women's employment "choices" (often resulting from caring responsibilities) are the most frequently cited reasons behind the gender pay gap. As a result, most of the measures implemented to seek to reduce it in many Member States focus on work-life balance and reducing job segregation rather than focussing directly on providing equal pay for work of equal value.
- General pay systems are rarely seen to be at the core of any pay differentials. These are more often attributed to other aspects of pay such as bonuses and other supplements above collectively agreed minima. Decentralised bargaining is also cited as a potential cause for pay differentials.

In 2008, the European Commission asked a consultant to carry out a study of the effectiveness of the current legal framework on equal pay and equal pay for work of equal value in tackling the gender pay gap. The main conclusions of this report, which was completed in June 2009, reinforce some of these findings and can be summarised as follows:

- In the majority of Member States, the transposition of the legislative framework is now in place and can be seen as good. Nonetheless, the pay gap has decreased in only few of the Member States.
- The reasons behind the pay gap relate to vertical and horizontal segregation, differences in male and female activity rates and the prevalence of full-time versus part time employment.

- Actions taken to reduce the gender pay gap in different countries include anti-discrimination legislation, the promotion of equal employment opportunities and positive action measures, as well as strategies to assist in the reconciliation of work and family life.
- Awareness raising of the issue of pay gaps is still predominately at the European, rather than at the national level and little attention tends to be paid to equal pay issues in the national media.
- Differences in statistical information bases exist and it is therefore unclear whether statistics are comparing like with like.
- The role of actors such as social partners or regional authorities in the implementation of the equal pay framework and the reduction of gender gaps varies considerably from country to country depending on institutional set-ups and national traditions.
- The European legal framework has developed more rapidly than society and its basic values (as cultural factors continue to play a significant role in determining the nature of the participation of women on the labour market).
- The evidence base on what actually works and how the various social partners can impact on the implementation of the legislative framework is often far from sufficient.
- The priority of reducing the gender pay gap enshrined in the European Employment Strategy seems to have been overlooked by most Member States.
- The relevance of collective bargaining in the reduction of the gender pay gap seems limited. The reasons given for this include the low percentage of employees organised in trade unions, trade unions and employer organisations being male dominated, collective bargaining being limited to few sectors where the gender pay gap is a less urgent matter.

The report recommends clearer target setting on progress on equal pay issues as part of the post-Lisbon process. Other recommendations include:

- Further action within the legal framework should focus on effective implementation of current law rather than drafting of additional legal instruments. Member States should seek to better utilise the existing legislative framework to enhance synergies between existing legal instruments in various policy areas (e.g. welfare and employment).
- Further research is needed to assess the relative advantages and disadvantages of different approaches and the role of the social partners.
- On issues relating to wages and pay systems, transparency should be promoted through legislative where necessary. It is suggested that social partners at the European level should address the issues through commonly agreed principles and guidelines as to how transparency can be ensured and promoted.

- The social partners at all levels are called upon to help generate data and to act to tackle the gender pay gap. Member States should involve them in all consultation on how to tackle the phenomenon.
- Job evaluations and similar tools should be analysed to support the knowledge base of “what works” in this field. It is recommended that this work be coordinated by the European Commission and publicised through its internet portal.
- The role, competences and power of the Equality Bodies should be further clarified and sufficient resources should be allocated to these bodies.

### ***Measures to tackle the gender pay gap***

The evidence described above makes it clear that the gender pay gap needs to be tackled in many different ways. Legislation providing for equal pay and equal pay for work of equal value can only be one facet in the “cocktail” of measures required to fully exploit the potential of both sexes on the labour market.

On the one hand it is unclear to what extent the concept of equal pay for work of equal value has been fully operationalised, but on the other it is similarly unclear whether in countries where this has been done the impact on the pay gap has been a significant one. Looking at the figures on the size of the pay gap, the level of occupational and sectoral segregation and the distribution of paid and unpaid working hours, it is difficult to discern a clear pattern of cause and effect let alone impact over time of different policy measures.

The one factor that stands out most clearly above any others as impacting on the vertical and horizontal segregation of the labour market as well as on the gender pay gap relates to “choices” made by women regarding working hours and full- or part-time work, but part-time working having the most discernable impact on gender equality in the labour market. Decisions on whether or not to work part-time are strongly linked to caring responsibilities and measures to improve work-life balance which can maintain a good link with the labour market are therefore critical. It was among these measures that most activity can be shown to have taken place over the last 4 years when looking at the joint reports prepared by the European cross-sectoral social partners following on from the Framework of Actions on Gender equality. The recently agreed joint social partner evaluation report highlights the following actions in its overview, as a non-exhaustive lists of actions which have been taken by national social partners:

- “Social partner organisations were often engaged in consultations at tripartite level discussing legislative changes of laws on leave arrangements (maternity, parental, paternity leave) or working time arrangements, such as part-time provisions or telework (Luxembourg, Poland). At national level, revision of family leave systems occurred in several countries (Belgium, Czech Republic, Finland, France, Iceland, and Sweden).
- In some countries specific committees dealing with work-life balance are in place. They normally aim to support and facilitate the development of family friendly policies at the level of the enterprise (Ireland, Latvia).
- In addition bipartite action has been crucial to deal with this issue. Social partners have concluded collective agreements in order to improve a better reconciliation of work and family commitments, at both cross-industry level and sectoral level (Italy, Spain, Sweden).
- It is worth noting that this priority action was often addressed in conjunction with other priorities of the framework of actions: to increase the number of women in managerial positions as well as the fight against gender roles, as for

- instance in the case of campaigns encouraging fathers to make use of the existing leave arrangements (in Finland, Italy). Social partner activities were not only aimed at raising awareness on the existing leave facilities and working arrangements having a direct impact on work-life balance, but sometimes they also went further by training members and representatives on the various tools in place (Latvia, Portugal) [...]
- Flexible working arrangements (telework, part-time work) were also mentioned as useful means to enable parents to better combine their professional and family commitments. However, the use of these time arrangements varies across countries: some for instance focus on broadening the possibility to use part-time work while others are exploring ways to limit the potentially negative factors linked to voluntary or involuntary part-time work. Some initiatives try not only to stimulate part-time workers to work longer hours, but also to consider which other conditions (such as childcare) are to be met to enable a better combination of professional and family responsibilities (Netherlands). In some countries debates were organised on the promotion of flexible forms of work (Czech Republic) [...]
  - The issues concerning the quality, accessibility and affordability of childcare facilities were also part of the social partners' actions in the field of work-life balance. In some cases the social partners regularly take initiatives vis-à-vis public authorities to improve the use of the care systems in place (Austria, Czech Republic, Sweden, United Kingdom). In other cases they were partners in government-driven projects. Examples are given in the national reports on joint social partner activities, ranging from promoting fewer closing days and longer opening hours in day-care institutions to measures that facilitate family-related care obligations (Denmark, Germany).
  - Similarly as for addressing the issue of women in decision-making, awards are given in some countries to those companies that put in place family-friendly measures. Social partners often sit as judges on the award committees (Denmark). In other cases they contribute in the development of audit systems and certificates to assess family friendly company policies (Austria, Slovenia).
  - At company level social partners have been active in negotiating agreements that complemented the existing national regulatory framework on leave arrangements. In other cases both private and public employers reported to promote flexible working arrangements and the possibility for time off in lieu of overtime, set up company kindergartens, provide specific information and services on parenthood, etc."

## CASE STUDIES

### Germany

VKA represent employers with 2m employees. In Germany there have not been many pay claims. A study of the Federal Statistical Office revealed the wage difference between men and women are:

- 7% in the public sector
- 23% in the private sector

Hospitals were not included in this study which was published in September 2009. The report shows few changes in the size of the gender pay gap in recent years. The data used for the study are based on total hourly earnings of men and women in all sectors. The study included large segments of the public sector, but does not take into account the collective agreement for the social and nursery teachers sector reached in July 2009, which is significant in reducing a perceived pay gap in this area.

The reasons put forward to explain the difference are:

- Better possibilities to combine family and work life
- Wage classification system

Wages differences are greater in the western part of Germany (8%). In the eastern part there are no wage differences. The reasons put forward for this are:

- Better possibilities to combine family and work life
- Shorter breaks from the job for family reasons
- Increased career-orientation of women

There has only been one gender pay claim in the German public sector. This shows the success of the job classification system. The wage classification system stipulates 15 wage groups and classifies each employee on the basis of the activities performed. However, a new wage classification system is currently being negotiated.

Unlike in the UK the German courts are sympathetic to employers. In 1997 there was a case where a social worker wanted to use an engineer as a comparator. The court said that the comparator should be any graduate profession. As a result the claimant was unsuccessful. The trade unions in Germany are also very cooperative. They agreed a collective agreement where if a worker is on parental leave for over five years they should return to one point below the wage they were previously on.

## Sweden

### *Size of the gender pay gap*

Women earned on average 84.2 percent of men's wages 2008, i.e. the average wage gap between men and women were 15.8 per cent. The variation between different sectors is great. In local and regional government, the biggest differences in pay exist between county councils where the wage differential is 27.3 percent. The pay gap is lowest in the municipalities where they amount to 7.7 percent. These figures concern pay without standard weighting. It is the gender-segregated labour market which make the pay gap large compared to standard weighted wages.

Table 1 shows the difference between men and women's salaries in Sweden in 2008.

Table 1 Pay and pay differential 2008 (Swedish krona)

	Women	Men	Total	Women's pay in % of men's pay	Women's pay in % of men's after standard weighting (see note 11)
All sectors	24 700	29 400	27 100	84,2	93,4
Private sector	25 400	29 500	27 900	85,9	92,1
Blue collars (workers)	21 000	23 600	22 800	89,1	95,4
White collars (officials)	28 200	36 100	32 600	78,1	90,0
Public sector	24 100	28 600	25 200	84,1	96,6
County Councils	26 500	36 500	28 500	72,7	94,6
Local Authorities	22 800	24 700	23 200	92,3	99,2
State	27 200	31 000	29 100	87,6	93,7

Note 11: To consider the standard weighting means to respond to how the gender wage gap would look like if women and men distributed equally in terms of profession, age, etc. The method used by the Mediation Institute means that the gross pay (lönesummor) for the different groups is calculated by multiplying the number of employees (men and women) with the average wage for men respectively women. The groups are formed by combinations of four age groups, two categories of education, two working hour groups and two sector groups and within each occupation (SSYK at 4-digit level consists of 355 occupations). The various salaries given to women then added, like those of men. By then dividing these two gross pay you will get the standard weighted wage relationship.

Source: Swedish Mediation Institute

Table 2 shows developments in the size of the gender pay gap over time.

Table 2 Women's pay in % of men's pay 2005-2008 (without standard weighting)

Women's pay in % of men's pay	2005	2006	2007	2008	Difference 2005-2008
All sectors	83,7	84,2	83,7	84,2	0,5
Private sector	85,3	85,9	86,0	85,9	0,6
Blue collars (workers)	88,3	88,8	89,7	89,1	0,8
White collars (officials)	77,3	78,1	77,9	78,1	0,8
Public sector	83,4	83,7	83,0	84,1	0,7
County councils	71,4	72,0	72,4	72,7	1,3
Local authorities	91,6	91,6	91,0	92,3	0,7
State	85,7	87,2	87,3	87,6	1,9

Source: Swedish Mediation Institute

Table 3 Women's pay in % of men's pay, after standard weighting 2005-2008

	2005	2006	2007	2008	Difference 2005-2008
All sectors	93,2	93,4	93,5	93,4	0,2
Private sector	91,7	91,9	92,2	92,1	0,4
Blue collars (workers)	94,4	94,9	94,8	95,4	1,0
White collars (officials)	90,2	90,3	90,5	90,0	-0,2
Public sector	96,5	96,6	96,6	96,6	0,1
County councils	94,7	94,8	95,2	94,6	-0,1
Local authorities	99,1	99,0	98,8	99,2	0,1
State	92,9	93,5	93,7	93,7	0,8

Source: Swedish Mediation Institute

In summary, developments over the period 2005-2008 show some reduced pay gap. However, it is important to remember that comparisons of how the wage gap has changed over time must be made with great caution. In addition to the effects of such changes in the selection and revision of control variables, the estimated wage gap is affected by design of collective agreements and if the contractual wage increases are paid or not at the time of measuring.

The most recent figures show that the difference in pay between women and men in Sweden is 16 per cent. In other words, women's pay averages 84 per cent of men's pay (table 1). If gender differences in terms of occupation, qualifications, age, working hours and workplace are taken into account, the gap narrows to 6,6 per cent (table 2 and 3). (National Mediation Office: Collective Bargaining and Wage Formation in 2009)

Sweden has one of the most gender-segregated labour markets in the world. Only 10 per cent of women and men work in occupations with a gender balance (40-60 per cent of each sex). The single most important explanation of this is that women and men work in different occupations. Jobs dominated by women are systematically undervalued. On average, women are better educated than men, but men enjoy a higher financial return on their education.

The remaining pay differential of 6,6 per cent cannot be explained with the aid of the information currently available in Sweden's official statistics on wages and salaries. )

One positive development in recent years, however, is a slight narrowing of gender pay gaps (latest measurable period, 2005-2008).

The Mediation Institute uses a statistical method known as the standard weighting to calculate the difference in pay between men and women. It is important to remember that you can not answer the question of the existence of unjustified differences in pay or discrimination in pay discrimination under the law by using standard weighting. The reason is as follows. An unjustified pay differential or discrimination is defined as a difference in the outcome - in wages, employment, income, promotion etc. - which depends solely on gender. In other words, an unjustified pay differential between the sexes occur if differences in wages remain is when you take into account all systematic differences in the characteristics between the sexes. In practice, this is impossible to do in the statistics. Some wage-sensitive qualifications such as inventiveness, commitment and interpersonal skills, etc. are difficult at all to measure and quantify. In addition, employers often have information not found in statistics, such as the requirements for a job, and the qualifications, skills, motivation and other characteristics that employees or job seekers have. The employer has therefore a better position to consider whether an employee or job applicant is qualified for a job. Because of this, it is difficult to determine whether differences in outcomes between men and women are due to relevant differences in the qualifications/characteristics -

which can not be observed in the statistics, but which are obvious for the employer - or due to discrimination.

Such studies can only indicate the connection between sex and outcomes such as wages, income or employment after account is taken of differences in a variety of other observable characteristics. They can not prove a causal relationship i.e. can not prove that the remaining pay gap, the so-called unexplained wage difference between the sexes was due solely to the sex/gender. (Source National Mediation Office- Vad säger den officiella lönestatistiken om löneskillnader mellan män och kvinnor 2008? What does the official wage statistics say on wage differentials between men and women in 2008? It can be downloaded in Swedish at [www.medlingsinstitutet.se](http://www.medlingsinstitutet.se) )

The Swedish Labour market is one of the most gender segregated labour markets in the world. Regarding vertical segregation there are quite a few female managers (80% of the employees in public sector are women) but on the top position there are most men.

Some 80% of the employees of the local authorities and county councils are women. In SALAR's case, therefore, the debate on women's pay has an extra dimension.

Pay differences between women and men in the local and regional-government sector are smaller than in any other sector of the Swedish labour market, according the figures from the National Mediation office. After standard weighting, pay differences between women and men are smallest in the local authorities, followed by the county councils. Pay differences are greatest in the case of white-collar workers in the private sector. Differences in pay are due to many different factors such as occupation, age and education. These factors can be taken into account by means of standard weighting, a method in which factors that influence pay that are not due to the gender of the employee concerned are excluded from the statistics. Another factor that also affects the results is the occupational-classification system used in the statistics. In the official pay statistics, a Swedish Standard for occupational classification (SSYK) is used. The main focus of this standard is on traditional industrial sectors.

For the local authorities respectively the county councils there have been central, bipartisan occupational-classification systems that were more adapted to the sector than SSYK. In 2007 a new modernised collective agreement on such a occupational classification system – the AID system- were concluded between the employers organisations SALAR and Pacta and the trade unions for all employees in both local authorities and county councils in Sweden (read more about this under the section on "tools/processes developed to help assess equal pay for work of equal value)

If we use the public sector's own classification system and apply standard weighting for occupation alone , women's pay as a % of men's in the local authorities is 100 %. That

is, after taking into account of occupational structures, the average pay of women is equal to that of men. In the county councils the equivalent ratio is 99%.

Significant pay differences between men and women are often due to the fact that they have different occupations and therefore different rates of pay.

The small pay differences in the local authorities and county councils following standard weighting are due to the fact that there are only small differences in pay between women and men in individual occupations.

Gender distribution is uneven and one gender often predominates within an occupation. The predominant gender often also has higher pay.

Great efforts are being made to break down gender patterns in the choice of occupation as this may also be a way of reducing pay differences. In this perspective, not much has happened over the last five years if we look at the number of occupations where one or the other of the genders predominates (at least 60%). In the local authorities, the % of occupations where women predominate has remained unchanged (58%), while in the county councils there has been a marginal decrease from 66% to 64%. The % of occupations where men predominate has remained unchanged in the local authorities and increased marginally in the county councils.

The positive aspect is that the % of men working in occupations where women predominate is increasing in both the local authorities and the county councils. In the local authorities, this % has increased from 49 to 53%, and in the county councils from 40 to 47 %. There are, on the other hand, no signs that the % of women in occupations where men predominates is increasing in the local authorities or in the county councils. (Source: SALAR publication Facts and analysis 2007 Employers perspectives on local authorities and county councils. The publication can be downloaded at [www.skl.se](http://www.skl.se) ).

### *Legislation*

In Sweden it is the social partners – trade unions and employer organisations – who are responsible for wage formation. Pay and general terms and conditions of employment are regulated by collective agreements between the partners. In Sweden, pay is traditionally set in free negotiations without state interference. Minimum pay levels are established in collective agreements and are not regulated by law.

Under the Swedish model, the social partners negotiate the terms and conditions that are to apply in the labour market. There are over 100 contracting parties in the Swedish labour market – 60 unions and 50 employer organisations – and they negotiate some 600 collective agreements. Bargaining takes place at various levels, the most important being the national level, at which nationwide collective agreements are negotiated for whole sectors. If the partners cannot agree, they usually have the option of taking industrial action.

Should a dispute develop over how a collective agreement is to be interpreted and the matter cannot be settled at the negotiating table, a partner can institute legal proceedings.

Wage formation in Sweden has changed radically over the past twenty years. From national negotiations that set pay all the way down to the individual employee, to agreements that only set minimum pay levels for different areas or contain no guarantees whatsoever. Instead, pay is set by means of personal talks between employees and their immediate superiors.

When the provisions on equal pay surveys were introduced into the Equal Opportunities Act in 1994, it was widely seen as a departure from the Swedish pay bargaining model. The reason given for this new approach was that non-objective differences in pay between women and men are unjustifiable.

The responsibility for ensuring equal pay for work regarded as equal or of equal value lay with the country's legislators. A ban on pay discrimination – albeit with limited scope – had already been incorporated into the first Equal Opportunities Act introduced in 1980.

In 2001, both the ban on pay discrimination and the provisions on equal pay surveys were made more stringent and explicit. The law now gave specific instructions on how pay differentials were to be surveyed and analysed, and required employers to draw up action plans to remedy those that could not be justified. One of the sources of inspiration for the wording of the new rules was the Canadian equal pay legislation introduced in the province of Ontario. The guidance provided by European court rulings on how work and pay could be compared when determining what constituted equal work or work of equal value also had a considerable influence. The provisions that applied after 2001 have been transferred to the new Discrimination Act, although with certain limitations.

Swedish legislation on pay surveys has influenced the country's collective agreements. Today, most employees are covered by agreements prescribing that pay is to be set on an objective basis and incorporating principles concerning equal treatment and equal pay. They also include prohibitions against discrimination. Often, these agreements contain provisions stipulating that local pay reviews are to be preceded by pay surveys and analyses of one kind or another. The aim of these rules is to achieve equal pay between women and men. (Sources: Pay surveys – provisions and outcomes - Swedish Equality Ombudsman and National Mediation Office: Collective Bargaining and Wage Formation in 2008. They can be downloaded at [www.do.se](http://www.do.se) and [www.medlingsinstitutet.se](http://www.medlingsinstitutet.se) )

On 1 January 2009, the Equal Opportunities Act was replaced by an all-inclusive Discrimination Act. For the purpose of detecting, remedying and preventing unjustified differences in pay and other terms and conditions of employment between women and men, employers are now required to undertake a pay survey [and analysis every three years. The obligation to draw up a written action plan for equal pay only applies to employers with 25 employees or more. Action plans now have to be updated at least every three years.

Further details of the pay survey provisions, which are to be found in Chapter 3, Sections 2, 10, 11 and 12 of the Discrimination Act.

Equal work is defined as jobs involving the same or virtually the same tasks. Work of equal value is defined as jobs that considered together impose equivalent demands on the employee in terms of knowledge and skill, responsibility, effort and working conditions.

Employers' equal pay analyses are to be carried out in collaboration with the employees, usually represented by their union organisations. To ensure that they are able to collaborate properly, unions are entitled to have access to whatever information they need for their work on pay surveys. The requirements in the Discrimination Act concerning pay surveys, analyses and action plans have entailed a partially new role for both unions and employers, since the task of analysing gender equality and equal pay does not involve bargaining or a collective agreement. Instead, it involves detecting, remedying and preventing unjustified differences in pay or other terms and conditions of employment.

Sweden's legislators have chosen to place considerable responsibility on the social partners in this matter.

The Swedish Equality Ombudsman describes Pay survey and analysis – step by step – in this way:

1. Survey and analyse what pay provisions and other terms and conditions of employment apply.
2. Decide which jobs should be regarded as equal.
3. Analyse differences in pay, wage spread and wage growth for women and men performing work regarded as equal.
4. Define on what grounds different jobs are regarded as being of equal value and group them together.
5. For each group of jobs of equal value, analyse differences in pay, wage spread and wage growth. It is particularly important to compare female-dominated jobs against jobs that are not or are not usually dominated by women.
6. Decide what pay adjustments are required. Draw up a cost estimate for this.
7. Decide a timetable for the pay adjustments.
8. Examine whether other types of measures may be warranted.
9. Draw up an action plan for equal pay.

The Equality ombudsman is responsible for guidance and advice, development and supervision according to the Swedish Discrimination Act.

Further information can be found in the Equality Ombudsman's publication "Pay surveys – provisions and outcomes". It can be downloaded at [www.do.se](http://www.do.se).

Should an employer refuse to survey pay in accordance with the Discrimination Act, or should case-law be needed to determine how the provisions should be interpreted in

some respect, the Ombudsman can apply to a special committee for a default fine order. This Pay surveys option has seldom been exploited.

Over the period 2001–2008, several thousand pay surveys from employers have been scrutinised. Together, they have involved more than a quarter of all employees in the Swedish labour market.

An employer can also be sued to court by an employee's trade union, the Equality Ombudsman or the employee her-/himself if an individual employee is claiming to be exposed to gender wage discrimination. (Source: the Equality Ombudsman's publication "Pay surveys – provisions and outcomes". It can be downloaded at [www.do.se](http://www.do.se)).

#### *Collective agreements (for the local authorities and county councils)*

On the Swedish labour market, there is broad agreement that the sector exposed to competition should play a normative role in the pay formation process. The Swedish Association of Local Authorities and Regions (SALAR) share this view – the industrial sector should draw up the guidelines for the increases in labour costs that the national economy can bear. This of course applies in the contacts that SALAR has and has had with its trade union counterparts in collective bargaining rounds.

SALAR believes that local pay formation is fundamental in the pay formation process, a view that is shared by the relevant trade union organisations. Pay must be determined locally on the basis of the unique situation of the employers and employees concerned. It is only then that it can be said that local self-government really applies. This is a question of democracy. The role of the central agreements is to act as a support for the local pay formation process. These central agreements contain a section on "Central parties' view on the conditions for the proper functioning of individual wages" but the pay formation process is as said set locally.

Some 80% of the employees of the local authorities and county councils are women. In SALAR's case, therefore, the debate on women's pay has an extra special dimension. (Source: SALAR publication: Facts and analysis 2007 Employers perspectives on local authorities and county councils. The publication can be downloaded at [www.skl.se](http://www.skl.se)).

#### *Tools/processes developed to help assess equal pay for work of equal value*

The Swedish Discrimination Act does not require the use of job evaluation systems. There are job evaluation systems on the market that employers can use if they want to. SALAR does not provide their members (local authorities and county councils) with a central job evaluation system. It is their members own choice how they want to compare the wages.

The Equality Ombudsman has developed a method for the evaluation of work demands "Steps to Pay Equity" (it can be downloaded at [www.do.se](http://www.do.se)).

SALAR has developed a tool for its members (local authorities and county councils) called "Lönelänken" that they can use if they want (it can be downloaded at [www.skl.se](http://www.skl.se) but only in Swedish). "Lönelänken" is a tool to integrate equal opportunities issues in wage policy but is not a job evaluation system.

Another example of a tool is the AID system (arbetsidentifikation – work identification) mentioned above. The AID system is a new (2007) collective agreement between the employer organizations SALAR and Pacta and the trade unions for all employees in municipalities and county councils in Sweden with 1, 1 million employees.

The objectives of the AID system are to

- analyse pay formation on local and central level
- give basic data for pay statistics
- identify job content and responsibility

The AID system contributes to facilitate surveys on pay differentials and surveys on sex disaggregated data but is not a system for job evaluation.

Job contents are much more evident than previous systems. The AID system has eliminated titles like manager – leader – foreman. Responsibility is defined and described which makes that more exact and correct. To identify job content and responsibility gives a better and more gender neutral description of jobs. This gives especially female dominated professions more visibility and clarity. (The AID system can be downloaded at [www.skl.se](http://www.skl.se) but only in Swedish)

The equal value assessments are done at local level.

Some examples of types of jobs that have been compared with each other are:

Pre-school teacher - engineer

Artisans with training - assistant nurse

Midwife - medical engineering

(In this court case from the Swedish labour court the criteria knowledge and skill, responsibility, effort and working conditions were used)

### *Equal pay litigation*

Few cases are brought to court. Most of them are reconciled before they go as far as to court. Of those cases that have been brought to court, the employee side has lost the most.

Either because the employees could not prove that the compared works were of equal value or because the employer has proved that the pay gap has been due to other grounds than gender.

According to the Discrimination Act the plaintiff must show that the works compared can be considered as work of equal value and make probable that he or she is disadvantaged because of his/her gender. If the works are considered to be equivalent then the employer - if there are differences in pay – must show that the wage difference can be explained by objective factors and not due to the employee's gender/sex. The Labour Court has in several of its rulings held that market considerations can provide objective justification for pay differences. Other examples of factors that the Labour court has taken into account as justification for pay differences in the individual case are the difference in age and collective significance.

The court cases show the importance of that the employer has a well-conceived wage policy that clearly clarifies what is vital/crucial for the wage setting.

In case of equal pay claims, backdating is for two years for any claims successfully brought.

The most effective way to handle pay and the gender pay gap is to deal with it at national, local level since the pay systems and wage formation are so differently designed in different countries. Statistics and other tools described above can be of useful help. In gender segregated labour markets (as in Sweden) it is important to try to change cultural and societal attitudes, to try to encourage young people to dare to choose other occupations than those in which their own sex predominates.

EU's role should be to promote good examples and share experiences between the Member States.

The existing general principles of equal pay are important but it not appropriate that the EU level have more specific and detailed provisions than those that already exist.

UK

### *Introduction*

The UK local government workforce consists of 2.2 million workers (1.7 million full-time equivalent). Around 50% of local authorities' budgets are staffing costs (around £55 billion per year). Most local government staff work in education and social care. Most importantly, nearly two thirds of council employees are women. The picture is similar in the wider public sector in the UK.

In local government, the National Joint Council for Local Authority Manual Workers which involves employer and trade union representatives agreement a National Job Evaluation Scheme in 1987. The scheme stipulated 6 grades and 37 job categories and covered half a million employees. This scheme was negotiated to take full account of the UK Equal Pay Act implementing EU Equal Pay regulations. However, at the same time, the NJC also promoted the introduction of an incentive bonus scheme and most of these bonus schemes apply in male dominated sectors. This scheme was partly responsible for significant equal pay liabilities. Some examples of potential liabilities are shown below:

#### **Example 1:**

**Home Help F/T Annual Salary £12,372**

**Gardener on 50% Bonus**

**= Difference in Pay £6,186 per year**

- **400 Home Helps**

**Average Hours 30 per week**

**Average Length of Service 4 years**

**Potential Liability =**

$$\frac{30}{37} \times 4 \times £6,186 \times 400 = £8 \text{ m}$$

**37**

#### **Example 2:**

**Home Help F/T Annual Salary £12,372**

**Refuse Driver on 80% Bonus**

**= Difference in Pay £9,898 per year**

- **400 Home Helps**

**Average Hours 30 per week**

**Average Length of Service 4 years**

**Potential Liability =**

$$\frac{30}{37} \times 4 \times £9,898 \times 400 = £12.8 \text{ m}$$

**37**

To help address these issues, the NJC negotiated a single status agreement in 1997, which was not just about equal pay, but also about the harmonisation of the terms and

conditions of blue and white collar workers. It introduced a job evaluation scheme, which is not mandatory (but since 2006 public service employers are required to take the lead on eradicating the gender pay gap through job evaluation). The job evaluation scheme also sought to address the difficult issue of bonuses.

### ***Equal Pay Claims***

In the North East of England alone, there are currently over 5000 equal pay claims pending against local authorities. Virtually all of them involve female manual workers. Most are brought by trade unions, but even these are often at the instigation of "no-win-no fee lawyers. The potential equal pay liability has been estimated at between £3-5 billion and could affect up to 500,000 employees.

What is particularly important to note is that job evaluations are based on agreements with trade unions, and challenges against these have also involved challenges against trade unions, which has made it very difficult to agree the outcomes of job evaluations with trade unions at the moment as they fear liabilities against them.

The most important issues revolve around back pay (which must be paid for 6 years following the statute of limitations), pay protection for workers whose jobs have been downgraded and claims being brought during collective bargaining which can disrupt these processes.

On the whole, job evaluation processes have a negative impact on the workforce as there tend to be too many winners and losers. It has been found to reduce productivity, while at the same time having a nearly negligible impact on the gender pay gap.

The main causes of the gender pay gap lie in the segregated labour market. However, the significant cost of equal pay claims leaves little opportunity to implement measures to address the real causes of the gender pay gap.

## CONCLUSIONS AND RECOMMENDATIONS

Despite 40 years of Equal Pay legislation, the gender pay gap persists at an average of around 17% in the European Union. The reasons for the gender pay gap are complex and manifold.

The most important reasons generally given are:

- Labour market segregation (also resulting for stereotypes in society leaving to different education and labour market choices)

Vertical and horizontal labour market segregation persists and studies have found that 26% of the EU workforce would have to change occupations and 18% would have to change sectors to achieve a more equal distribution of women and men in the EU labour market. There has in recent years been a trends towards greater de-segregation (largely through more mixing in male dominated occupations). However, at the same time there is an increase in female labour market participation, which will initially lead to a more segregated labour market, unless significant measures are taken to change education and labour market choices.

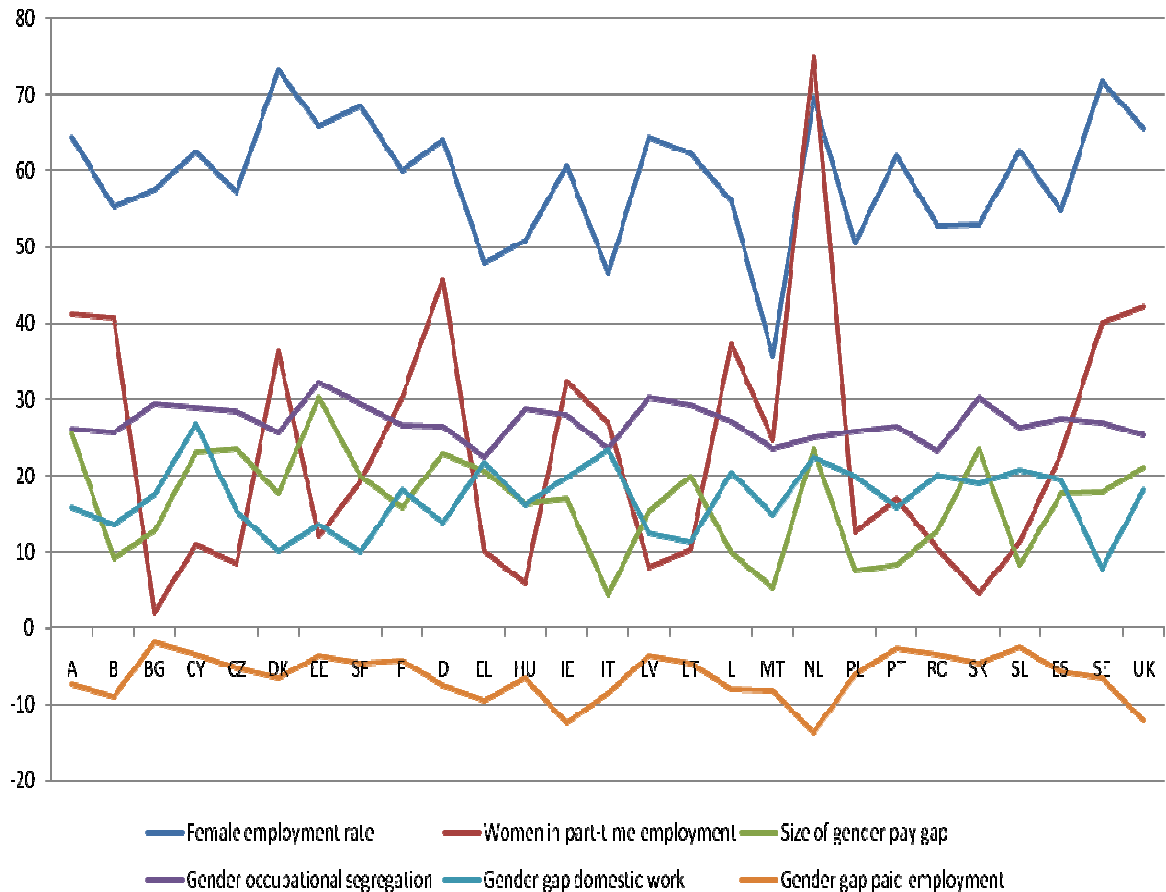
Women now tend to leave school or university with better qualifications than their male counterparts. However, women tend to chose subjects leading to lower paid sectors and occupations. At the same time, men continue to resist entering the 3“cs“ occupations, largely because wages are considered to be too low.

- Differences in the distribution of paid and unpaid work and difficulties in reconciling work and family life

Women continue to shoulder most of the domestic and caring responsibilities and spend an average of 17 hours more per week on domestic chores and 7 hours less on paid work. The persistence of these patterns leads women to seek flexible working and part-time schedules. This can be demonstrated to restrict the choice of occupation and increase vertical segregation.

However, when looking closely at the factors mentioned so far, it remains difficult to see a clear pattern explaining the differing size of the gender pay gap in different EU countries. Working patterns, reconciliation issues and segregation appear most important, but no clear picture can be constructed (see figure below).

Figure: Contextualising the gender pay gap



- Difficulties in operationalising equal pay for work of equal value

A report prepared on behalf of the European Commission finds that the “concept of equal pay is fully reflected in the legislation of the Member States”. As a result, it is perceived that direct discrimination has been effectively dealt with by legal or other mechanisms at the national level. However, at the same time it is considered that national legislation has been less effective in ensuring respect for the principle of equal pay for work of equal value. The most common way of operationalising this concept is through job evaluation. However, the multitude of the different job evaluation systems available shows that this could be described as an art rather than a science, and the experience from the UK shows that the impact of job evaluation on the gender pay gap can be minimal.

On the whole, the project found that the UK appears to be the only country which currently has significant litigation on equal pay issues, but that this is not necessarily

because equal pay implementation is poor or because the gender pay gap is more significantly. Instead, it seems to be largely related to the activities of “no-win-no-fee” lawyers and a more litigious environment. Many countries appear not to have explicitly addressed/operationalised the concept of equal pay for work of equal value (only B, CY, SF, F, NL, SL and UK seem to have taken significant steps in this direction) and the impact of such activity on the size of the gender pay gap is insufficiently explored to draw any meaningful conclusions as to the value to job evaluation and other systems.

On the whole, it appears much more needs to be done to address the factors underlying the causes of the gender pay gap (labour market segregation, differences in paid and unpaid work) and even more work is required to assess the impact of such actions on the overall size of the gender pay gap in order to make meaningful recommendations as to the most effective measures to tackle the gender pay gap.

It is interesting to note that a study on the impact of equal pay legislation on the gender pay gap carried out on behalf of the European Commission and completed in 2009 finds that awareness raising on the gender pay gap is largely taking place at the EU level, whereas at national level this issue does not receive much recognition. The study rightly argues that statistics on this issue need to be improved and that evidence on what works is insufficient.

The study argues that further action should focus on implementation rather than amendments to the legislation. It is argued that transparency in pay systems should be promoted (in the public services this is less of an issue than in the private sector, as pay is largely based on publicised pay scales) and the EC should take a greater role in promoting job evaluation as a tool to reduce the gender pay gap.

Participants at the closing event of the project agreed the following:

- There is no need to amend EU Equal Pay legislation, but rather focus should be placed on implementation of existing regulations;
- The EC should not promote a uniform job evaluation systems as this would fail to take account of sectoral or local specificities;
- The most important causes of the gender pay gap lie in the segregated labour market and the need to find better ways to help workers to reconcile work and family life;
- The reports following up from the Framework of Actions on Gender equality show that many efforts have already been taken in this area. However, what is missing is detailed evaluation of the impact of such measures;
- The European Commission should therefore support evaluation and mutual learning on successful measures to tackle the causes of the gender pay gap and ensure that comparable statistics are available to underpin this assessment;

- On the whole, public service employers tend to face lower pay gaps than private employers and are often looked to, to set an example in this field;
- CEEP therefore agreed to establish an Equalities working group to continue to gather best practice and to contribute to the policy discussions at EU level.

## Annex

### Survey issued to CEEP members in March 2009

#### General information

1a) Organisation responding

1b) Name and contact details of respondent

#### Measurement and causes of the gender pay gap

2a) The European Commission uses the following definition of the gender pay gap "*the average difference between men's and women's hourly earnings within the economy as a whole*". Is this definition also used to gather your statistics on this issue nationally/sectorally/at enterprise level (please indicate yes or no)?

Yes	
No	

2b) If not, what is the definition used in gathering your data?

2c) If possible, please provide data on the development in the size of the pay gap in your sector/enterprise over time (comparing the most recent figures available with those of 5 years earlier).

2d) Have you evaluated the existence and causes of the gender pay gap in your enterprise/sector/country; and if so, what conclusions have been drawn on how it ought to be tackled?

**Operationalising equal pay and equal pay for work of equal value**

3a) Do collective agreements implement equal pay and/or equal pay for work of equal value or is this done in another way (e.g. through legislation, equality plans or other actions)?

Yes	
No	
Other way (please elaborate)	

3b) At what level does collective bargaining on equal pay issues take place (cross sectoral, sectoral, national, regional, and local)?

Cross sectoral	
Sectoral	
Local	
All of the above	
None of the above	

3c) Is there a difference in the level of bargaining coverage on this issue in the public and private sector?

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3d) What is the nature of measures agreed at this level to support equal pay for work of equal value (e.g. design and implementation of job evaluation schemes; equality plans; guidance; other tools etc)?

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3e) What has been the impact of any of the above described measures on the gender pay gap?

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**Making an equal pay claim**

4a) What is the process for making an equal pay claim?

4b) Have many equal pay claims come to court each year (approximately)?

4c) How many of these cases are successful for the employees?

4d) Who bears the cost of bringing claims (to what extent are no-win, no-fee lawyers used?)

4e) What is the level of trade union involvement in bringing equal pay claims?

4f) What is the nature and level of remedies available and for how many years are claims backdated? For how long is pay of those individuals who have been downgraded protected?

4g) Is it possible to bring equal pay claims by collective bargaining on the outcome of job evaluations is ongoing?

**Other measures affecting the gender pay gap**

5a) What measures are being taken in your enterprise/sector to address labour market segregation? Have these been successful?

5b) Have any measures been taken at enterprise/sectoral level to improve work life balance arrangements; what are they and have they helped to reduce the gender pay gap in your view?

5c) Have important measures been taken at national level to reduce labour market segregation and work life balance arrangements and have these served to reduce the gender pay gap?

5d) What in your view have been the main factors influencing developments in the size of the gender pay gap in your enterprise/sector/country over the last 5 years?

**Potential obstacles to closing the gender pay gap**

6a) In your view, which of there factors is the largest obstacle to closing the gender pay gap?

6b) What is your overall assessment of the effectiveness of implementing legislation/measures to tackle the gender pay gap?

6c) What in your view are the measures most likely to succeed in reducing the gender pay gap?