

BRIEFING ON THE ETUC PROJECT 'BARGAINING FOR EQUALITY'

How collective bargaining contributes to eliminating pay discrimination between women and men performing the same job or a job of equal value

1. Background

The ETUC Action Program adopted at the Athens Congress identified the pay gap between women and men as a priority of its work. The ETUC committed to:

"...support members' initiatives to tackle the structural problems of pay inequality and the tendency for pay (for both men and women) to be lower in sectors dominated by women than in sectors dominated by men. Many occupations that are mainly carried out by women need to be revalued and the ETUC intends to assist affiliates in exchanging information on achieving this through collective bargaining and/or through using legislation".

The ETUC Bargaining for Equality project aims to:

- Develop and improve trade union tools and instruments to reduce the gender pay gap in the negotiating agenda, enhance women's presence in bargaining units and ensure gender mainstreaming in collective bargaining;
- Raise awareness among trade unions of the need for gender equality in collective bargaining at workplace, sectoral and national level;
- Foster knowledge and good practices about social partners' actions to address the gender pay gap through collective bargaining;
- Contribute to European policy on gender equality and identify priorities and actions for the EU.

Evidence shows that collective bargaining is a key mechanism for addressing unequal pay between men and women, in addressing the multiple causes of pay inequalities and promoting non-discrimination.

- Estimates suggest that 1% increase in social dialogue 'coverage' reduces the gender pay gap by 0.16%.
- Collective approaches and less individualised measures result in better employment conditions and a smaller gender pay gap.¹

¹ Eurofound (2010) Addressing the gender pay gap: Government and social partner actions. Available at: <http://www.eurofound.europa.eu/publications/htmlfiles/ef1018.htm>



- The gender pay gap is lowest in countries where there overall equality is higher and where there is a positive impact from collective bargaining.²

2. The gender pay gap in Europe

What is the gender pay gap?

The gender pay gap is the difference between the average gross hourly earnings of women and men. In the EU this data is collected through Structure of Earnings Survey (SES). In the EU, the gender pay gap is based on the 'unadjusted gender pay gap', which does not take into account all of the factors that impact on the gender pay gap, such as differences in education, labour market experience, hours worked, type of job, sector worked in etc. Even when these factors are taken into account, more than half of the gender pay gap remains unexplained.

Using hourly pay as a basis for calculating the gender pay gap can also mask specific differences in pay that go unrecorded, for example, bonus payments, overtime pay, performance-related pay or seasonal payments, which predominate in jobs held by men.

It is estimated that between 10% and 15% of the cause of the gender pay gap is a result of discrimination. Other factors that impact on the gender pay gap include:

- Collective bargaining coverage and the way that pay is set.
- Unequal balance of work and family and a lack of flexible working arrangements, which result in a 'wage penalty' for women workers.
- Women's over-representation in casual, temporary, part-time and low paid work.
- A segregated workforce where women are clustered into lower paid and lower valued occupations and sectors.
- Gender socialising that results in women being socialised to work in jobs that have lower pay and lower value.
- The 'glass ceiling' and the under-representation of women in higher paid and senior positions in the labour market.

- Across the EU the unadjusted gender pay gap narrowed from 17.6% in 2007 to 16.2% in 2011.³ The narrowing of the gender pay gap took place in 16 out of 25 countries (the largest reductions were in were in Lithuania, the Netherlands and Slovenia; moderate reductions were in Denmark, Cyprus, Malta, Poland, Sweden, Slovak Republic and UK; and less than 1% decline in Belgium, France, Finland, Luxembourg, Romania and Spain).
- The small reduction during the crisis years is principally a result of a 'leveling downwards', caused by the decline in male wages and cuts in non basic wage components, such as bonuses and overtime premia, which predominate in male dominated sectors/occupations.

² Briskin L and Miller A (2011) Promoting gender equality through social dialogue: Global trends and persistent obstacles. ILO Working Paper, No 4. Available at: http://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---dialogue/documents/publication/wcms_172636.pdf

³ Eurostat Gender pay gap statistics. Available at: http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Gender_pay_gap_statistics



- As earnings inequality (between highest and lowest wage earners) has increased the gender pay gap has narrowed, mainly because women work in lower paid occupations. Highest earnings inequalities are visible in the UK, but also evident in Denmark, Sweden and the Netherlands.⁴
- There is a wide gender pension gap of 39% across the EU; 17 out of 27 countries have gender gaps in pensions greater or equal to 30%; the highest pensions gap is in Luxembourg and Germany; the lowest is in Estonia and the Slovak Republic.⁵

3. ETUC Bargaining for Equality project activities

The ETUC's Bargaining for Equality project encompasses the following activities:

- A survey of affiliates: 47 questionnaires returned (35 from Confederations in 25 countries and 12 from Federations from 11 countries).
- Four regional seminars held in Paris (14 March 2013), Stockholm (12 April 2013), Sofia (17 April 2013) and Brussels (10 October 2013). Affiliates from ten countries attended the seminars (from Belgium, Bulgaria, Czech Republic, Estonia, France, Italy, Norway, Spain, Sweden and Turkey).
- European conference (Vilnius, 5-6 November 2013).

4. Findings from the 'Bargaining for Equality' survey

Significant variations exist across Europe regarding the legal basis for scope and level of collective bargaining; recognition and enforcement of bargaining rights; and collective bargaining coverage. Overall there is evidence from respondents to the survey of:

- Fragmentation, decentralisation and weakening of bargaining coverage, particularly in the countries adversely affected by the economic crisis and austerity measures.
- Trend to a greater extent of company level bargaining, with more than three-quarters of respondents stating that bargaining takes place a company level. Sectoral bargaining is still important, however, with just under three-quarters respondents stating that sectoral bargaining takes place in their country. Nearly one-third of respondents stated that they bargain at company and sectoral levels and just under one-third bargain at company, sectoral and national levels).
- Problems in integrating specific gender considerations into collective negotiations.
- The economic crisis has refocused attention and in most countries no gender impact assessment has been carried out of austerity measures and wage cuts – often taken place without engagement with unions
- Problems exist in fully implementing legislation requiring collective agreements/ negotiations on gender equality (e.g. in France, Spain, Italy).

There are variations in the quality and quantity of disaggregated data to enable unions to bargaining to reduce pay inequalities between women and men

⁴ OECD (2011) Divided we stand: Why inequality keeps rising. Available at: <http://www.oecd.org/els/soc/dividedwestandwhyinequalitykeepsrising.htm>

⁵ Bettio F, Tinios P and Betti G (2013) The Gender Gap in Pensions in the EU. Report for the European Commission. Available at: http://ec.europa.eu/justice/gender-equality/files/documents/130530_pensions_en.pdf



- Gender disaggregated workplace data is required under legislation in several countries (e.g. Austria, Belgium, Denmark and France).
- National and sector-wide disaggregated data is collectively negotiated in Norway, Sweden, Finland and Iceland.
- Evidence shows that the quality of data improves when discussed and analysed jointly between the social partners.

A wide range of collective agreements exist to reduce pay inequalities between women and men

- Most commonly reported agreements are in the areas of reconciliation, training and career development, and pay increases for low paid workers.
- Other approaches include transparency in pay systems/job classification, increasing the pay of women in female dominated sectors, increasing the value of women's work through job evaluation, implementing workplace pay surveys/pay audits and gender sensitivity in performance related pay.
- Some agreements cover specific/single issues such as pay audits/company surveys, job evaluation/job classification, reconciliation, training or career development. Others cover a wide spectrum of equality issues that impact on pay inequalities.

Impact of the economic crisis

- Pay cuts, wage freezes and wage moderation took reported by two thirds of respondents to the survey.
- Wage cuts, pay freezes and wage moderation principally affects the public sector. Countries most affected by pay cuts: Cyprus, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Portugal, Spain, Ireland and Croatia.
- Few unions report on the introduction of specific measures to address pay inequalities between women and men in the light of the economic crisis (just over a half of confederations and federations had not put in place any specific measures).
- The most commonly reported reason is that the gender pay gap has narrowed during the economic crisis (downwards) and men's wages have been most affected.
- Many report that unions are still trying to keep a lens on gender equality issues and the gender pay gap/pay inequalities between women and men.

Union measures to address pay inequalities between women and men

- Evidence of success stories, including union strategies that have been developed in recent years.
- Just over half of unions responding to the questionnaire have put in place strategies/ policies to reduce pay inequalities between women and men.
- Nearly a half have put in place training for collective bargaining teams, more than two-thirds have developed guidelines for collective bargaining and have measures to improve the representation of women in collective bargaining.
- Around a half of these strategies have a specific focus on equal pay for work of equal value and a half address other areas impacting on pay inequalities (such as reconciliation policies, training and career development).



- Pay inequalities are generally viewed as being multifaceted problem to be addressed in multiple ways.

Examples of different approaches taken by countries and/or unions in reducing pay inequalities

Austria: Austria has the highest gender pay gap, at 23.7%. In 2011 the Equal Treatment Act was amended to tackle the gender pay gap and achieve transparency in pay systems through company income reports. The Austrian Trade Union Federation (ÖGB) and the Chamber of Labour actively participated in the development of these measures to improve the transparency of pay. Reports are based on the occupation groups set out in the collective agreements for each company (collective agreements cover 90% of all employees and therefore applies to most companies). The reports have led to better transparency in pay and are a stimulus for negotiations to reduce pay inequalities.

Belgium: Since 1999 social partners have been committed to equal pay for work of equal value through gender neutral job classification. 2012 legislation requires companies with 50+ workers to provide disaggregated wage data, draw up an action plan and appoint company mediator. Collective agreements to be entered into at company level to provide non-discriminatory classification system. Specific strategies and guidelines have been drawn up to assist union negotiators in reducing the gender pay gap in companies.

Bulgaria: Unions have focussed on protecting women workers, promoting women's equality and rights to maternity protection. In addition, collective bargaining at branch/company level aims to increase low wages, implement decent work standards, and create stability in employment relations and social benefits. Company agreements on balancing work/family life and protecting working mothers have led to extension of annual paid leave for working mothers.

France: Legislation to reduce the wage gap in enterprise agreements and mandatory annual wage negotiations (company) to eliminate the gender pay gap. A branch collective agreement must contain a clause on removing wage gap between women and men. Enterprises with 50+ employees must be covered by a collective agreement on professional equality or, failing agreement, an action plan (targets, actions and quantified indicators, and compensation). However, few companies have implemented these requirements and in the future the government will apply financial sanctions.

Iceland: low paid workers protected during the crisis and pay inequalities between women and men were reduced; 2008 collective agreement led to a voluntary certification process for companies to reduce the gender pay gap; agreements have focused on reducing low pay and gender neutral job evaluation.

Norway: data on wages is regulated by collective bargaining and detailed data for collective bargaining rounds carried out through the Technical Calculation Committee. Agreements have focused on increasing pay of low paid women workers. The General Collective Agreement of the State states that "Where documented salary differences can not be explained by other than sex, the employer shall, in consultation with the unions fix wage differences according to the Equality Act".

5. Ten things that unions can do to address pay inequalities between women and men (DRAFT FOR DISCUSSION)



1. Implement gender mainstreaming and analyse collective agreements to ensure that they do not have any unintended consequences for women's pay.
2. Analyse pay and grading systems and ensure that they are based on gender-neutral criteria.
3. Make the case for gender disaggregated data and provide evidence of pay inequalities between women and men during/in collective negotiations.
4. Raise awareness amongst collective bargaining teams of pay inequalities between women and men by addressing i.e. the following
5. Address the multiple causes of inequality between women and men in negotiations, for example, the undervaluing of women's work and skills, women's low pay, reconciliation between work and family life and women's career progression.
6. Produce guidelines and targets for collective bargaining teams to reduce pay inequalities between women and men.
7. Improve the representation of women in collective bargaining teams.
8. Put in place gender neutral tools for evaluating the jobs held by women and men, using objective criteria based on skill, effort, responsibility and working conditions.
9. Agree and implement union strategies and policies to address pay inequalities between women and men, and evaluate their impact.
10. Make a strong case and give evidence for the benefits of collective bargaining in reducing pay inequalities, and particularly in countering hostile bargaining environments.

6. Recommendations for the ETUC (DRAFT FOR DISCUSSION)

- Ensure that the issue of pay inequalities between women and men remains a high priority in the work and policy of the ETUC and its affiliates.
- Develop, present and discuss best practice guidelines for collective bargaining teams in the ETUC Collective Bargaining Committee (with practical tips and strategies). This could include guidance on how disaggregated data can be drawn up and used to inform collective bargaining; how bargaining teams can use gender neutral job classification and job evaluation tools; and how to address the low pay and undervaluing of women's work.
- Develop a chapter in the ETUC Toolkit for Coordination of Collective Bargaining and Wages on how to address and assess the gender pay gap in the coordination work at EU level and how to develop strategies to reduce the gender pay gap through collective bargaining.



- Make a strong case to EU institutions to integrate the reduction of the gender pay gap as part of the Country specific recommendations.

With the support of the European Commission



Avec le soutien de la Commission Européenne