

Closing the Gender Pay Gap in public services in the context of austerity - Central and Northern Europe

Slovakian online workshop

16 June 2020;
10:00 – 13:00 CET



Analysing quality

Case Studies Overview

Countries	Finland	Ireland	Netherlands	Germany	Sweden	UK1	UK2
Organisation	TEHY	SIPTU	FNV	Ver.di	Kommunal	Prospect	UNISON
Sector	Health and Social Care – assistant nurses	Public Broadcasting	Health and Social Care - homecare	Education – childcare (Kita)	Health-assistant nurses	Civil Service	Local Government

Key Issues

- The disproportionate impact of austerity measures on women - pay freezes, job cuts, outsourcing of care work and recruitment freezes...
- Impact on progression and formal equal opportunity measures for women (use of 'self-employed' contractors and freelancers) – length of service as a means of progression;
- 'Historical' and individual arrangements for men – bonuses, allowances;
- Equal Pay v the Gender Pay Gap – focus on higher paid and ...
- Occupational segregation and low pay (despite equal pay legislation) and its enshrinement in...
- Failure to use equal pay laws and principles as basis for collective bargaining and pay systems

Trade Union responses

- Education on the Gender Pay Gap v Equal Pay;
- Industrial Action by women in segregated, low-paid sectors;

Addressing Pay Structures:

- Legal challenges over seniority as key to progression (where recruitment is frozen);
- New pay systems based on 'equal pay for work of equal value' in public sector;
- Use of 'objective criteria' such as educational attainment;
- Harmonisation;
- Job evaluation schemes free of gender bias;
- Removing low grades from collective agreements;
- Negotiating higher rates for those at the bottom;
- Disaggregating collective bargaining for female-dominated sectors – the support of 'male trade unions';
- Equality Allowances.

Equal Pay versus the Gender Pay Gap

- The case study of RTÉ in Ireland began as an equal pay case amongst highly paid presenters, but through trade union intervention by SIPTU raised the wider issue of the GPG in the context of government austerity measures and proposed legislative change on GPG reporting.

'much of the discussion around the pay of senior journalists is far from the experience of the vast majority of women'.

- There was a lack of clarity amongst members as to what the gender pay gap is, leading the union to conclude *'we have a job of education to do with our own members to get them to understand.'*

Industrial Action - Homecare

- Long campaign by homecare workers (thuiszorg) in the FNV in the Netherlands and to curb austerity measures in the care sector as a whole including outsourcing of services;
- Budget for homecare would be cut by 75% - FNV was the only union that refused to sign off on the 2012 austerity policies. The union started to halt the casualisation (zero-hours contracts or Alfahulp) of home-care workers;
- Unionisation in homecare is not strong historically and has been weakened by privatisation;
- Workers have no shared workspace through which to organise:
‘Homecare workers didn’t have a shared space at work, you couldn’t walk in and start organising them.’

Industrial Action - Homecare

- Action against one contractor – Sensire - using marquee tents (including one in front of contractor's headquarters) and occupation of city halls. Demonstrations were organised - the biggest one in September 2015 in Amsterdam in which 30,000 people participated;
- 2013 - agreement that a) the sector minimum wage would be paid, b) workers would keep their rights and seniority in future contract transitions and c) no use would be made of Alfahulp contracts;
- The government gave in. Budget cuts were reduced from 75% to 40%. The government also agreed to a) funding home-care work for 2 years and then negotiating a structural solution for cities b) banning the use of Alfahulp contracts in care and c) talks for a wage specification in the tendering process for home-care provision.

Industrial Action – Childcare (Kita)

- National industrial action by childcare workers in municipal childcare centres in Germany 2015 over pay - employees in early education were paid € 50 less than the median salary of all employees in Germany – demand for 10% increase;
- Industrial action to upgrade social and educational professions which are predominantly female and part-time – the issue is the value attached to their work and demand for re-evaluation;
- Had faced cuts and increased demands including increased worker to child ratios;
- The strike succeeded in that Kita workers were placed in a new, higher pay group, from which younger professionals benefited in particular.

Legal Action plus

- UK civil service union Prospect has successfully combined litigation with collective bargaining to achieve equal pay and narrow the gender pay gap in several parts of the civil service, despite the impact of a move to localised pay determination in the early 1990's and the impact of government austerity leading to pay freezes within the public sector since 2010;
- A key issue is length of service as the means of progression and different aspects of gender discrimination within pay systems across different Government Departments and Agencies;
- The landmark cases of Cadman and Wilson were lodged against the Health and Safety Executive (HSE) in 2001, when the union successfully challenged length of service as the means of progression. The women were earning £9,000 and £6,000 per annum less than men doing the same work. The case had nine hearings – from the Employment Tribunal to the European Court of Justice (ECJ) - which modified the findings of the Danfoss case, which found that length of service was a legitimate means of determining pay. The ECJ ruled that the employer had to show that longer service/experience resulted in better performance.

Legal Action plus

- Prospect has also taken cases in the Valuation Office, Veterinary Laboratory Agency, Prison Service and Intellectual Property Office. Its most recent success was in the Meteorological (Met) Office, where individual settlements and a new pay agreement were agreed in 2018, following successful litigation and industrial action. Prospect took tribunal claims for 77 women members claiming equal pay;
- Despite having a job evaluation scheme – Job Evaluation and Grading Support System (JEGS) – which was used to evaluate jobs in the Met Office - separate and overlapping pay ranges were established for different jobs, undermining job evaluation outcomes;
- Alongside litigation, Prospect also took industrial action, lobbied MP's and produced an 'Equal Pay Manifesto'. The case resulted in a new pay structure, a pay increase of up to £7,000 per annum for most employees and narrowing of the gender pay gap from 10% to 1%. Despite ongoing pay austerity in the public sector, the Met Office secured agreement from the Treasury to settle individual cases and establish a new pay structure across the Met Office.

Challenging ‘historical’ and individual arrangements for men – bonuses and allowance

- RTÉ (Ireland) – ‘historical anomalies’, individual arrangements and allowances for special responsibilities;
- The report on RTE refuted a significant GPG issue, claiming that differentials within grades may be accounted for by historical factors, including specific qualifications and experience relative to the grades;
- Failure to differentiate between part-time and full-time workers (aggregating pay).

Harmonisation and Job Evaluation

- In UK local government: a collective agreement by the National Joint Council (NJC) for Local Government Services for 2018-2020, has helped to enshrine equal pay for work of equal value into the future and also to narrow the gender pay gap. The NJC covers 1.6 million employees across councils in England and 76% of them are women and 60% work part-time;
- The 'Single Status' Agreement was reached after lengthy negotiations with trade unions in 1997. It aimed to harmonise working conditions across manual and white collar jobs and establish a pay system which complied with the Equal Pay Act and 'equal pay for work of equal value'. Holiday and sick pay was harmonised and a new job evaluation (JE) scheme was jointly drawn up. It was designed to apply to all jobs;
- It was important to have one common JE scheme and pay system for the harmonised workforce. The Employers Side would not agree to 'national' grades, so each employer – over 400 councils and many schools - had to evaluate jobs and establish a local pay structure.

Tackling low pay through Collective Bargaining

- Despite low pay settlements, two thirds of councils had implemented the independent Foundation Living Wage (FLW) by 2018 – a higher level of pay for the lowest paid workers than NJC pay. This had distorted job evaluated differentials and caused ‘bunching’ of pay points at the lower end of the pay scale;
- The 2018-2020 pay agreement established a universal rate of pay equal to the FLW as the bottom pay point, re-structured the pay spine and equalised gaps between pay points up to scale point 20. This ensures that differentials reflecting equal pay for work of equal value can be maintained into the future and that points on the pay spine – at least up to the middle - are equal. The gender pay gap has narrowed.

Collective Bargaining to address occupational segregation

- In Sweden, Kommunal strategy linked occupational wage levels to educational attainment. Given that in Sweden, education provides access to occupation and occupations are highly gendered, the strategy adopted by Kommunal in 2013 appeared to make sense in addressing the occupational segregation;
- Eventually Kommunal got support from the metal-union, the biggest union within the LO confederation;
- In 2016 a one-year Industrial Bargaining Agreement, with an increase of 2% for all blue-collar workers, was agreed. There was an understanding that Kommunal would then demand an additional increase for assistant nurses, and that if the strategy was not successful during that year, the metal-union would join Kommunal in strike action giving the assistant nurses huge leverage. A three-year deal was signed early in 2016 for an additional wage increase for assistant nurses: SEK 500 in 2016 on top of a SEK 535 increase for all), SEK 180 in 2017 on top of a SEK 535 increase for all, and SEK 150 in 2018 on top of an overall SEK 540 increase.

Collective Bargaining to address occupational segregation

- The 2016 deal obtained by Kommunal for assistant nurses was initially deemed a success. However, in 2017 and 2018, a buoyant Swedish economy caused a labour shortage across industry. This increased private sector blue collar wages by a higher percentage than the negotiated minimum, while public sector wages only increased according the negotiated deal. This reduced the impact of the Kommunal deal.
- Nevertheless its impact remained real : the gap would have been bigger without the additional wage increase negotiated for assistant nurses.

Equality Allowances

- THEY in Finland, and their sister union SUPER, are aiming for an additional 1.8% salary increase in the health and social care sector in a 10-year programme of increases above the average for the technology sector, which is seen as a key benchmark.
- They also want a separate agreement to cover the 170,000 health and social care workers who are currently part of the general agreement.
- They are demanding:
 - An Equality Allowance for members working in female-dominated fields.
 - A separate collective agreement for social and healthcare professionals (like doctors have)
 - Removal of an extra 24 hours annual working time introduced under austerity (that some male dominated fields have abandoned)

Why Finnish unions want a separate agreement for the social and health care sector

- It is a laborious task to change the regulations governing the working hours and wages of nursing staff, because these regulations are incorporated into the larger collective agreement. Changes always require approval from all parties, whom the issue may not even concern.
- A separate agreement would allow for better consideration for the special characteristics of nursing work in terms of working hours and wages, such as:
 - shift work and being on call
 - wage system, procedure fees, renewals in job descriptions due to the social and health care reform

Equality Allowances

For some unions, an Equality Allowance and separate collective agreement are the only way to achieve equal pay in the future:

“a separate agreement would allow for better consideration for the special characteristics of nursing work in terms of working hours and wages, such as shift work and being on call, wage system and renewals in job descriptions due to future health and social care reform already in the agenda. This will be absolutely necessary in case of a reform in the sector.”.

Conclusions – Biggest barriers to closing the GPG

- Historical occupational segregation;
- Failure of employers and unions to make use of equal pay legislation;
- Challenging established pay structures and..
- Traditional collective bargaining practices;
- Labour market conditions can reverse GPG measures (Sweden – skills shortages in male jobs, UK impact on low paid men);
- Recession and austerity measures – job cuts prevent younger women progressing and freeze pay gaps;
- Attack on collective bargaining and trade unions - union involvement in negotiating austerity?
- Casualisation of work.

Further barriers to closing the GPG in a post-Covid19 world

- **Recognition of the key role of care workers (and health and other public sector women workers) in addressing COVID-19, BUT:**
- Recession and future austerity measures could limit funding;
- E.g. Netherlands, the decentralised way of funding the care sector means implementation of agreement is a huge task for FNV;
- Germany – municipalities argue they cannot afford to upgrade childcare workers;
- Funding of equal pay and GPG measures - the UK Government refused extra funding for employers to establish equal pay in local government. This led to 'levelling down' of men's pay, rather than 'levelling up' of women's pay by many employers and mass litigation – which was more costly than proper funding would have been!
- Reduction in childcare and other forms of support for women workers;
- Further privatisation?
- Trade unions revert to traditional norms?