

## EU Social Dialogue Committee for Central Government Administrations

### Recommendations towards closing the gender pay gap

Revised draft following 12 June SDC CGA meeting

To note: **changes are in yellow**. To ease the reading of EUPAE, the changes that have been made following the 24 March SDC CGA meeting, agreed by the SDC CGA steering committee, are also highlighted as well as the paragraphs that relate to the demand put forward by EUPAE- Italy regarding working time arrangements; regarding the demand to add a reference to telework as this is a completely new subject, it is suggested not to take it up at this stage.

Thanks

Nadja

TUNED coordinator

FOR COMMENTS BY 20 JUNE 2014

#### Background

1. In 2011, the Social Dialogue Committee for Central Government Administrations (SDC CGA) 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.
2. 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).
3. 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.
4. Despite its limitations, the information collected provides a first baseline against which to seek and measure improvements and develop policy that best suits the sector; it is also timely in view of the recent **Commission Recommendation of 7 March last that seeks to strengthen the principle of equal pay between men and women through transparency<sup>1</sup>**. 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.

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<sup>1</sup> [http://ec.europa.eu/smart-regulation/impact/ia\\_carried\\_out/docs/ia\\_2014/c\\_2014\\_1405\\_en.pdf](http://ec.europa.eu/smart-regulation/impact/ia_carried_out/docs/ia_2014/c_2014_1405_en.pdf)

5. Accordingly, **the following recommendations are agreed** for implementation by national social partners within their respective social dialogue structures in the course of 2014 and 2015:

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

6. 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.
7. 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).
8. 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 sectors where higher wages are paid have a higher proportion of women; that in the public sector in general women often start work earlier than men and therefore, at the same age, have progressed further in their career (starting a career within central government is often not a man's first choice); and that there are more men employed at the lowest grade.
9. This estimated pay gap in the countries covered by the survey is smaller than the pay gap of 16.4% across the economy (Eurostat, 2013) bearing in mind the different calculations 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.
10. 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 at each relevant level of CGA so they can be used for coherent action plans to close pay gaps.

**Recommendation 2: **developing a lifelong** approach to gender equality**

11. 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, the gender pay gap increases with age, with the exception of Slovakia 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 in paragraph 8).

12. 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 (paragraph 7);
- ✓ 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 group 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**

13. 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**.

14. However, only 3 countries have provided data broken down into 3 or 4 ministries, **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 highest pay gap in **Luxembourg**, but the smallest gap in **Slovakia**.

15. It is recommended to no longer continue working on this indicator which does not seem to be relevant.

16. However it remains important

- ✓ 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 and negotiating structures with a view to contribute to closing the pay gap, as their competence may grant them the ability to discuss both general issues and particular cases of horizontal segregation.

#### **Recommendation 4: tackling vertical segregation**

17. 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.
18. 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 **Luxembourg** where the average gender pay gap is in favour of women, this can be explained by the fact that men outnumber women by four to one in the lowest grade, unlike other countries (see paragraph 8).
19. 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.
20. The overrepresentation of women in lower paid positions (sticking floor), and its underrepresentation at the highest levels (glass ceiling) is a key factor of the gender pay gap.
21. 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 annually**

22. 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, legal provisions should redress the situation.

23. The figures received by the SDC CGA have not been collected on a consistent basis across the countries and, in some areas, are not in line with the statement and the agreed set of equal pay indicators, for instance the numbers of employees covered in the responses vary in a way which does not reflect the actual size of the countries' state sector.
24. The data exclude occupational pensions and part-timers. The share of additional individual payments in the total remuneration cannot be identified, which is not in line with the abovementioned statement. Last the data are not longitudinal but only available at a given time (2012/2013) and thus we cannot detect any trends towards reducing or increasing the gap in our sector<sup>2</sup>.
25. To facilitate the comparisons between countries and make the exercise worthwhile, it is recommended to complete and improve the data collection, consistently, and report annually to the SDC CGA plenary, as follows :
- ✓ Update the data for those who have responded covering ALL employees of CGA
  - ✓ Provide data for those who have not responded or only partially or to explain why the data are not available so that the situation can be redressed;
  - ✓ For all, complement the data to bring them in line with our statement and related set of indicators, or explain why this cannot be done so that the indicators can be improved;
  - ✓ 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..

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<sup>2</sup> For public administrations as a whole, in the period since 2008, the gender pay gap has reduced in 17 states but widened in 4. The overall gender pay gap increased slightly in 2013. LRD report for EPSU, 2013