

Social Dialogue Committee for Central Government Administrations

Recommendations towards closing the gender pay gap

Adopted on 30 September 2014

Background

In 2011, the Social Dialogue Committee for Central Government Administrations (SDC CGA)¹ adopted a statement *Towards equal pay* that calls for, amongst others, wage transparency as a prerequisite for closing the gender pay gap.

At European level, a first obstacle to pay transparency is the absence of comparative gendered pay data for Central Government Administrations (CGA). Whilst Eurostat provides data on the gender pay gap based on average gross hourly earnings, these do not automatically cover public administrations and exclude the sector of CGA. Until this shortcoming has been rectified by the Commission, as a first step, the SDC CGA endeavoured to collect gendered pay data to try and assess the size of the pay gap with a view to identify the causes and remedies in a sector where women account for at least 40% of the workforce.

Data collection started in the course of 2012 on the basis of a commonly agreed set of indicators such as age, grade, education, department/ ministry. It was assumed that the data would be available from the government's statistics offices, in line with national and EU legislation and collective agreements (e.g. the 2002 revised directive encourages the drawing up of equality plans through social dialogue).

However, the exercise of data collection has proven to be more difficult than planned, is yet to be completed and contains a number of inconsistencies. The difficulties stem partly from mismatches between the agreed indicators and available statistics at national level, and, as stated in one case, the impact of budgetary austerity on national statistics regarding equal pay.

Despite its limitations, the information collected provides a first baseline against which to seek and measure improvements and develop policy accordingly that best suits the sector; it is also timely in view of the Commission Recommendation of 7 March last that seeks to strengthen the principle of equal pay between men and women through transparency². The information received by the SDC CGA was analysed by the Labour Research Department (UK research institute), whose initial findings were presented and discussed at the SDC CGA 8 October 2013 meeting. A more general presentation on gender equality in the public sector and the crisis by UK expert, Jill Rubbery, also fed into the discussions of the Committee in the course of 2012.

Accordingly, **the following recommendations are agreed** for implementation by national social partners within their respective social dialogue structures in the next 15 months:

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² http://ec.europa.eu/smart-regulation/impact/ia_carried_out/docs/ia_2014/c_2014_1405_en.pdf

Recommendation 1: closing the gender pay gap estimated at 11.4% must remain a priority for social partners

At the end of 2013, information on men's and women's pay was available for a total of 12 countries: **Belgium, France, Italy, Luxembourg, Romania, Slovakia and the UK**, as well as **non-EUPAE Poland and the Nordic countries**. **Spain** only provided information on the number of men and women employed, not on the pay gaps.

The data are based on gross annual earnings, except for Denmark, (hourly pay), Finland and Sweden (monthly pay), on a full time equivalent basis. Data on a monthly or annual basis are more accurate than those based on hourly pay because they capture the incidence of working time on the size of the pay gap (given that men typically work longer hours than women, even if both are full time, and that most part-timers are female).

The data collected confirm the existence of a gender pay gap in central government administrations of an estimated **11.4%** on average in 10 countries.

Two countries, **Romania** and **Luxembourg**, indicate a reverse gender pay gap i.e. women are better paid than men.

For **Luxembourg**, this is explained by the fact that the education and justice sector where high wages are paid have a quite high proportion of women. Besides, in the public sector women often start work earlier than men and therefore, at the same age, have progressed further in their career. Unlike for women, starting a career within central government is often not a man's first choice. In addition, considering that the Luxembourg data are based on a full time equivalent basis and that women at lowest grade are often part-time workers, there are more men employed at the lowest grade.

For **Romania** the data collected covers central and local public administration, excluding the armed forces and assimilated. Also, all secondary activities carried out in the central and local public administration were excluded from the public administration activity: social assistance, cultural, sport and recreational activities, landscaping and services for buildings, agriculture, water supply, waste management, constructions, transport and storage, production and supply of electricity, heat, gas and hot water, renting and subletting of real estate.

This estimated pay gap in the countries covered by the survey is smaller than the pay gap of 16.4% across the EU economy (Eurostat, 2013) bearing in mind the different calculations, sample and indicators being used. Whilst there is no room for complacency, it confirms that the public sector has a better record on equal pay than the private sector. This historical position stems from more regulated pay arrangements and greater influence of public policies in favour of gender equality (working time, work/life arrangement..).

However, the situation may well be changing. The latest Eurostat figures show that the overall gender pay gap in the EU has opened up slightly rather than closing, after a slight decrease between 2008 and 2011. As foreseen by UK expert Jill Rubbery, this is the result of the loss of generally better paid jobs for women, taking into account the public sector pay premium for women, not for men, compared to the private sector in the EU15.

It is recommended to:

- ✓ Promote the "gender equality supporting" advantage of the public sector that contributes to its attractiveness and its positive influence on the overall position of women in the labour market;

- ✓ Reinforce measures to close the gender pay gap that, however smaller in CGA than in the rest of the economy, remains unacceptable;
- ✓ Assess critically the impact of job and pay reductions and changes in the pay system on women both in CGA and on the overall gender pay gap and women's employment;
- ✓ Draw up annual gender equality reports so that they can be used for coherent action plans to close pay gaps.

Recommendation 2: developing a lifelong approach to gender equality

Only 6 countries, out of the 12 surveyed, have provided data on women's and men's pay broken down per age. In these countries, with the exception of **Slovakia**, the gender pay gap increases with age with the age range of 40-49 faring the worst. In the case of 3 countries (**France, Slovakia, Italy**) it is a three fold aggravation from about 4 or 5% pay gap for those under 30 up to 15% or more for those aged 40-49. In **Belgium**, it is the "seniority" factor that causes the average gender pay gap to the detriment of women. In this country, women are better paid than men (3.3% difference) within the age group below 30, but the situation reverses in the age group 40-59. For **Luxembourg** the situation reverses quite late in a civil servant's career (see explanation above).

It is recommended:

- ✓ That those countries who do not monitor the size of the pay gap per age groups, do so, in line with the abovementioned EC Recommendation on equal pay and transparency;
- ✓ That the 40+ group becomes a priority area with a view to ensuring that maternity and parental leave do not penalise women and supporting fathers to share family responsibilities, with mechanisms such as:
 - Individualized support upon leaving and returning to activity for women and men benefiting from maternity and parental leaves;
 - Considering ways to better neutralise any negative consequences of maternity and paternity leave arrangements, and by developing options to share parental and family leaves by both parents;
- ✓ Develop further negotiated measures supportive of a better work/life balance including regarding working time arrangements;
- ✓ To raise awareness and fight against stereotypes within the younger groups to ensure the gender equality premium is maintained as they get older, for example by:
 - Including gender equality as a main item of the initial training of young civil servants
 - Offering training about gender equality to executive officers and human resources departments. In addition, such training should encompass prevention and management of harassment and violence.

Recommendation 3 : tackling horizontal segregation

It was assumed that pay differences for the same job or of the same value would be bigger in men-dominated ministries reflecting a bigger proportion of additional individual payments. This assumption was based on two case studies in **France** and the **Czech Republic**.

However, only 4 countries have provided data broken down into 3 or 4 ministries, **Italy, Luxembourg, Poland and Slovakia**. Even within such small a sample, no clear patterns emerge. There is a higher gender pay gap in favour of men in the foreign affairs ministry for **Poland** and **Luxembourg**, but in **Slovakia**, the highest gap is found in the Interior affairs. In the economy and finance traditionally men-dominated, this is the smallest gap in **Poland**. Social affairs, women-dominated, has the smallest gap in **Slovakia**.

It is recommended to no longer continue working on this indicator which does not seem to be relevant. However it remains relevant:

- ✓ to assess the impact of individual payments, bonuses that are known to be higher in some ministries on the gender pay gap and better identify processes and structures that lead to gender segregation in jobs – e.g. under-feminisation of technical jobs;
- ✓ to promote a greater proportion of women in social dialogue including collective bargaining structures with a view to contribute to closing the pay gap.

Recommendation 4: tackling vertical segregation

Seven countries have provided data on the gender pay gap broken down per grade. With the exceptions of middle and top management in **Poland**, the gender pay gap permeates every grade.

There is however no clear pattern as to which level is more prone to gender inequalities, although the indicators used were perhaps not adequate in some countries i.e. education background. In **Belgium, France** and **Luxembourg**, the widest pay gap is found for jobs requiring a master's degree, while in the **UK** and **Slovakia** it is the opposite with the greatest gap found for lowest levels.

In terms of employment, the proportion of women is highest at the bottom of the hierarchy and lowest at the top in all countries surveyed, except in **Slovakia**. **Belgium** in this regard is the country with the smallest number of female managers, whilst **Slovakia** has the highest number of female top managers.

The overrepresentation of women in lower paid positions (sticking floor), and its underrepresentation at the highest levels (glass ceiling) are key factors of the gender pay gap.

It is recommended to adopt or reinforce a two-pronged approach with a view to:

- ✓ increase the number of women at the top with a view to achieve gender parity – a number of countries have adopted, via legislation or collective agreements, quotas or quantified targets, measures to improve access to top positions, more and/or better training and better work-life balance, such as:
 - Establishment of verification methods to check recruitment processes are non-discriminatory
 - Development of adapted training conditions with a view to lift time and geographical constraints that prevent women from joining them
 - Further improvement of transparency by providing the trade union representatives within the social dialogue structures with yearly gender equality reports regarding men and women's promotions with a view to make the necessary adjustments and corrections where necessary.
- ✓ review women-dominated job categories in light of the required competences, qualifications and pay levels compared to men-dominated categories with a view to achieve a better gender composition and to prevent a low-pay penalty for women's work.

Recommendation 5: maintaining and improving data collection

Clearly, as the abovementioned SDC CGA Statement on equal pay calls for, Eurostat should provide data on the gender pay gap in our sector. In the cases where national statistics

agencies are not in position to provide those data, relevant solutions should be studied to redress the situation.

In view of the difficulties identified during the data collection and analysis and of the problems described above, more collaboration with Eurostat is indispensable. The SDC CGA will take the necessary steps with Eurostat to harmonize the data and indicators that should be presented by the states.

To facilitate the comparisons between countries and make the exercise worthwhile, it is recommended that member states complete and improve their data collection as follows

- ✓ update the data covering all employees of CGA
- ✓ in particular, to better identify more specific areas of potential inequality, for example:
 - impact of bonuses paid to employees who work a certain number of hours or in certain occupations;
 - distribution of working time patterns e.g. of full-time, part-time -the working time indicator has become all the more important in view of recent changes in some countries towards longer working weeks;
 - access to promotion, education and training experienced by part-time workers or women's occupations;
 - type of employment contract, civil service status;
- ✓ provide examples of collective agreements on gender equality e.g. support for collective bargaining, equality wage pools, training on equal pay, revision of job classification and or pay scales, arrangement to return to full time or work part-time amongst managers, mentoring systems etc.

An annual review will be carried out by the SDC CGA regarding the above recommendations.