

Expert conference on
reducing the gender pay gap

What must be done? Who will benefit?

Tuesday, October 28, 2008

Conference Documentation

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administration and business“**
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Kathrin Arioli, Canton of Zurich
Michaela Muschitz, BPW Austria
Gabriele Michalitsch, Vienna University of Economics and Business
Natascha Schaberl-Kogler, Microsoft Austria
Chair: Daniela Cochlar
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- 16.00 End of conference**
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- Conference languages:** German and English (simultaneous translation)
Chair: Martina K. Steiner
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Opening

Sandra Frauenberger, Executive City Councillor for Women's Issues, City of Vienna

A very good morning to all of you! Today is Tuesday, October 28, 2008 and it is actually hard to believe how long we have been concerned with this issue of “closing the income gap between women and men” already. I, for my part, have been battling against gender-specific income differences since 1984, first in my role as a trade union member and now as Executive City Councillor for Women's Issues. Much to my regret little has changed in the political objectives and claims put forward. It is by no means easy to stay motivated. The battle we are fighting for the liberation of women is an ongoing challenge whose outcome will largely depend on how we master the daring task of redistribution

The story of feminism is one of solidarity, common interests and joined forces. I am really pleased to see so many women gathered here today to join forces internationally. I know this is not a matter of course so I would like to thank each and everyone of you for being here and enabling us to discuss the issue of gender gaps in depth.

So what is today's FemCities expert conference about? Essentially it is not about reiterating the old claims but about reformulating them and examining them with respect to the economic and socio-political givens. It is also about enabling relevant players to exchange with colleagues for this is a key to all women's issues: to learn from each other, adopt each other's ideas and implement them on home ground, in one's own country, in one's own community. To this end we will see many facts, figures and best practices exchanged here today.

It is also about exchanging knowledge gained from the different fields we all work in. Earlier on I looked back on my own past and now allow me to put my considerations in a wider context. Equal pay was one of the feminist movement's most crucial demands raised at the first international women's day back in 1911. In 1957 the EC coined the principle of equal pay for equal work for women and men, indicating a closing of the income gap. To realize that, although set out in the EC Treaty of 1957, equal pay has not been achieved yet leaves a bitter taste in one's mouth. By international standards Austria is not faring well at all in this respect. Fortunately we are in a slightly better position in Vienna compared to other provinces with female employment at 76%. The gender pay gap averages at approx. 20%, yet Austria as a whole ranks a mere 13th of 18 countries selected EU wide. Suffice it to say there is need for political action.

We must seriously consider what we can do to close the income gap. In Austria, as elsewhere, income continues to be incredibly off-limits, a taboo that becomes painfully apparent the moment you call for transparency in grading. Women demand to be paid the same as men and men are taken aback for they immediately fear their salary will be levelled. Talking about gaps, we need to take drastic steps if we seriously want to overcome imbalances.

Let me take this opportunity to present to you the results of a study carried out by the Vienna University of Economics and Business. Couples of identical qualifications, same age, same fields of study and identical exam results were placed on the market. Within the course of ten years the gender pay gap between them had widened as much as 10,000 euros in the worst case. The tragedy was that none of the women had had children in the meantime, yet the differences were still blatantly obvious. This goes to show that while temporary employment gaps due to child births coupled with an imbalanced distribution of paid and unpaid work are not to be underestimated in the context of income gaps, they only partly explain the phenomenon. Whatever reasons we give we cannot ultimately explain income differences of up to 43 percent in managing positions. One last little bit will always remain unexplained. These differences cannot be substantiated by hard facts or comprehensible arguments. The only reason they exist is gender! Women's work is simply not valued the same as men's work.

For a long time we were told that income gaps would disappear once women had the same training and qualifications as men. Unfortunately that is not the case. On the contrary, women today have top qualifications, nevertheless income gaps remain. This last little bit in the income gap can only be explained by gender. Thus we may conclude that every battle against differences in the pay system is ultimately also a battle of the genders and a socio-political one at the same time. What we need are socio-political solutions.

That is the easy part for us in Vienna when looking for ways to close the gap. What we also need are federal regulations concerning transparency and design of pay schemes, federal regulations linking women's promotion to the awarding of public contracts, or those providing for child care, particularly for small children up to the age of three and naturally for older ones too.

In theory these framework conditions are easily defined by law. Today we are at the FemCities expert conference which is a conference of cities. So we might want to ask ourselves what we can do at the community level. As a city councillor I want to make my contribution. There are few good examples as yet and I set great store by this conference, hoping that we will exchange on these best practices. In Vienna we have not been idle either: we looked at the promotion of women at company level and commissioned a study to that end which revealed that there is much we can do at the level of SMEs too.

“Promoting women + men equally = benefits all!” is an equality manual and a recipe for success to be applied at company level. It specifically addresses small and medium-sized enterprises and draws up possible solutions for them. For the manual to become a success it still needs a lot of backing, energy, initiative and contacts. Efforts will be required in no small measure to make it public and take it to the companies concerned, to make it as widely known as we need it to be to leave a visible mark. In times of economic hardship as these, companies claim to have other worries than to promote women. Again we are faced with the same old backlash as always. Economic arguments are a popular way of restraining claims for the promotion and equality of women.

However, we are here today to set a sign, to let the world know that closing the gender pay gap must not give way to sensitivities or economic and political opportunism but instead must be anchored in law to be put into practice once and for all. This is a vital sign. Once again I would like to thank all of you for being here, for interacting with each other to complete yet another step towards closing the income gap. I am particularly happy to see this happen here in Vienna. I wish you the best of success, plenty of energy, communication, creativity and innovation, all of which we need to stay on track. Our ultimate goal will always be for women to live in safety and independence wherever they are.

Thank you!

Introduction

Marion Gebhart, Head of the Department for Women's Issues, City of Vienna

Good morning ladies and gentlemen! Welcome also on my behalf to this international FemCities expert conference. When I arrived here this morning I was met by many familiar faces that have been accompanying us as cooperation partners at FemCities for several years already. Some of them I have known for even longer, since the days in fact when FemCities was still called Milena. But I also came across many new faces which naturally makes me very happy. FemCities wants to be an active network and having new partners show their interest and join in just goes to show that “FemCities is indeed very active”.

In 1997, that is eleven years ago, Milena was established upon the initiative of the City of Vienna as a forerunner network to what is now FemCities. The network at the time was much smaller than it is now and extended across cities in Central and Eastern Europe, especially in Hungary, the Czech Republic and the Slovak Republic. Its purpose was to enable communication between city administrations, experts from universities and NGOs, as well as businesses on women's and gender issues and good practice models. Partners were to be supported in building up and institutionalising structures relevant to women's issues at administration level and subsequently in implementing EU directives at community level as needed. Thus, in 2002 the network ran the project “Preparing the Ground”, supporting women in Bratislava in establishing a contact office for women at the city administration.

Meanwhile, in 2005 all of the above mentioned countries became EU members themselves. At that time the network's objectives and structures were revised and what was formerly Milena now became the cities network FemCities. The Department for Women's Issues at the City of Vienna is still responsible for its coordination but its range of operation has been expanded, including not only cities in three countries but right across the entire EU as well as associated countries. Cities do not shed the responsibility to implement gender approaches once they have attained EU membership! FemCities has the potential to improve the living conditions for women in EU cities!

The Department for Women's Issues at the City of Vienna, in creating FemCities, has provided a forum for communicating good practice models, as well as strategies for the implementation of laws and the installation of administrative structures to promote women and equality. Of course, cities must continue to implement new EU developments with respect to equality, but FemCities is also concerned with what city administrations can do to actively promote women and equality. Are there separate women's offices or departments concerned with women's

issues? Are there women's counselling centres, women's helplines, shelters for women? How can the realities of women's lives in cities be improved?

At FemCities we also want to look at current EU issues together and analyse them from the women's perspective. We select a different focus every year to address the realities of women's lives in our cities. In 2007 it was "Violence against Women" parallel to the campaign "Stop Domestic Violence" launched by the Council of Europe. The FemCities conference 2007 on "Stopping Violence against Women" was held here in Vienna with experts from administrations, universities and NGOs from countries throughout Europe exchanging their views on violence against women and their children and the protection of these victims. This year we have chosen the "Gender Pay Gap", an equally burning issue, as our topic for the year and for this conference.

The gender pay gap and the claim for "equal pay for equal work" were no less important in times when women were forbidden by law to "politicise" and women's demonstrations were broken up by the police, as was the case in the Vienna Prater. So the topic itself is not new, the only difference being that now we may and indeed must politicise, participate and call for changes! It is not easy to get to the bottom of the matter for as one study commissioned by the Department for Women shows statistics concerning the actual difference in income due to gender vary significantly – you will hear more about this in the course of today from the authors themselves. Yet the vast majority of scientific research into the reasons for income differences between women and men undertaken in recent years come up with the same conclusion which is that ultimately the only reason is gender. We have seen that there is no panacea for closing the income gap. Instead of going it alone we need to join forces, communicate and support each other to find common solutions. As a municipality too we can set incentives to close the income gap.

Our City Councillor Sandra Frauenberger already mentioned the study and manual "Promoting women + men equally = benefits all!" commissioned by the Department for Women's Issues which introduces different ways of approaching equality for small and medium-sized companies in particular. At the Department we also take it upon ourselves to provide young girls with information on a number of different careers, especially in the field of natural sciences and technology. Our initiatives include the website "jobs4girls" and the Vienna Daughters' Day where girls are introduced to non-traditional and mostly well-paid professions. More than 3,000 girls were able to visit more than 160 companies this year. Our conference today will constitute a further step in this direction as we look beyond our own borders to see how other municipalities approach the issue and to learn from each other.

I would like to take the opportunity to thank all the speakers for being here to report on their experiences. Theirs will be a vital contribution to future discussions in the network. My thanks also go to the members of staff at the Department for Women's Issues who have organised the conference and made sure all is smooth sailing here today.

Finally I would also like to thank our City Councillor for Women's Issues, Sandra Frauenberger, for, as she pointed out herself, politics and the administration need to cooperate if we want to make any headway at all in this matter. She has always supported us and will continue to do so which is why I am confident that we will move forward, albeit with small steps for now. Even small steps can make a difference of several metres. With this in mind I look forward to an exciting day ahead full of interesting information and communication. If you are not from Vienna I hope you will enjoy your time here.

Thank you!

Gender Pay Gap in Vienna – Facts and Figures

Nadja Bergmann and Susanne Schelepa,
(L&R Social Research)

1 Introduction – defining the term

Differences in income due to gender refer to differences in the level of income between women and men, also known as gender pay gap¹. What appears as a straightforward definition in reality is blurred in many ways.

To begin with the term **income** as such is a blurred one: what do we mean by “income”?

We distinguish between

- annual, monthly and hourly income
- gross and net income
- base salary and variable salary components
- earned income or total income (capital, income from renting, etc.)
- individual and household income,

amongst others. Income gaps vary in size depending on what we use as a basis. Thus, the income gap between women and men is much higher if we include all variable salary components (overtime, etc.) than if we were to consider base salary only.

Statements and differentiations may also vary depending on the **source of data** applied. In Austria we have several data sources at our disposal, each with its own weaknesses and strengths. Most importantly there are:

- surveys carried out by Statistik Austria (surveys on structure of earnings, micro census – labour force survey, EU-SILC panels), as well as
- administrative data sources: tax data (wage and income tax statistics), social insurance data from the main association, income report from the court of auditors.

While the survey on the structure of earnings allows for a differentiation by hourly wages but does not include some branches, such as above all the public sector, the wage and income tax statistics cover all persons in paid employment

¹ The presentation is based on a “situational report on income gaps” prepared by L&R Social Research on behalf of the Department for Women’s Issues, City of Vienna (Bergmann/Prenner/Schelepa/Sorger 2008).

but do not allow for a differentiation by hourly wages (for more information on the advantages and disadvantages of the different data sources see Bergmann/Prenner/Schelepa/Sorger 2008).

Consequently the gender pay gap always depends on the data sources, their income terms and the calculation methods used, which means that analyses of income gaps must be clearly nuanced. Actual working time is a much contended issue and it is often argued that women earn less because they work part time and thus fewer hours more often than men. This is why “working time adjustments”, e.g. based on hourly wages, are often used to compare the income of women and men, or comparisons are drawn between full-time or part-time female and male employees only.

Differentiated econometric measurements also take into account a series of other factors. The gender pay gap is split into “explanatory facts” and an “unexplained remainder” (see Böheim and others, 2002, Achatz and others, 2004, Hönig/Kreimer, 2005, amongst others). Explanatory facts have a clearly measurable bearing on gender pay gaps. These include, along with working time, the level of education or the branch a person is working in. Yet even when comparing similar activities significant gender pay gaps are still apparent. To put it on a scale: the income advantages for men in Austria based on gross hourly wages amount to 35 percent, which means that men earn an average 35 percent more per hour than women. If we separate out² various “explanatory facts”, we are still left with an advantage of 17 percent – in other words men, for the same occupation, in the same profession, with the same level of education, the same period of employment with a company and of the same age earn an average 117 percent of the hourly wage for women (see Geisberger, 2007).

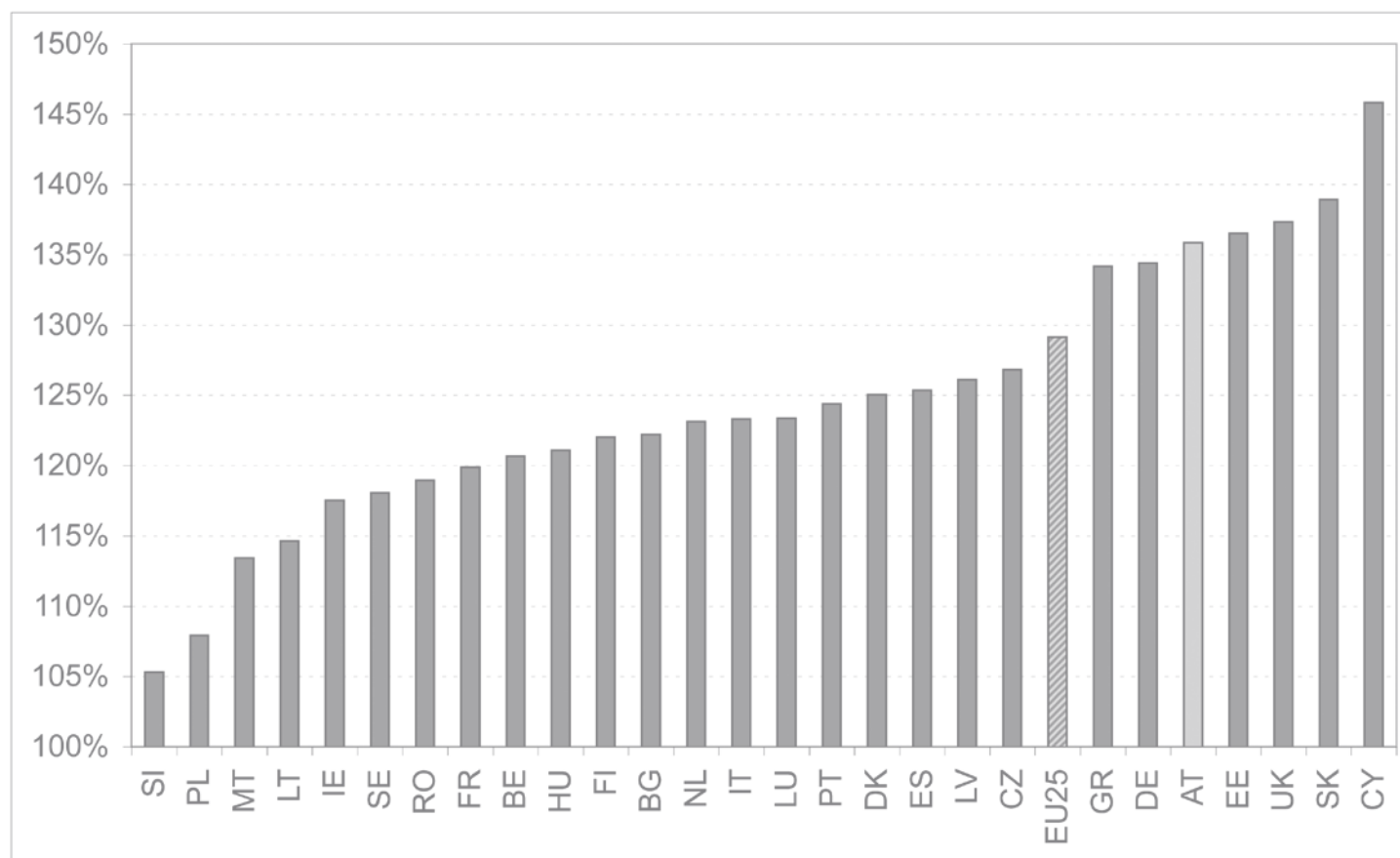
These factors may well shed light on how the figures are arrived at, ultimately, however, they only serve the purpose of describing rather than explaining gender-related income differentials. It is not surprising that income levels vary according to sector, which explains part of the gender pay gap, but why is the income level in so called women’s branches so much lower at all? Some of the “explanatory factors” themselves, therefore, appear to be the result of processes that discriminate by gender and thus fail to explain the causalities.

² This means income comparisons must be done only among women and men working in the same field, the same profession, the same level of education, the same period of employment with a company and the same age.

2 Austria from the European perspective

The income situation in Austria is characterized by pronounced gender differences. Gender pay gaps in Austria are among the biggest across the EU. Measured by gross hourly earnings the relative advantage for men in Austria is approximately 25 percent.

Figure 1: Earnings advantage for men based on the median gross hourly pay



Source: Eurostat, 2002 earnings statistics, gross hourly pay for men in % of gross hourly pay for women

This comparison must be drawn with caution inasmuch as different social welfare systems are being compared with different relations between the market, the state and individual households. An assessment of equal pay has to take into account additional indicators, such as the employment rate, especially that of women, the overall economic development, the share of part-time work, the availability of child-care facilities, the country's wage and salary policies and many more. The relative income differential is linked to a number of different factors, some of which will be addressed in section 5 below.

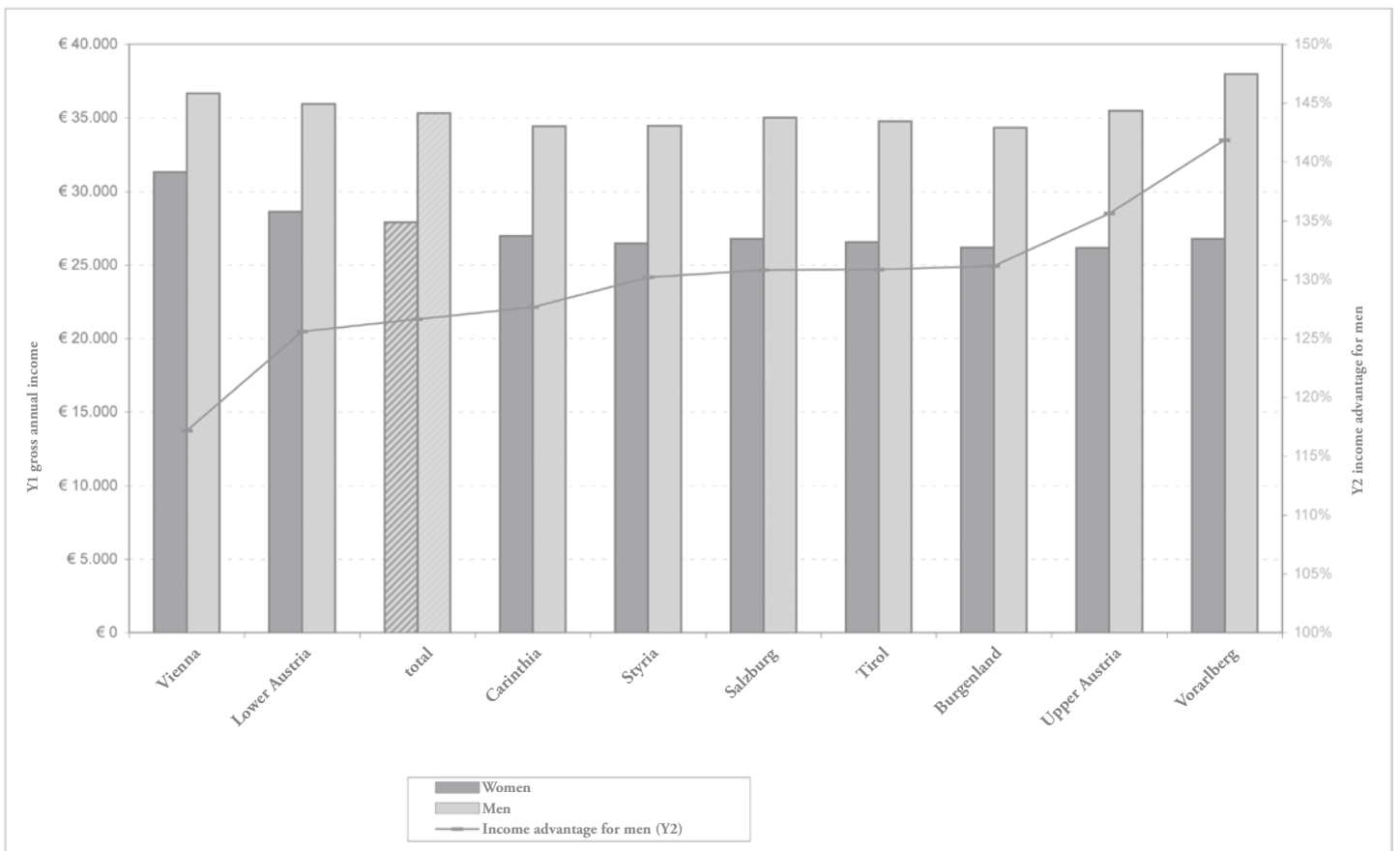
3 Vienna from the Austrian perspective

Compared to other provinces in Austria Vienna has the lowest gender pay gap of all. As figure 2 shows the income differences in Vienna are significantly lower than those elsewhere in the country. The earnings advantage of men

based on the annual gross income of full-time employees is below 20 percent compared to 40 percent in Vorarlberg for instance. The relative earnings advantage is shown by the grey line and the scale on the right-hand side.

The figure also reveals gross income in absolute figures indicated by the bars and the scale in the left-hand side. It shows that the income levels for women in Vienna are the highest by far which means that women in Vienna earn more than elsewhere in Austria. Clearly this is one reason why income gaps in the federal capital are relatively low.

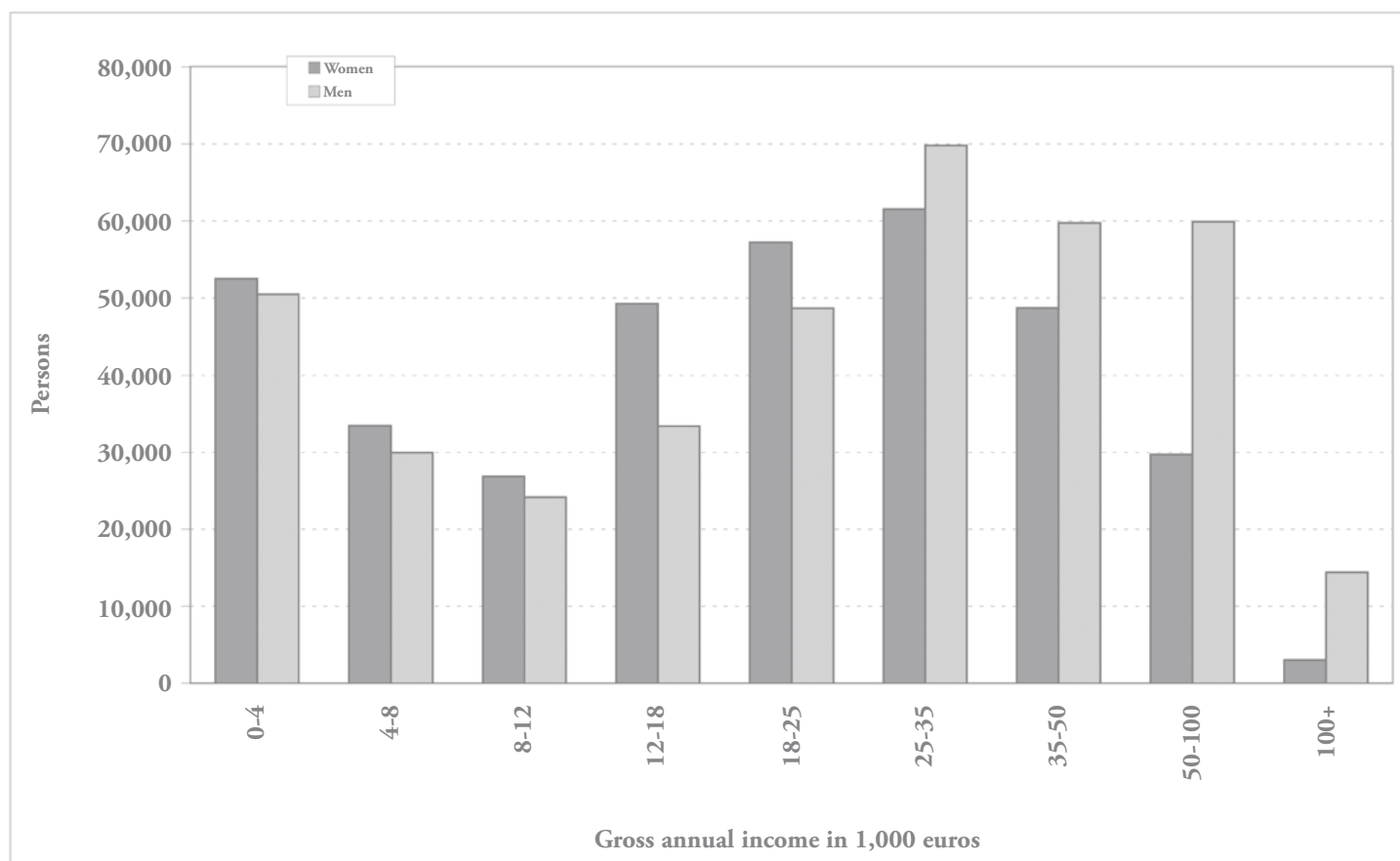
Figure 2: Annual gross income of full-time employees all year round by federal province (primary residence) in EUR / earnings advantage for men



Source: Statistik Austria, wage tax statistics 2007, earnings advantage for men as annual gross income of men in percent of annual gross income of women

Yet despite this, income distribution by gender in Vienna is still unequal as figure 3 clearly shows. Entered on the horizontal axis is the income level by income brackets. While women predominate in the left half of the diagram relevant to income brackets up to 25,000 euros, there are significantly more men in the higher income brackets.

Figure 3: Female and male employees paying wage taxes (primary residence in Vienna) by annual gross income levels, 2007



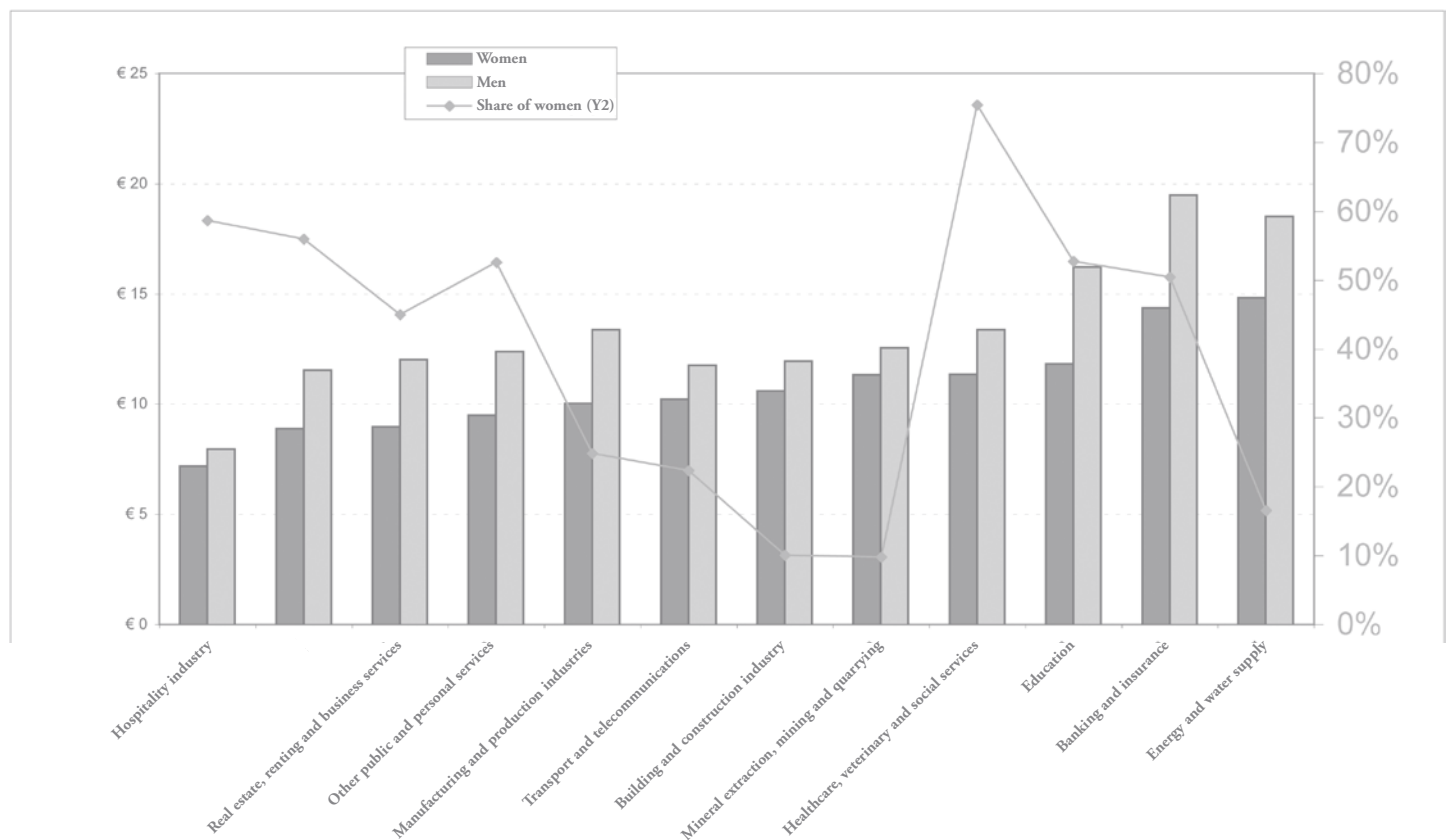
Source: Statistik Austria, wage tax statistics 2007

The unequal income distribution among the genders becomes even more pronounced with pensioners. Four in five female pensioners receive annual incomes below 25,000 euros while four in ten male pensioners have incomes above this amount.

4 Selected aspects of the gender pay gap

One way of approaching the gender pay gap with a discriminating eye is to look at the income distribution by branches of industry. Generally speaking there is no branch without gender pay gap, pay levels and pay gaps, however, vary greatly from one branch to another. One important aspect to take into account in the context of gender pay gap is that women primarily work in low-pay industries, which translates into an above-average share of women in these branches.

Figure 4: Gross hourly pay of employees by industry (in euros) / share of women employees by industry



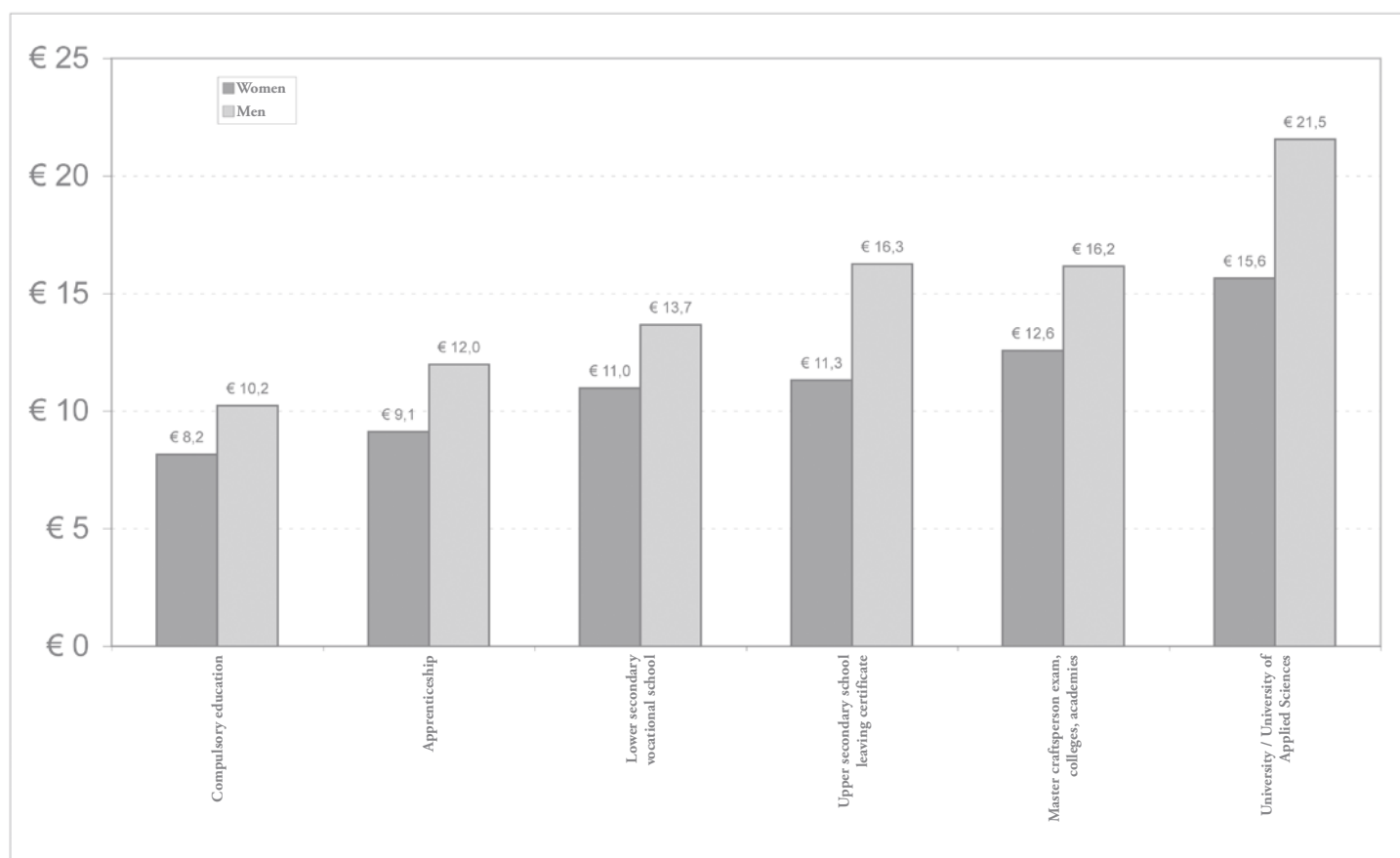
Source: Statistik Austria, earnings statistics 2006

The gender pay gap in branches with a high share of female employees tends to be greater than in industries with few female employees. In figure 4 the latter refers to industries displayed in the middle of the diagram, e.g. the building and construction industry or manufacturing and production industries. These branches typically dispose of a relatively low share of female employees (shown by the grey line and the scale on the right-hand side) and only a moderate gender pay gap. Income differences due to gender are much more pronounced in the industries indicated on the edges of the diagram. On the left these are the industries with a high women’s share and overall low pay levels, i.e. the hospitality industry, wholesale and retail trade, real estate, and other services. These are important branches in terms of quantity too, especially for women. The gender pay gap on this side is as much as 30 percent to the advantage of men, based on gross hourly pay. On the right the diagram depicts industries with a high share of women and a relatively high pay level, such as healthcare, veterinary and social services, education, banking and insurance. Here too we note a large gender pay gap and a significant earnings advantage for men, starting at the hourly pay level³.

³ This means income comparisons must be done only among women and men working in the same field, the same profession, the same level of education, the same period of employment with a company and the same age.

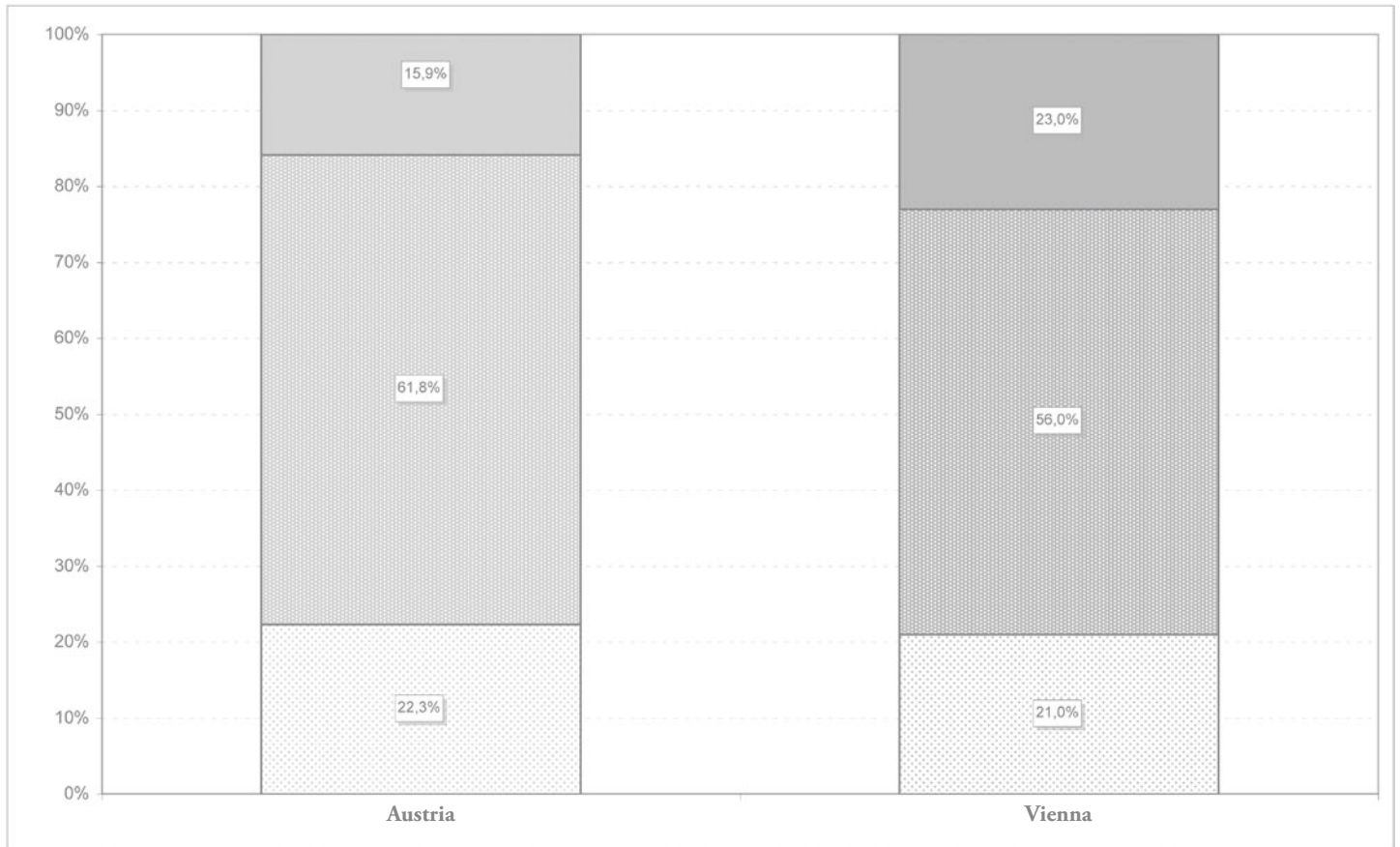
Another noteworthy aspect in our general discussion is the **level of formal education**. While higher levels of education mean better pay for both genders the gender pay gap tends to widen with the level of education (see figure 5). It appears to be particularly pronounced with holders of upper secondary school leaving certificates, with earnings advantages for men of 43 percent based on gross hourly pay. At university/university of applied sciences level too differences are quite significant, with earnings advantages of 38 percent for men.

Figure 5: Gross hourly pay of employees by highest level of education completed (in euros)



Source: Statistik Austria, earnings statistics 2006

This indicator best serves to explain the situation in Vienna on a calculation basis. A look at the education level of employed women in Austria in 2007 shows that employed women in Vienna have significantly higher levels of education than women in other provinces (see figure 6). The high share of women in the highest qualification segment (i.e. colleges, academies, universities of applied sciences), 23 percent in Vienna compared to 16 percent in other provinces, totals a higher pay level for women in Vienna in absolute terms and thus a smaller gender pay gap on average.

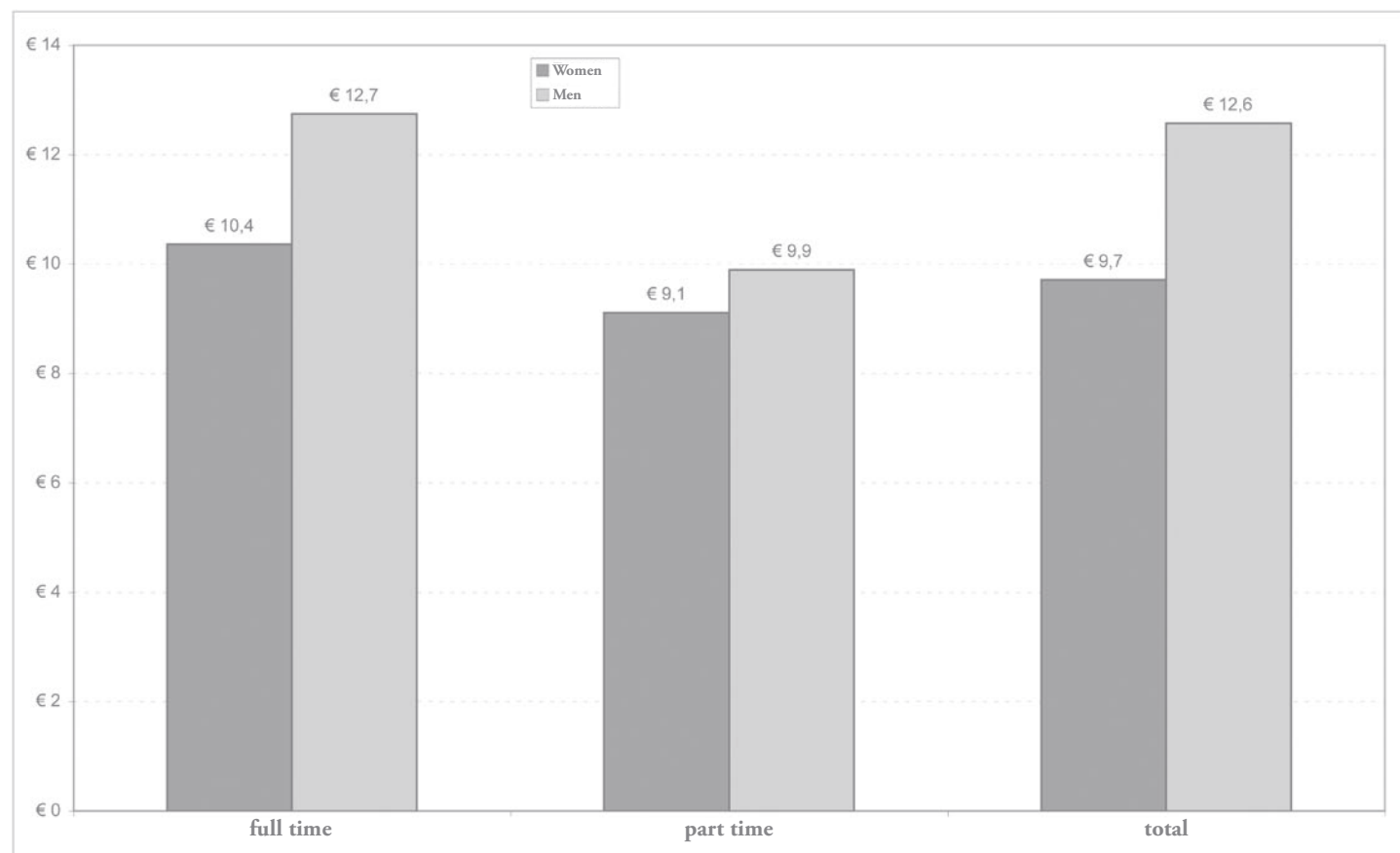
Figure 6: Employed women by highest level of education completed

Source: Statistik Austria, labour force survey 2007; ISCED 0-2: compulsory education, lower secondary vocational school; ISCED 3-4: apprenticeship, upper secondary vocational and academic schools; ISCED 5-6: colleges, academies, universities of applied sciences, universities

Finally, **part-time employment** should also be considered as a factor contributing to the gender pay gap. Part-time employees receive lower pay not only because they work fewer hours than full-time employees. Comparing the hourly pay shows that a part-time employee's working hour is significantly less well paid than a full-time employee's working hour: full-time employees are paid 12.10 euros per hour while part-time employees are paid only 9.20 euros per hour. Consequently a part-time employee's working hour is "worth less" than that of a full-time employee.

The disadvantages are more apparent for male part-time workers than for women: the following figure (figure 7) shows the median gross hourly pay for women and men in full-time and part-time employment.

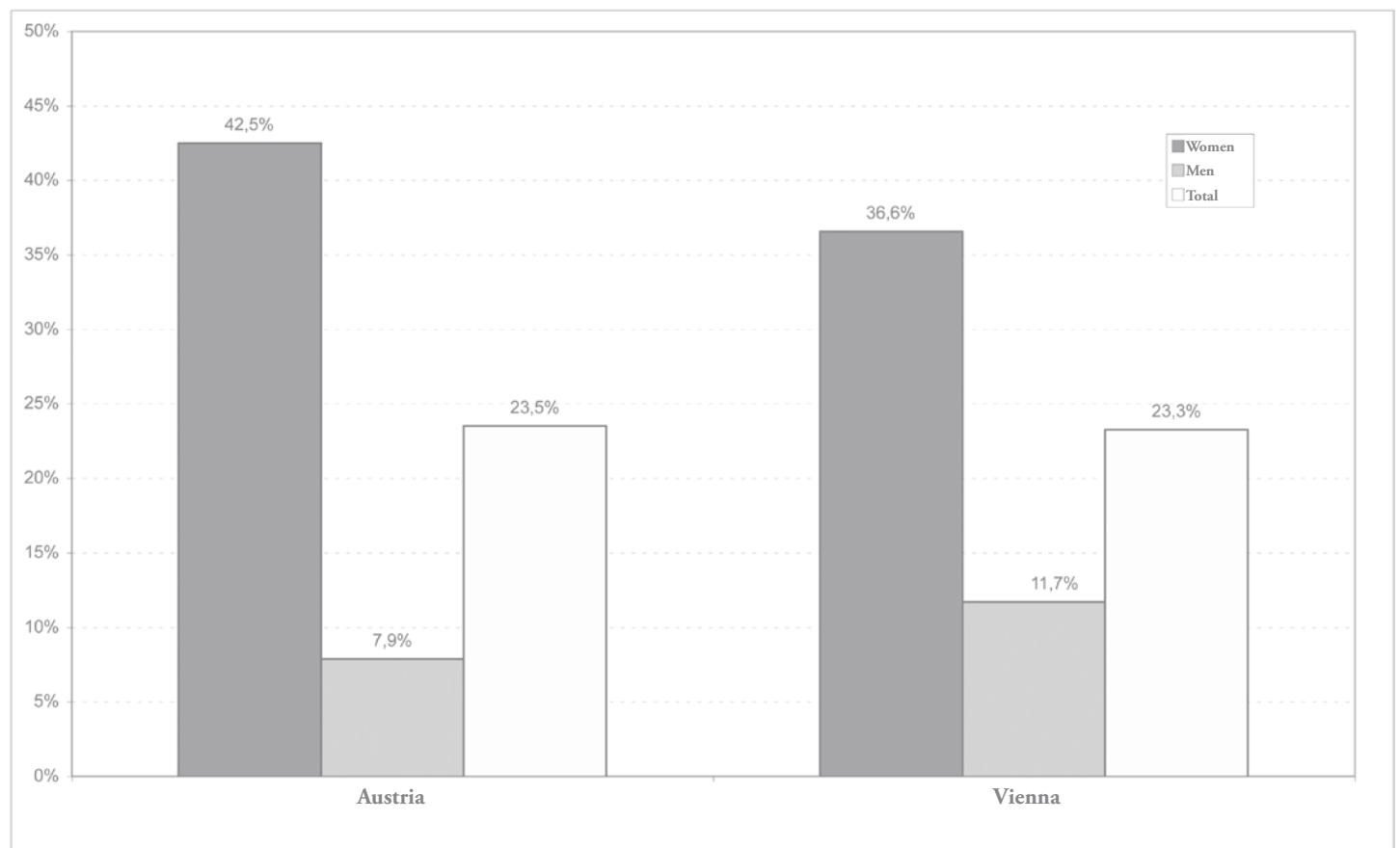
Figure 7: Gross hourly pay of full-time and part-time employees (in euros)



Source: Statistik Austria, earnings statistics 2006

Part-time employment is very much a “female” phenomenon – women work in part-time employment far more often than men. As a result lower pay for part-time work has a negative impact on women’s pay as a whole. In Vienna, however, the situation for part-time employment is slightly different again: here women work part time less frequently while men work part time more often than the Austrian average (see figure 8). This difference may also serve as a reason for a slightly less stark gender pay gap in Vienna.

Figure 8: Part-time rates for Austria and Vienna
(share of employees working up to 35 hours per week of all employees)



Source: Statistik Austria, labour force survey 2007

5 Determining factors for a complex social phenomenon

Gender pay gaps are measured quantitatively to identify factors or “explanatory variables” responsible for the gaps. Their explanatory power, however, is mostly a computational one which says little about the social causes for the existence of the gender pay gap. To find these we must look into the complex interaction of social factors and mechanisms, for gender pay gaps are a phenomenon affecting all of society and as such constitute a complex social reality.

The phenomenon has been and continues to be investigated at various levels of social and economic sciences. Depending on their theoretical approach these focus on different social areas, logging the gender pay gap as a social balance of power, an issue of distribution, a process to be negotiated interactively, a process for the construction of gender, and much more.

To identify mechanisms of the gender pay gaps we carried out a study which we split into four distinct areas shown as fields of analysis in figure 9 at the end of this section. We called them **fields of analysis** but they may also be interpreted as fields of action to develop strategies for closing the gender pay gap. The **themes** superimposed on these fields and their interfaces are discussed briefly below. They appear as keywords in the figure. The objective is to show up the range of the topic and diversity of contexts within which the gender pay gap features as an issue and thus to sharpen people's awareness for the scale of the phenomenon.

5.1 Social role models, values and standards

These constitute the background for the different social sections. They determine our actions, albeit unconsciously, and define the scope of action for every single member of society. They are normative expectations or role models and are different for women and men, which is important to note if we are to explain the gender pay gap.

Career choice processes are a central aspect for future pay development. Career decisions accepted as normal for young girls and expected by society are different from those for young men. Such decisions, while ultimately taken by the individual, are guided by social role models which motivate young women and men to opt for different career areas (see apprentice statistics⁴ or Bergmann and other 2002). Thus, from the perspective of the individual, different income levels and developments are triggered while at the structural level gender segregation of the labour market is continued.

If we were to go back a step further in the development history of individuals we could argue that **socialisation** as a whole sets the course for the different income levels which are made apparent later on. Children adopt gender-specific behaviour in the course of social relations. The role of models for individual career choices, for labour participation as a whole, for career goals and career patterns, as well as for the significance and appreciation of professional work must not be underestimated.

5.2 Labour relations

This field of analysis focuses on relations between employees and employers with special emphasis on the different negotiation processes, both at the level of individual labour relations and at the structural level.

The terms “**doing gender**” (West/Zimmermann 1987) and “**gender substructures**” (Acker 1990) are used for the level of direct interaction and the level of organisations respectively to highlight the relations between the relevant players and the (re)construction of gender in their interactions. Gender-specific role models are applied to company relations, institutionalised routines (staffing practices), during articulation and implementation of interests, the effects of which are felt on the income side (as well).

⁴ Apprentice statistics issued by the Austrian Economic Chamber, <http://wko.at/statistik/jahrbuch/Lehrling6.pdf>

Job evaluations or rather gender-neutral processes for the evaluation of jobs are central to this issue (as noted by Ranftl and others 2003, amongst others). Work has no “objective” value and thus evaluations are always social constructions. It is a matter of negotiating which criteria are used to evaluate work. Income levels are derived from these job evaluations both at the level of specific work in **companies and institutions** and at the structural level, such as in the context of **collective wage agreements**. A comparison of different collective agreements revealed how allocating work by gender stereotype reflects in different job gradings and consequently different pay for these activities (see Austrian Trade Union Association 2003). Gender-neutral job evaluations must try to get to the bottom of traditional relations: why are technical activities given higher value than social ones? Why is mental stress rewarded less than physical exertion? Gender-neutral criteria for equal value have hardly been discussed in Austria to date.

At the structural level the asymmetrical distribution of genders among professions or industries is relevant for the gender pay gap which is reflected in the keyword “**horizontal segregation**”. Segmentation approaches (as by Sengenberger 1979) identify different sub-labour markets with different structures and pay levels each. Unequal distribution of women and men among labour market segments not equally remunerated markedly influences the size of the gender pay gap.

Income continues to be an issue **not openly talked about**, especially in Austria. Unlike in the USA where income is proudly presented as a status symbol, people in this country like to hush up their actual earnings⁵. Allowance systems and variable salary components only add to this lack of transparency. Public discourse about income and income comparison is further aggravated by this “elegant reserve”.

Distribution of paid and unpaid work is a central aspect in the overlap of working relations and legal regulations. Clearly it is at the root of the gender pay gap and, needless to say, a main focus of feminists lashing out at patriarchy and economics (see Becker-Schmid/Knapp 2000). Division of labour as we know it has evolved from dividing socially required work into a (male) earning part and a female (reproduction) part and in itself is the cause for discriminating against women and placing them at a financial disadvantage.

Working time regulations also have to be analysed in the overall context. There is evidence that part-time work, measured by gross hourly pay, is valued and remunerated significantly less. A part-time worker’s working hour is “worth less” than that of a full-time worker which is felt by women in particular considering that they work part time more often than men. This aspect is relevant to all fields of analysis, because evaluating part-time work not only has to do with negotiating processes between employees and employers but with legal regulations and regional framework conditions as well, especially as regards child-care and mobility opportunities, not to mention the general social values and valences which are common to all of the above.

⁵ By European standards Austrians are rather unforthcoming about disclosing their income. In the European Working Conditions Survey (Eurofound 2007) 27 percent of respondents in Austria refused to disclose information on their income which makes them second only to people in Britain where 31 percent refused to part with relevant details. Incidentally, Scandinavian countries are at the other end of this scale, with fewer than 2 percent in Sweden, fewer than 5 percent in Denmark, Finland and Norway denying access to such data. In Germany and Switzerland too only 7 percent of the respondents refused to talk about their income.

5.3 Legal regulations

Legal and political framework conditions on the labour market must also be viewed with respect to the gender pay gap. Social and welfare systems are characterized by legal and agreed provisions and the different players acting in them. Economic and social measures and their direct and indirect impact are also considered a source for gender pay differences.

Due to an apparent **lack of data** or rather the inhomogeneous depth of data sources in Austria, however, it is not possible to provide more revealing analyses.

Transfer systems of social welfare states may appear gender neutral on paper because they do not explicitly refer to individual groups of persons, in reality, however, they are anything but. **Tax systems, transfer payments and regulations concerning parental leave** serve as distribution systems which ought to have a compensating effect on gender differences (as well). As most social welfare transfer systems take into account the amount or existence of individual income, income differences, from a long-term perspective, have far reaching consequences for people's financial security. In Austria first attempts have been made to analyse the gender effect of tax regulations (see Federal Ministry of Finance 2006). Evaluations of the child care benefits reveal the strong effect incentives have on people's employment decisions (see Riesenfelder and others 2006).

Education systems and structures should also be put under thorough scrutiny as regards their effect on the gender pay gap. Segregation of the labour market starts at school level. Schools for social professions are reserved for girls and the more technical ones for young men and they are not attractive for the opposite gender and no attempts are being made (or can be made) to make them so. Educational goals, curricula, didactic and pedagogic orientation of different school types frequently build on gender role stereotypes which subsequently have a bearing on which positions men and women assume on the labour market.

5.4 Regional framework

Ultimately the gender pay gap also depends on regional framework conditions. Equal participation in the labour market by both parents, i.e. equal distribution of paid and unpaid work, is only possible if **child care facilities** are available, both parents dispose of adequate **mobility** (public transport infrastructure), **regional business and industry** provide sufficient job opportunities, employers in the region offer flexible **working time solutions** and the general values and norms, such as those for working mothers, act as a motivating force in this direction.

To sum up figure 9 visualizes the fields of analysis and their relevant themes addressed above. While it is by no means exhaustive it does illustrate the many different points of contact between gender-related pay differences and the various social, economic and political fields.

Figure 9: Gender pay gap – fields of analyses and relevant themes



Source: L&R social research 2008

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“Promoting Women + Men Equally = Benefits All! Equal Opportunities are the Formula of Success for Business Organisations” – A Manual of the City of Vienna Women’s Department

Regine Bendl, Vienna University of Economics and Business

Good morning! Before I begin I need to point out that I am not the sole author of this guideline but was supported in my efforts by my colleague Roswitha Hoffmann. I would like to take this opportunity to cordially thank her for her cooperation.

Main focus of my presentation will be on the guideline “promoting women + men equally = benefits all!”. It is based on a revised version of a guideline issued by the City of Vienna in 2000 under the title “7 steps to equality”. Our objective in revising the old guideline was to place greater emphasis on the business perspective. We have been dealing with the promotion of women, equal opportunities programmes, gender mainstreaming and ultimately diversity management for some time already and essentially wanted to find out why in this day and age it is still necessary to point out the significance of gender equality. Clearly, equality measures offer advantages both for employers and employees. It is also important in this context to examine employee’s wage levels and to see if there is equal pay for equal work, in other words how jobs are rated.

A second, major issue for employees is that of professional advancement and career, especially from the gender perspective. It is true that women are still at a disadvantage. Looking at current figures we can see that employees are more satisfied with their job in business organisations which have implemented equality measures, such as career promotion or work-life balance.

Equality measures are also geared towards unfolding existing talents and activating a person's entire potential. We simply need to use all the opportunities we have. The aim of equality measures, therefore, is to achieve working environments free from discrimination. Unfortunately, though, where women are concerned we are still a far cry from this.

How can business organisations benefit? Plenty of studies carried out over the past 10 to 15 years are proof enough that businesses benefit from equality and the promotion of women.

The first issue which always comes to mind is cost reduction. Keeping personnel fluctuations low reduces a company's overall costs, as does the avoidance of legal problems caused by inequality. An added advantage for businesses is the availability of qualified workers. There are studies to show that companies concerned with equality measures attract a greater number of qualified employees which in turn boosts their productivity and makes those companies more competitive which are in a position to fully exploit their employees' potential. Introducing equality measures opens up new perspectives and raises a company's overall capacity to act and solve problems and be successful in today's dynamic business world. Not to mention the advantages these companies have during public awarding of contracts most of which already pay attention to equality aspects.

So what is the purpose of our manual? In principle it is to support entrepreneurs and managers in small and large enterprises in assessing their companies for equality criteria, devising goals for optimisation and implementing additional equality criteria. In a nutshell, it is to show managers and entrepreneurs who have not yet addressed equality issues that implementing equality at company level is not so difficult after all. Of course, it takes time and consideration as well but the entrepreneurs are not out there on their own. We can help them along the way. The manual provides a guideline which tells them, target group by target group, how equality in the company can become a reality. We have added a wide range of examples from different areas to demonstrate how companies already benefit from equality today. Businesses can draw on the experience others have already made.

What makes this manual so special? It looks at how equality strategies are implemented step by step. These steps take into account business strategies so that companies operating on business principles learn about equality through business terms and thus approach the issue more easily.

In our manual we did not focus on personnel alone but tried to include additional functional areas, such as procurement and production, marketing and sales, as well as accounting and controlling, amongst others. Most manuals and guidelines on equality measures and the promotion of women used to focus on personnel only whereas we included all the functional areas mentioned above.

The manual pursues a demand-oriented approach which means it is not necessary to read it from cover to cover to be able to evaluate and implement controlling measures. All you need to do is look up "controlling" or "accounting" to find out which measures you can take. Or look up "personnel" for relevant measures and support.

The manual which has also been distributed with the conference papers consists of two parts. One is a theoretical guideline and the other a 45 page toolbox containing specific steps you can undertake in your business to diagnose the different functional areas and prepare an overall strategy.

Part 1: Manual

The manual is split into four modules and the colours you see here are the colours of the manual.

Module 1: equality as a business strategy: this shows the overall process you need to know if you want to implement equality as a strategy for your business.

Module 2: operational fields of action for equality: I will get back to this later on.

Module 3: measures to implement equality at company level: it provides a list of specific measures you can take in this context.

Module 4: controlling and evaluation of equality measures.

The first part is complemented by two annexes. Annex 1 includes information and advice relating to basic legal principles.

Annex 2 contains literature on various topics, such as gender mainstreaming, job rating, gender budgeting, etc., listed by themes.

Module 1, equality as a business strategy: the module wants to highlight the steps required for implementation of equality as a business strategy. Readers are introduced to the main success parameters for equality and their implementation process. The chapter gives a detailed description of the individual steps.

To begin with you need to organize a project team and define who is to cooperate in the team. Will entrepreneurs be working on their own or will there be a team of more widely accepted participants, such as members of the works council who have been confronted with the topic for some time already and may have introduced measures on the employee side already? Remember, your project team must enjoy maximum acceptance in the company.

The project team you have nominated now proceeds to step two. Which external factors encourage us to take equality seriously? These might include legal framework conditions, social factors, market factors, which in some cases not only encourage us but actually force to take equality seriously.

Following this analysis of external factors the project team now has to examine which measures have already been set at company level and which employee requirements have yet to be addressed. Are there reasons to suspect discrimination or instances simply ignored by the company which require action? What has a company done so far in the way of equality both in a positive and a negative sense? As external and internal forces interact you need to draw up a vision of equality, one that takes into account the coming three to five years. This vision, of course, must then be scrutinized carefully as to what has already been achieved and what still has to be done to make it become reality. Essentially you are required to draw a future scenario and define the goals to make it happen.

You then move on to the implementation stage which may vary in time depending on whether you are concerned with long-term or short-term measures. Some measures take three years to implement, some far less. Again you have

to evaluate and examine your developments from time to time to see what you have achieved already, where you did well, where you did not get ahead at all although it was part of your vision. You need to identify the factors which facilitated or prevented your development.

We then look further afield for reasons: is the project team itself at fault? Do we need a bigger team, do we need to introduce additional participants or exclude some of the existing ones? What about the external and internal factors? Have there been any changes in the past year, the past two years, in recent months? It is a process that needs to be reinterpreted time and again. There is nothing new to it, it works with marketing goals, with production goals and now it is applied to equality goals. Entrepreneurs and managers are familiar with this mode of operation. The only difference being that our modules are to change a company's corporate culture. Equality strategies always imply a change in the culture of organisations. This is very important to note because experience shows that the best strategies and measures will fail without a change of organisational culture.

Thus, implementation of equality as a company strategy is at the same time a change of culture which at the visible level addresses issues, such as a company's rituals, manners and the way people dress in the company. Less visibly it is also about a company's precepts and guidelines and whether we live by them or just print them in glossy brochures. Ultimately we must look into how a company perceives and actually practices equality on a daily basis.

Module 2: operational fields of action for equality. In the second module we look at operational fields of equality, deducted from equality as a company strategy, to derive objectives and measures for individual functional areas. Much has been written on equality measures in the area of personnel some of which you will find in our manual as well. We also looked at equality in the context of procurement and production, examining such decisive factors as which suppliers a company takes its products from or who it approaches for know-how and whether the companies it works with are already concerned with equality.

Looking at goals and measures in the context of marketing and sales we need to identify how a business advertises its products, who its target group is, whether its concepts are still in line with market requirements or whether it should approach new target groups. It is worth investing a closer look at women as a target group and to see how varied this group can also be. In sales a company needs to assess its sales staff and its customers from a gender perspective and to analyse how these are addressed and by which of the company's sales staff.

Equality measures taken in accounting and controlling ought to be linked with the budget and evaluated accordingly. Of course, in this context you may wish to address other areas of a company too and define specified measures as needed.

Managers are responsible for implementing these measures in their respective functional areas. In a small company one person might be responsible for all areas depending on how structured the company is. In this case it is best to start with the simple measures. Ideally all measures would be implemented simultaneously, in reality, however, this may prove to be very difficult and it is far more important to set a positive mood for equality in the company. Sometimes less is more, as the case may be. Our manual is to give you an idea of the entire range measures you can ultimately take.

Module 3: measures to implement equality at company level: the module presents specific measures to implement equality, “equality measures in operational management”, as we call them. You will also find these in other manuals and guidelines. They specifically address the issues of personnel selection and recruiting, salaries, flexible work organisation, flexible workplace, personnel development and enhancement of training in less traditional professions. The aim is to develop measures for the furtherance of equality at these operational levels. The model also looks into measures of reconciliation, child care and nursing obligations for women and men, flexible parental leave and support with re-entry into the labour market. Reconciliation not only refers to the reconciliation of family life and work but to the overall work-life balance.

Module 4: controlling and evaluation of equality measures: the module contains several relevant indexes, i.e. the gender index, the segregation index and the glass-ceiling index. It also contains a detailed description of how to calculate these with your own figures.

Finally it lists the measures for evaluation, including questions such as: did you have the right team in charge of implementing equality, do you need more people or replace some of the team members? Was your plan effective, did you set the right goals or should you change them? Maybe your vision was too broad, the goals too hard to reach? Do you need to take them in smaller steps? Or did you have the right goals but the measures were the wrong ones? It is also important to look at evaluation itself, to see which instruments you are using and whether to use additional ones during the next evaluation. Every set of questions raises yet another one and thus keeps the process of equality as a business strategy alive. This is about taking the road to equality which is a long one to take and sometimes a winding one too as the social and economic conditions change both for companies and research.

Part 2: The Toolbox

Why the 45 page toolbox?

The toolbox provides additional diagnose instruments required for the procedures suggested in modules 1 and 2. The instruments proposed are to support you in establishing the status quo and to help you develop measures and modes of action to raise the level of equality in your company.

Sphere of action: Of course we wrote the manual with profit organisations in mind, i.e. entrepreneurs, large and small companies. However, it may also be applied to non-profit organisations and is equally relevant for employees not in classical full-time employment, including marginal part-time employment, as well as contract workers, as the case may be.

The manual is available at the Women's Department or as a download from our website. I hope you will find it useful in implementing equality at company level.

Thank you!

Equal Pay Report of the Canton of Zurich – An Instrument to Promote Equal Pay

Kathrin Arioli, Office for Gender Equality,
Canton of Zurich

Many thanks for the invitation to participate in this conference. It may not come as a surprise to you that Switzerland is not doing too well on the equality front. I am all the more pleased to introduce you to one of our success projects in the context of equal pay. I am hoping that this will inspire you to implement similar projects yourselves or at least to think about how these ideas might be accepted in your environment. Let me start by showing you a six-and-a-half minute video to underline my presentation.

Film sequence: clip from module 4: “putting equal pay into reality” from the documentary “the equal pay report – a training instrument to promote equal pay”. The film is available from the Department for Gender Equality for the Canton of Zurich (see also www.gleichberechtigung.zh.ch).

The equal pay report is an audiovisual training instrument which consists of a DVD documentary with four 15 minute film modules plus comprehensive accompanying material on CD-ROM. Each of the four modules is dedicated to a different topic. Module 1 is called “wage discrimination exists” and shows statistics and data to prove wage differences and wage discrimination in Switzerland and to point out the legal steps available to fight against wage discrimination.

The second module called “uncovering wage discrimination” is dedicated to helping female employees find out if they are being discriminated against with regard to their wages, while assisting employers in finding out if they are actually granting equal pay or not. The main focus in module 2 is therefore on wage transparency. Switzerland which is known for its banking secrecy is also rather reticent when it comes to disclosing one’s salary, so wage or pay transparency is a very important issue. We also introduce instruments to analyse wage discrimination.

The third part is about “implementing equal pay”. In the film we accompany female employees who have asserted their claim to equal pay through procedures at company level, settlement proceedings and court proceedings. They report on the difficulties they encountered only to let us know that the steps they undertook were well worth their while.

The fourth module which is the one you just saw the clip from focuses on “making equal pay reality”. Here we try to show what female employees can do to make equal pay reality. This includes a number of issues, such as how to structure salary discussions, how to prepare for a position, etc. As you heard before there are ways employees themselves can contribute to make sure they are not discriminated against with respect to their pay. The main part, however, shows which specific steps companies can undertake to make equal pay reality. The film contains reports from women who successfully fought wage discrimination and portrays companies which actively set measures to promote equal pay. Both sides proved difficult to film. First, it was difficult to find these women, but we did so eventually. Companies which met the above criteria were even harder to find. Fortunately we were able to draw on a database established by equality offices in Switzerland several years ago to document all court cases relevant to the equality act. We were granted access to several actions on equal pay and were able to contact the women concerned and convince quite a few of them to participate in the film.

Companies proved the more difficult part in this endeavour. To begin with there are not that many which actively set measures to promote equal pay and not all of those who do want to make their policies public. For some reason we had always thought that it would boost their image to let others know they promote equal pay. Yet some of them, especially the larger ones among them, were rather embarrassed and stepped back at the last minute. Apparently they did not want their collective wage negotiations influenced by the film. So, convincing companies to participate in our film turned out to be a very hard task indeed.

The accompanying material is about 70 pages thick when printed. It is a training instrument which includes summaries and sets out the objectives the film wants to achieve, providing didactic instructions on how to structure discussions and which issues to address. The printed version also contains a detailed film script with different scenes to choose from which is exactly what we did when we showed you that particular clip in the beginning. Each scene is complemented by background material, information, tips, links relevant literature and useful addresses.

What made us develop this film? Equal pay is far from enforced yet. There is still a huge pay gap, much of it is unexplained yet and while the gap itself may be widely criticised the fact remains that there is a legal claim to have the gap closed. In 2006 the Swiss equality act was evaluated as to its effectiveness. The evaluators proposed that the government introduce authorities with serious investigation competences which the government refused to do, insisting as it did that no more stringent legal measures were to be imposed. Much to our regret. The government did state, however, that efforts should be undertaken to generate more information and raise people’s awareness of equal pay. We took this to be our mandate. We did not want to write yet another book on the topic seeing as there are enough books on equal pay out there and plenty of statistical analyses too, although there is still room for improvement.

We wanted to approach female employees and companies directly. We did not want to just give them books to read, we wanted to tell them stories instead. We are convinced that pictures and stories speak a more coherent language than facts and figures. Ultimately, however, we do not want to moralize or point our finger at anyone, all we want to do is point out that equal pay creates a win-win situation for everyone, employers and employees alike.

We were criticised by the trade unions for this, they believe we are concealing facts by calling this a win-win situation. I am still convinced that we are right though. Just remember the entrepreneur in the film clip who said that equal pay made him an attractive employer on the labour market and even made him competitive on the international labour market.

We developed our training instrument for different target groups, that is, for companies, their managers and those responsible for personnel, as well as employer associations, especially those which offer internal training, meetings and conferences for their members. Of course, we also wanted to address the women concerned, the employees, employee organisations and professional associations which can use the tool for training and further education purposes.

Allow me to digress a little bit at this point: evaluation of the equality act and the relevant verdicts revealed that law courts and lawyers are not sufficiently familiarized with the act and do not apply it properly. Judges, lawyers, arbitration boards, courts and advice centres need to be better trained and will also find the film a useful tool. Universities and universities of applied sciences may want to use it as an integral part of their personnel management courses to demonstrate that equal pay and its implementation are major issues to be tackled.

The aim of our product is to provide answers and set incentives in the context of equal pay. The film highlights methods, mechanisms and consequences of wage discrimination. You see a woman who describes at length how she demanded equal pay and was immediately dismissed for it, which, incidentally, is not allowed by law. It is very moving to see how a woman stands up for her rights and how her employer reacts to her demands. The film and accompanying material offer solutions and introduce tools to reduce and even avoid wage discrimination. We want all of our target groups to understand our message, to understand what a statistical wage analysis is and how to use it to detect wage discrimination in the company. We want to motivate employees to fight wage discrimination and encourage employers to set the right measures. Both the film and the training material are very flexible and are easily adapted to different target groups and training environments.

You can either show a small part or do a whole seminar on equal pay based on the film. We recently established a pool of speakers for the topic so that interested associations or companies can buy a tailor-made package of film, training material and moderator all in one if they wish. We evaluated our product, which is available in bookstores, not for its overall effectiveness but for its usability. To do this we carried out a survey of buyers and users and distributed questionnaires to find what they thought of the film. Persons actually trained with the material were not included as we found them too difficult to approach.

We received a lot of positive feedback, including our comprehensible and informative approach to the topic, the film's practical orientation and specific examples of employees and companies. People also appreciated the fact that we pointed out the win-win situation of equal pay.

On a more negative note respondents found the product too intellectual, too cognitive and containing too many statements. This is true inasmuch as we tried to pack in a wide range of information. We tried to cover the topic in its entirety but we did not add sufficient didactic structure. Overall the report was given good marks though. The film sequences, information and the four separate modules were rated adequate or good. To date the material has been used for trade union seminars, seminars in companies and educational institutions.

We did a lot of public relations work for our film and spent much on advertising. We sent out advertising material and wanted to find out why the persons we had sent it to did not buy the film. Most of them said they had not received the advertising material. This just goes to show what happens when you are inundated with paper: no need for it, you can read it up yourself, not socially fashionable, not an issue, or simply no interest!

Switzerland is a multilingual country so we tried to include sequences from all parts of the country, from Western Switzerland, from Ticino and other parts as well. We are planning to publish a French version and an Italian version too, especially for the accompanying material. We will continue to show the film in different forms as before and hope that we can contribute to making equal pay become reality.

Equal Opportunities Act – Income Transparency: a best practice from Sweden

Ulrika Johansson,
Equal Opportunities Ombudswoman, Sweden

Equal Opportunities Act – income transparency: a best practice from Sweden

First I'd like to thank FemCities for inviting me to this conference. It's a great pleasure to be here and to take part in the knowledge and experience from all of you that are engaged in the fight against the gender pay gap.

I work as an inspector/researcher at the Swedish Equal Opportunities Ombudsman in Stockholm. The Ombudsman's main mission is to combat sex discrimination in working life, in schools and in society at large. One of the ways we do that is through monitoring that employers comply with the provisions in the Equal Opportunities Act urging them to work actively and goal-oriented to promote equal conditions for women and men.

I have been asked to give an account of the provisions on pay surveys and our experiences of employers' compliance with these regulations, the difficulties that we face in terms of implementation and which effects the legislation has had on women's and men's pay so far.

But before I go into that, I'd like to say a few words about the pay gap in Sweden and give you a short background to the legislation that we have today.

For the last 15 years or so, the pay gap has oscillated around some 16 per cent, with occasional ups and downs with a percentage point. This means that the average pay for women amounts to 84 per cent of the average pay for men.

If we consider what we call objective reasons for this difference in average pay, such as educational level, working time (and with this I do not refer to the fact that working part-time 80 per cent you get 80 per cent of the pay, but that women's greater absence from work have a negative effect on their wages and career opportunities), difference between public and private sectors, and occupation, we can account for an additional 10 percentage points of the pay gap. In other words, on an aggregate level we can explain the pay gap up till 94 percent.

The main reasons behind these 10 percentage points is that more women than men work in the public sector, where wages are lower than in the private sector, and that we have a highly sex segregated labour market, were traditional

women's jobs are valued less than traditional men's jobs. Out of the 30 largest occupations only 7 are gender balanced, in the sense that neither women nor men exceed 60 per cent of the employees.

In Sweden women in general have higher education than men. Adding the factor education thus has no effect when trying to explain the pay gap. On the contrary, when weighting for education the pay gap increases. Men seem to get better returns on their investments in education than women do.

After taking these objective factors into consideration, we face a remaining pay gap of 6 percentage points for which there is no statistical explanation on a macro level, simply because we don't have the data. However, there is strong support for the assumption that the lion's share of these 6 percent is due to the differences in women's and men's positions in working life, that men more often than women reach managerial posts or get more qualified tasks to perform, which in themselves are objective causes for pay differences. But certainly, there is also within these 6 percentage points sheer sex discrimination.

The waging process in Sweden is regarded strictly as a matter for the social parties of the labour market, something for the employer's organisations and the trade unions to bargain over. This is basically a no go area for the government, and legislation has always been regarded as an intrusion.

However, the social parties' failure to deliver on gender equality has legitimised a successively extended legislation. Thus the persisting pay gap has legitimised the adoption of the provisions about pay surveys in the Equal Opportunities Act.

Still in the early 60ies, central collective bargainings allowed different wages for women and men doing the same job. At this time, Sweden ratified the ILO convention on equal pay, which prohibits employers to pay different wages to women and men performing the same work. From that point the pay gap started decreasing considerably.

In the late 1980's the pay gap started growing slightly again. The government set up an official investigation that eventually proposed that provisions on pay surveys should be included in the Equal Opportunities Act.

These provisions took effect in 1994. They were comparatively vague, hard for employers to follow and difficult for the Equal Opportunities Ombudsman to monitor.

In 2001 the provisions were strengthened and clarified. In part this was as an adaptation to EC law, but perhaps more important was the fact that so far the provisions had had no visible impact on the pay gap.

The provisions from 2001 are still in force. In short, this is the content of the provisions.

The Equal Opportunities Act's provisions on pay survey etc.

The purpose of the provisions is to identify, rectify and prevent unwarranted pay differentials between women and men.

The provisions imply that all employers – in the private as well as in the public sector – each year shall survey and analyse the terms of pay and other terms of employment to ensure that they are gender neutral in design and implemented in the same way for women and men.

The law requires that the employer then makes two kinds of comparisons. These demands reflect the fact that women face the risk of a two-fold discrimination in labour market: 1. that their performances might be less valued when doing the same job as men, and 2. that traditional women's jobs are less valued than jobs that are not regarded as traditional women's jobs.

To tackle the first kind of gender imbalance the employer shall compare the wages of individual women and men doing the same job.

To tackle the other kind of devaluation of women's work, the employer has to compare wages between groups of employees in works traditionally dominated by women or seen as typical women's jobs, with works of equal value that are not seen as traditional women's jobs or not being female dominated.

To see if a work is equal in value to other work, the employer has to make an overall assessment of the nature of the work and the requirements imposed on the worker. Typically, this assessment of work requirements comprises criteria such as knowledge and skills, responsibility and effort. Particular regard shall be taken of the working conditions.

This provision makes it perfectly possible to compare the wages for very different kinds of works, such as midwives and hospital technicians, to give you an example; different tasks but altogether two jobs of similar value.

If the survey reveals pay differences between women and men, or between a typical women's job and a job of equal value not being a typical women's job, the employer is obliged to explain the entire difference with objective reasons.

If there are unwarranted pay differences, they shall be adjusted as soon as possible and no sooner than within three years. The employer shall prepare an action plan for equal pay, containing a cost computation and a timetable for the pay adjustments.

The pay survey shall comprise all employees, irrespective of the size or organisation of the company. The law also states that it shall be done in cooperation with the employees, which in most cases implies a role for the union.

The Equal Opportunities Ombudsman monitors these provisions by scrutinising the employer's pay surveys, their analyses of wage differences and their action plans for equal pay. This is done primarily by going through the employer's written documentation, to check that it lives up to the requirements of the law. If there are any flaws, the employer is urged to make rectifications. Sometimes – quite often – this must be done several times before we judge the survey and the plan to be correct.

In the first place the Equal Opportunities Ombudsman shall encourage employers to voluntarily comply with the provisions of the Equal Opportunities Act, including conducting the annual pay survey.

The requirement to prepare an action plan for equal pay comprises all employers with ten or more employees. Today there are 35,000 such employers in Sweden. Of course, the Ombudsman doesn't have the resources to scrutinise all those pay surveys, analyses and action plans for equal pay. On average, we scrutinise a few hundred plans each year, so the risk for an employer of "getting caught" is miniscule, to say the least.

However, we can make employers conduct pay surveys, analyse pay differences and prepare action plans, by threat of a default fine. This default fine is issued by a special legal board, the Equal Opportunities Commission, on our application. One important aspect of the commission's decision-making is that it gives us legal practice on the interpretation of the law.

Applications to the Equal Opportunities Commission are rare, and it only happens once or twice a year. One reason for this is that it takes quite a long time to get a decision from the commission, so those applications are not always very effective. On the other hand, the sheer threat of a default fine is often far more effective to get an employer going.

Experiences from the provisions for pay survey: the Million Inspection

During the first years following the tightening up of the provisions of pay survey in 2001, the Equal Opportunities Ombudsman focused on information and education of employers, developing tools to facilitate the employers' compliance with the law.

The inspections that were carried through showed that it would take a while for the new provisions to have an impact. Uncertainty and lack of knowledge of how to implement the regulations in the workplace and how to interpret various legal terms were widespread. Nor could we see any decrease in the pay gap between women and men.

Thus, in 2006, the government commissioned the Equal Opportunities Ombudsman to increase our efforts to support and monitor the employer's work with pay surveys. This was followed by an increase in the agency's allocation, allowing for the recruitment of six new inspectors, adding up to a total of 12 inspectors at the agency.

That year the Ombudsman started its largest inspection ever, covering 1,245 public and private employers with a total of one million employees. Consequently, the project was called the Million Inspection.

The project has been carried through in two stages. So far 568 employers with a total of 750,000 employees have been included in the inspection. 15 per cent of those (84 employers) are governmental agencies and state owned companies. The remaining 85 per cent are private employers. By this date 96 per cent of these cases have been closed (548 employers).

Out of those employers whose cases have been closed, 60 percent have made pay adjustments or taken other measures to achieve equal pay for women and men with equal work or work with equal value.

44 per cent of the employers have identified unwarranted pay differentials that are to be adjusted. These adjustments amount to a total of 70.3 million SEK (7 million euro), according to information obtained from the employer's own action plans for equal pay.

The adjustments of pay comprise at least 5,200 employees of whom 90 per cent are women. This implies an average pay rise for each and every one of them by 1,000 SEK per month (100 euro). With the average salary in Sweden today around 25,000 SEK (2,500 euro) this means a 4 per cent pay rise.

60 per cent of these adjustments is about unwarranted pay differences between women and men doing equal work. 25 per cent of the adjustments regard unwarranted pay differentials between work normally regarded as female dominated and equal work that is not regarded as female dominated. In 15 per cent of the cases it can't be seen from the employers documentation whether it's about unwarranted pay differentials between equal work or work of equal value.

One third of the employers whose cases have been closed have taken other measures than adjustments of pay to achieve gender equal pay. Among those we find skills development of staff, training of heads deciding on salaries, recruitment measures to get more women on managerial posts, etc.

Conclusions and findings from the Million Inspection

Our main conclusion is that the provisions on pay surveys are an effective instrument to adjust unwarranted pay differentials between women and men but also to visualize objective differences in pay between the sexes following women's and men's different conditions in the labour market (for instance that women take longer parental leave than men or that more men than women have managerial posts).

This implies that it is of vital importance that the employers connect the results of the pay survey and the action plan for equal pay to the remaining gender equality work that follows from the Equal Opportunities Act, such as work-life reconciliation policies, skills development and recruitment measures to obtain an equal distribution of women and men on all positions, etc.

When we started the Million Inspection many of the employers hadn't yet conducted any pay surveys, and consequently they hadn't prepared any action plans for equal pay, in spite of the fact that the present legal provisions took effect in 2001. So when we asked them to send us their pay survey, they had to start from scratch. And one thing is quite clear: it takes some time and effort to create the routines and structures needed to conduct the pay survey and to analyse the pay differences. It takes time to fully understand the intentions of the law and to understand what it requires. However, once this is done, the following pay surveys are much easier to conduct.

The first group of employers that we scrutinised had large flaws in their surveys and analyses, often requiring several rounds of rectifications before we could see that they lived up to the requirements of the law. Just 10 per cent of the 400 employers in the group lived up to the legal demands without making rectifications.

In the second stage we addressed this problem by changing our mode of inspection. We offered the employers education, counselling and information about the legal provisions on equal pay, and the method to follow as prescribed by the Equal Opportunities Act. We also improved the information material we already had and produced further materials and tools to facilitate the employers work for equal pay.

This approach clearly was successful in terms of the quality on the pay surveys that the employers sent to us. In this second stage 47 per cent of the employers' could demonstrate pay surveys, analyses and action plans that lived up to the demands of the law, without making rectifications.

According to our experience, there is a firm link between the employers knowledge about pay survey methodology and the motivation to perform the task on one hand, and their capability to make decisions about pay adjustments on the other hand.

As a result of our Million Inspection, there has been a general increase in the employers' activities regarding equal pay, including better compliance with the legal provisions. A large number of employees, mostly women, has had their wages adjusted. For us, the monitoring agency, it has contributed greatly to better knowledge about the implementation of the provisions on pay surveys and what problems the employers might face when following the regulations, which in turn has helped us develop our methodology of inspection and our support to the social parties on the labour market.

The Million Inspection has attracted large media coverage, which has helped us in putting more pressure on the employers to live up to the requirements of the law. Also, we can see an increased activity among the central employers' organisations and trade unions.

Initially the Million Inspection met harsh resistance from various employers' organisations. This was partly because they regarded the legal provisions on pay surveys to be far too demanding and time consuming for the employers, partly because they thought that the Equal Opportunities Ombudsman exceeded its mandate in the inspection. However, we have experienced strong support for this work both from the trade unions and from the public.

I'd also like to stress that there seemed to be a gap between the employers' organisations and many of the employers that we inspected. Many of them regard the pay surveys as an integral part of the annual waging work and as a means to profile themselves as modern and attractive employers, combating and preventing wage discrimination.

It might seem like the resistance has paid off in some sense, though. Starting January 1st next year, the pay surveys are no longer required annually but only each third year. The lower limit for preparing action plans for equal pay will be raised from 10 to 25 employees.

This simplification of the regulation is part of the government's endeavour to reduce the administrative costs for private companies, which in turn is part of the common European strategy for jobs and growth.

The employers in the Million Inspection stress several other benefits apart from pay adjustments, such as a better and more transparent application of their terms of pay, a better foundation for the individual waging process (in Sweden 93 per cent of all employers have individual waging meaning that they have their pay decided on individual criteria, only 7 per cent of all employers have tariff systems or schedules), increased awareness and more discussions about gender equality in the organisation, and an opportunity to cooperate with the trade unions and, as I mentioned earlier, that it makes you look like a reputable, credible and attractive employer by demonstrating your commitment to transparent waging policies.

Thank you for your attention.

Equal Pay: Threat or Opportunity? – A GB Perspective

Sheila Wild,
Equality and Human Rights Commission

Equal pay: threat or opportunity? - the GB perspective

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1. What the Equality and Human Rights Commission does

- 1.1. A milestone along the road to a fairer, more equal Britain, Britain's new Equality and Human Rights Commission opened on 1 October 2007. The Commission is a public body established under the Equality Act 2006 – accountable for its public funds, but independent of government.
- 1.2. The new commission is working to eliminate discrimination, reduce inequality, protect human rights and to build good relations, ensuring that everyone has a fair chance to participate in society. The Commission brings together the work of the three previous equality commissions – the Equal Opportunities Commission, the Commission for Racial Equality, and the Disability Rights Commission – and also takes on responsibility for the other aspects of equality: age, sexual orientation and religion or belief, as well as human rights. Equal pay fits primarily within the remit for gender equality, but we mustn't forget that there are also pay gaps due to ethnicity and disability and so on – we'll return to that when we look at good practice.

- 1.3. The Equality and Human Rights Commission is not a judicial body. It has no ability to hear equal pay claims – such claims are heard by the Employment Tribunal, which has special procedures for hearing equal pay matters (but no specialist expertise in doing so). The Commission does, however, have the power to intervene in cases; to support cases which raise matters of principle; to hold inquiries; and to issue guidance and codes of practice on equal pay. The Commission also commissions research, some of which we will consider later on today; campaigns for equal pay, and seeks to influence the development of the law and government policy in respect of equal pay. One of the greatest challenges facing the new Commission is the gender pay gap and hence it is a priority for the Commission to help employers implement good equal pay practices.

2. The gender pay gap in the UK¹

- 2.1. In 2007 the gender pay gap in the UK (as measured by the median hourly pay (excluding overtime) of full-time employees) was at its lowest value since records began. The gap between women's median hourly pay and men's was 12.6 per cent. However, on the internationally comparable measure based on mean earnings, women's average hourly pay (excluding overtime) was 17.2 per cent less than men's pay. Looking at weekly earnings, the gap rises to 21 per cent. Looking at the earnings of men working full-time and women working part-time, the gap rises considerably, to 35.6%. And, as we shall see, part-time working is hugely important to women in the UK.

Employment rates

- 2.2. In the second quarter of 2008 the employment rate in the UK was 79 per cent for men and 70 per cent for women, unchanged since 1999. The employment rates for men have been rising since the second quarter of 1971, levelling off in more recent years. Over the same period the female employment rates have generally increased, although almost half are part time jobs.
- 2.3. Employment rates for both men and women were highest among those aged 25 to 34 and 35 to 49. However, the rates for men in both age groups were higher than those for women – 89 per cent for men compared with 73 and 77 per cent respectively for women. For women, the presence of a dependent child has a substantial impact on employment.
- 2.4. Over the last three decades there has been a marked increase in the number of employee jobs performed by women in the UK. In 1985 men filled 2.0 million more jobs than women. By March 2008 the numbers were similar, with each of the sexes performing around 13.6 million jobs. However, almost half the women's jobs were part time compared with around one in six of the men's.
- 2.5. Moreover, men and women still follow very different career paths. Men are ten times more likely than women to be employed in skilled trades (19 per cent compared with 2 per cent) and are also more likely to be managers and senior officials. 20 per cent of women in employment do administrative or secretarial work compared with 4 per cent of men. Women are also more likely than men to be employed in the personal services and in sales and customer services. Similar proportions of men and women work in professional, associate professional and elementary occupations, such as labourers and catering assistants².

What this tells us about the causes of the gender pay gap in the UK

2.6. These figures are indicative of the three main causes of the gender pay gap in the UK:

- Occupational segregation – men get paid more for working alongside other men; women get paid less for working alongside other women
- The differential impact of family responsibilities – for women, but not for men, the presence of a dependent child has a substantial impact on employment; on the type of employment (part-time, rather than full-time); and on earnings (part-time and flexible working hours are generally only available in lower-paid jobs).
- Pay discrimination – skilled trades attracting higher rates of pay than personal services (we pay people more for looking after our cars than for looking after our children, or our senior citizens)

If employers are going to tackle the gender pay gap, they are going to have to take action on all three fronts.

3. The legislative framework

- 3.1. The Equal Pay Act 1970 makes it unlawful for employers to discriminate between men and women in terms of their pay and conditions where they are doing the same or similar work; work rated as equivalent; or work that is of equal value in terms of the demands made on them under headings such as effort, skill and decision-making.
- 3.2. The Equal Pay Act gives men and women the right to equality in the terms of their contract of employment. It covers both pay and other terms and conditions such as piecework, output and bonus payments, holidays and sick leave. European law has extended the concept of equal pay to include redundancy payments, travel concessions, employers’ pension contributions and occupational pension benefits. This means that even though a man and a woman are receiving the same basic rate of pay there may still be a breach of the principle of equal pay because other benefits (such as a company car, private health care, etc) are not provided on an equal basis.
- 3.3. In order to bring a claim, a woman must compare herself with an actual man who is treated more favourably and is shown to be employed on equal work. This man is her “comparator”. The comparator must be in the same employment as the woman making the equal pay complaint. Under the Equal Pay Act the term “same employment” broadly means that the comparator should be employed by the same or an associated employer. However, the term has to be interpreted in the light of European Community law and the decisions of domestic courts and European Court of Justice.

- 3.4. Employers do not have to provide the same pay and benefits for equal work, if they can prove that the difference in pay is genuinely due to a factor other than the difference in sex. It is for the employer to show that such a factor exists and that it is the real reason for the difference. For example, in some circumstances different geographic locations may justify a difference in pay, or the operation of market forces, such as the need to recruit for particular jobs or the need to retain employees occupying particular jobs. The employer must be able to show that all of the difference of pay is genuinely attributable to that factor.
- 3.5. If the employer relies upon a factor that could be indirectly discriminatory because it affects a greater proportion of workers of one sex than the other then he or she must also show that the factor is “objectively justified”. For example, rewarding workers for being prepared to work longer hours at short notice may indirectly discriminate against women workers with childcare responsibilities. To show objective justification the employer must show that the difference in pay corresponds to a real need of his or her business, is necessary to achieve that business objective, and that it is not out of proportion to the objective.
- 3.6. A woman who considers that she has been discriminated against under the Equal Pay Act can make a claim to an employment tribunal. However, claims have to be made by individuals; the UK makes no provision for claims being brought by groups of women – all the women cooks working in a catering establishment, for example. Each woman has to bring her own individual claim and any remedy will be personal to her; there will not be any compulsion on her employer to get rid of the discrimination in the pay system that has caused the problem.

4. Standards of good equal pay practice

- 4.1. The standard for good equal pay practice is laid down in the GB Code of Practice on Equal Pay. The Code recognises that it is in everyone’s interest to avoid litigation, and recommends equal pay reviews as the best means of ensuring that a pay system delivers equal pay. Employers can avoid equal pay claims by regularly reviewing and monitoring their pay practices, in consultation with their workforce. The Code also says that consultation is likely to increase understanding and acceptance of any changes required, and points out that involving recognised trade unions or other employee representatives also helps to ensure that pay systems meet the legal requirement for transparency.
- 4.2. Whatever kind of equal pay review process is used, it should include:
 - Comparing the pay of men and women doing equal work. Here employers need to check for one or more of the following: like work; work rated as equivalent; work of equal value. These checks are the foundation of an equal pay review
 - Identifying any equal pay gaps
 - Eliminating those pay gaps that cannot satisfactorily be explained on grounds other than sex.

These features are the same whatever the size of the organisation and they are essential.

A pay review process that does not include these features cannot claim to be an equal pay review.

4.3. It is important to recognise that an equal pay review is not simply a data collection exercise, but entails a commitment to put right any sex based pay inequalities, and this means that the review must have the involvement and support of managers with the authority to deliver the necessary changes.

4.4. The review process recommended by the former Equal Opportunities Commission, and now the Equality and Human Rights Commission, is in five steps:

Step 1: Deciding the scope of the review and identifying the data required

Step 2: Identifying where men and women are doing equal work

Step 3: Collecting and comparing pay data to identify any significant equal pay gaps

Step 4: Establishing the causes of any significant pay gaps and deciding whether these are free from discrimination

Step 5: Developing an Equal Pay Action Plan or reviewing and monitoring

The guidance issued by the Equal Opportunities Commission looks first at what an employer needs to do and why they need to do this, and gives some preliminary guidance on how to do it. More details on how to carry out the various aspects of the review are set out in supporting guidance notes.

4.5. The Equality and Human Rights Commission is in the process of updating this guidance to cover pay gaps due to ethnicity and disability as well as gender, and the revised model will be on the Commission's website by December 2008.

www.equalityhumanrights.com

5. The promotion of good equal pay practice

5.1. Good equal pay practice is promoted through a number of routes. The former Equal Opportunities Commission and now the Equality and Human Rights Commission actively promote equal pay reviews.

5.2. The statutory conciliation service, known as Acas, which, in addition to conciliating in equal pay claims, also provides a wide range of advice to employers, actively promotes job evaluation and equal pay.

www.acas.org.uk

5.3. **Opportunity Now** is a membership organisation for employers who are committed to creating an inclusive workplace for women. Opportunity Now's membership is as diverse as the initiative it works to promote. City of London financial houses, county councils, educational establishments are just a few of the range of organisations involved. Opportunity Now, together with the law firm Eversheds and the independent research organisation Incomes Data Services, runs regular workshops for its members on equal pay. These workshops are intended to help employers stay current and share good practice and concerns.

www.opportunitynow.org.uk

5.4. Examples of good practice by Opportunity Now member are included at Annex A.

5.5. Early in 2008 the Equality and Human Rights Commission carried out a survey of employers to find out what proportion of them were carrying out equal pay reviews³. This survey followed a series of similar surveys conducted on behalf of the Equal Opportunities Commission (EOC), which had looked at the use by employers of equal pay reviews to assess the pay gap between men and women within the workplace. The 2008 study involved 866 interviews with businesses across the private and public sectors conducted by telephone in February/March 2008. The headline findings are as follows:

- Compared with 2005, more employers are carrying out equal pay reviews – 22% in all.
- The increase suggests that earlier plans (as shown by previous surveys) to conduct equal pay reviews are being realised. And as we know from this 2008 survey that with a number of first equal pay reviews are planned, this trend should continue.
- The public sector (where establishments tend to have a workforce with a substantial female majority) has the highest levels of equal pay review activity, with 43% carrying out a review, compared with 23% in the private sector (where women tend to be in the minority).
- Manufacturing is the only sector where equal pay review activity has decreased since 2005. In part, this may be a result of a better understanding by respondents to the survey of what an equal pay review actually is (meaning that reviews previously considered to be equal pay reviews are no longer classified as such).
- The 2008 survey shows (as did previous surveys) that the larger the organisation, the more likely it is to carry out an equal pay review.
- The two most common reasons for conducting an equal pay review are that it is seen as good business sense (87% overall and the main reason for 25%) and that there is a desire to be seen as a 'good practice employer' (82% overall and the main reason for 51%).
- The most common reason given for not conducting an equal pay review, by 93% of all those with no equal pay review participation, was that they consider that their organisation already provides equal pay.

- Just under half of the organisations that had conducted, or were conducting, an equal pay review (47%) expressed their intention to conduct an equal pay review every year. 19% plan to conduct an equal pay review every two years and a further 19% intend to do so every three years.
- 37% examined differences in pay by ethnic origin and 41% by disability – an increase from 2005. 84% checked that their job evaluation system is free from discrimination – up from 72% in 2005.

Threats to good equal pay practice

- 6.1. With 22% of British employers carrying out equal pay reviews, equal pay is apparently firmly on the corporate agenda, so, where are the threats to employers? The answer is twofold: cost; and fear of litigation.
- 6.2. In Britain one in three claims to the Employment Tribunal is now an equal pay claims. Equal pay tribunal claims now exceed unfair dismissal claims and employers face the challenge of increasing equality whilst remaining competitive in tough economic conditions. For small to medium sized businesses the cost will be comparatively low – only a few jobs will be involved and the pay gap is likely to be fairly small – but for large organisations with a wide range of jobs and a broad pay dispersion, the costs can be considerable. Some local authorities in Britain are facing equal pay bills of many millions of pounds and the bill for the local government sector as a whole runs into billions. While the private sector, having more control over its budgets, is better able to manage its costs, the pay gap is generally larger, meaning that the costs will be higher. Affordability is a key issue for employers.
- 6.3. There are factors particular to Britain which explain the high level of litigation. First; we have a six year back pay period – making it more worthwhile for women to take equal pay claims, but also more worthwhile for contingency fee lawyers to offer to represent women on a ‘no-win, no fee’ basis (meaning that if the woman loses her case, she pays the lawyer nothing, but if she wins, the lawyer takes a percentage of what the tribunal awards her). Second, we have a Freedom of Information Act which enables much of the evidence about job evaluation in the public sector to be easily obtained. Third, organisations have taken so long to clean up their pay systems and deliver equal pay, that women have got fed up with trying to negotiate through their unions, and are now willing to take legal action. Fear of litigation is spreading from the public to the private sector, and the way that the law operates means that doing nothing can seem like a sensible option.

7. Opportunities for good equal pay practice

- 7.1. How to get employers to take action without exposing themselves to litigation is much under debate. The key seems to lie in making some kind of provision for a transitional period during which employers guarantee to deliver equal pay. One such proposal is that employers with more than ten full time employees should be obliged to conduct a periodic pay audit (every three years) covering both full-time and part-time employees, and to publish it⁴. If the audit uncovers inequality then a pay equity plan should be adopted. If employers fail to conduct a pay audit then an employment tribunal could draw an adverse inference of pay discrimination from this.
- 7.2. This proposal would bring benefits for employers and employees and the tribunal system, including:
- Employers could implement equal pay in a way that best suits the business, through a rational pay equity plan, rather than on an ad hoc basis imposed by tribunal decisions.
 - The burden on the tribunal system would be reduced.
 - Equal pay would be guaranteed more widely and immediately.

A recent decision from the British Court of Appeal has confirmed that employers will need sensible transitional arrangements after an equal pay audit in order to secure full equal pay in a workable manner.

- 7.3. The Equality and Human Rights Commission is pressing the British Government to explore this option more fully. We have also raised the matter with the European Commission. In particular we want to ensure that those employers who genuinely want to implement equal pay are able to do so without being penalised, and in an orderly and well-managed way.
- 7.4. In tandem with this political approach, we are also producing much more guidance for employers. Here we are taking a risk assessment approach, and are looking, for example, at those pay practices which pose the highest risk to employers of them falling foul of the law and ending up in court. One of the unexpected benefits of the high level of litigation is that we are now in a much better position to advise employers how to put things right. If you'd like to keep up with what we're doing, then from mid-November 2008 onwards, go to www.equalityhumanrights.com

ANNEX A / EXAMPLES OF GOOD PRACTICE

Case study: Equal Pay - Alliance and Leicester PLC

Alliance and Leicester undertook an equal pay audit in 2005. The aim of the audit was to identify any equal pay issues, consider whether there was objective justification for any gender-related pay differences and make recommendations for eliminating any difference which could not be objectively justified. The company worked closely and collaborated with their trade unions throughout the process. The audit itself was carried out by an independent external body.

The process is ongoing with issues being rectified over a number of years. In 2005 the company approached the pay negotiations and agreement in a wholly different format to begin to address some of the historical lower pay/equal pay issues. Issues included:

- Consideration of a number of options in relation to job evaluation
- The Equal Pay Review will be updated and conducted regularly
- Consultation will be carried out with regard to pay progression
- Consideration of a policy dealing with problems arising from gender discrepancies
- Review of the reward and recognition policy to ensure that it supports the agenda to improve any equal pay anomalies
- Continuing to address equal pay issues through annual pay reviews

Achievements/lessons learned

Alliance and Leicester continues to work in partnership with unions and there is ongoing consultation on equal pay issues. The current focus is on:

- New job evaluation processes
- Tackling pay progression issues with particular reference to individuals low in pay ranges through the annual pay reviews
- Introduction of Broad Banding with the aim of equalising benefit entitlements and encouraging career progression

In addition, Alliance and Leicester is reviewing a Flexible Benefits Offer to provide increased choice for staff around design and content of their reward package.

Case study: Equal Pay - University of Sunderland

The University of Sunderland launched its Equal Pay Policy in 2003 and has now conducted five Equal Pay Audits. Progress has been consistent over this period in reducing gender pay gaps for both full-time and part-time staff. The audits have been widely cited as best practice and have led to other steps to promote confidence among its staff, 56% of whom are women.

The Equal Pay Audits identified a significant gap between the average hourly rates of pay of part-time staff with those of full-time staff. As 41% of female staff work part-time compared with 12% of male staff and few senior jobs are carried out on a part-time basis, this part-time factor impacted on the overall gender pay gap in the University.

The University ran a focus group and sought feedback from female part-time staff to identify whether there were any perceived barriers to progression. The issue was also examined at the institutional level.

The Equal Pay Audits are annual and aim to narrow the gender pay gap each year. So far they have helped deliver a 7% reduction in the gender pay gap.

The audits also encourage the University to address inconsistency, for example, harmonising terms and conditions, building confidence of academic women with transparent promotion procedures, and examining part-time working.

In addition, the equal pay audit work has encouraged and required managers to be consistent in decisions concerning pay, reward, recruitment and retention. For example, training in a non-discriminatory approach has led to greater consistency in starting salaries, with any variation in practice being objectively justified using transparent criteria.

The University is now looking more closely at the impact of part-time working on the gender pay gap, and is encouraging more flexibility in how part-time work is viewed. For example, the greater incidence of men working part-time, together with more flexibility in the workplace as a result of the Age Regulations, is changing perceptions of part-time working as an option traditionally accessed by women and parents. More importantly, the greater incidence of senior roles being carried out on a part-time basis will narrow gender pay gaps in the shorter term and also increase women's confidence to aim higher in their careers over the longer term. The University is, therefore, celebrating existing part-time senior roles. A focus group has been set up to consider whether there are any perceived barriers to the career progression of part-time staff.

Case study: Equal Pay - Bombardier Aerospace

Since 1993 Bombardier Aerospace has run a job evaluation process to ensure that any position in the company is evaluated according to set criteria. The evaluation concentrates on what the job entails rather than the individual post holder.

The main elements of the job evaluation are:

1. Know how
2. Problem solving
3. Accountability

A numerical scale is used to record judgements made on each of the main elements. The result is that different types of jobs in the company may be placed on a similar level, for example, administrative/clerical jobs may be on a similar grading to skilled manual positions.

The job evaluation system was designed to ensure that the company met the requirements of the Equal Pay Act and with the intention of rewarding employees for the contribution their roles made to the company.

Achievements/lessons learned

Few equal pay claims have been made against the company since the job evaluation was implemented. Of those claims which have been lodged, none has been successful and, to date, most have been withdrawn.

¹ Source: Annual Survey of Hours and Earnings (ASHE), Office for National Statistics

Notes:

The median is the value below which 50 per cent of employees fall.

Pay refers to gross pay (before tax) of full-time employees on adult rates whose pay for the survey week was unaffected by absence.

The Annual Survey of Hours and Earnings is based on a sample of employee jobs taken from HM Revenue & Customs records. The 2007 ASHE is based on approximately 142,000 returns. In 2007 information was collected for the pay period that included 18 April.

² Source: Labour Force Survey (LFS), April-June 2008, Office for National Statistics

³ Source: Equal Pay Reviews Survey 2008, Lorna Adams, Peter Hall and Stefan Schafer, IFF Research, EHRC, forthcoming.

⁴ Equal Pay, Anthony Lester, June 2008

PANEL DISCUSSION

The panel discussion which concluded the day was chaired by Daniela Cochlár, deputy head of department at the Women's Department for the City of Vienna. Representatives from the administration and industry discussed about equal pay, about who benefits from equal pay and who can establish it.

Below is a brief summary of their statements.

Marion Gebhart, City of Vienna

1. Due to the different approaches in the collection of data, comparing women's and men's pay has proved fairly difficult as a recent L&R study commissioned by the Women's Department reveals. There is room for improvement.
2. Several relevant studies have clearly shown that the better qualified women are and the more they work in previously male-dominated fields the smaller the pay gap will be. It is therefore very important to support girls and women in their career orientation, as we do in Vienna on Daughters' Day which more than 3,000 girls attend each year. Increased emphasis must also be placed on further training and education, e.g. by waff, the Vienna Employment Promotion Fund (funded by the City of Vienna).
3. Companies in particular are called upon to strengthen equality to the benefit of all. The manual "Promoting Women + Men Equally = Benefits All" published by the Vienna Women's Department MA 57 constitutes a useful set of tools in this endeavour.

Kathrin Arioli, Canton of Zurich

1. Equal pay for equal work is instrumental for income justice, as is the redistribution of paid and unpaid work. Example from the OECD country report on reconciliation of work and family: the income difference between women and men is smaller in Portugal than it is in Switzerland. Looking at the total amount of work performed, however, women in Portugal work considerably more than men, both in paid and unpaid work. In addition to their paid work they do full-time work at home. This sheds a different light on the smaller pay gap mentioned before. In Switzerland women and men work approximately 60 hours, which means the amount of work they perform is roughly the same while the pay gap is greater. Equal pay can only be achieved if we take all levels into consideration, i.e. pay and the distribution of paid and unpaid work.

2. The pay gap is a result of traditional gender stereotypes (male and female professions are not paid the same) and also contributes to solidifying these (distribution of work in partnerships), albeit unintentionally in some cases. The causes for the pay gap and income injustice are varied and mutually reinforce each other. This complexity of facts must be taken into account if political strategies to combat the pay gap are to be successful.
3. Who can establish equal pay? This is a multidimensional issue which requires the interaction of different players, i.e. individuals (when negotiating the distribution of paid and unpaid work in a partnership), superiors, human resources personnel and company management, social partners (trade unions, employers' associations), as well as decision makers in administration, politics, science, etc.

Michaela Muschitz, Business & Professional Women in Austria

1. Many women are still oblivious to the fact that they are paid less than their male colleagues. We have launched the initiative "Red Bag" to raise women's awareness for this situation. Our international network was established in 1930 to postulate "equal pay for equal work". Unfortunately we have yet to achieve this goal. The red bag is to symbolize the deficit in women's purses.
2. The main difficulty we see as a network is that women settle for half-day jobs and are grateful they can work at all besides taking care of their children. In a half-day job, however they often have no way of moving up the career ladder, which is why even well-qualified women work below their real potential. Added to which half-day jobs pay worse and many women are not aware of the consequences this entails, such as lower pensions, amongst others. Women often work in businesses with an overall low wage level. Society as a whole needs to rethink as far as the value of work is concerned. Is female work worth less than male work? Is working in front of a machine (male work) considered harder than working with people (e.g. hospital nurse)? How have these valuations and relevant pay systems come about? Our network wants to draw attention to these valuations and promote the revaluation of work performance.
3. We want to encourage women to sell themselves well. Time and again we see women selling themselves for less just to get a job at all. Of course, it is difficult for a single mother to reconcile work and children – area-wide childcare is one remedy. Women need to have a better appreciation of their work's worth and they need to pluck up the courage to ask for the pay they want during wage negotiations. We want to motivate women to apply for the jobs they are qualified for and not see childcare as their only duty. In my profession as a coach I often meet women who would like to learn to be more self-confident but simply do not have the money to pay for this kind of training and there are no subsidies for this either. It is a vicious circle which could be broken if women were paid for professional training as well as for personality training. You ask for better pay not only because you have rendered the relevant performance but because you know how to sell that performance and because you have the courage to ask your boss for more. Our network offers workshops for women who want just that.

Gabriele Michalitsch, Vienna University of Economics and Business

1. Allocation of work and income is a power mechanism of patriarchal systems. Income distribution reflects power and dominance relations which guarantee a continuation of gender hierarchies.
2. These hierarchies are produced by society (through gender stereotypes, families), the state (in defining private and public) and industry (which has the negotiating powers), all of which benefit from unpaid female work and cheap female labour.
3. Change:
 - a) making power visible by openly addressing it, and forcing it to explain itself.
 - b) questioning the rhetoric of “free choice”, making visible the power behind it which has a hold on our bodies and minds.
 - c) policies: comprehensive equality policies, rigid antidiscrimination.

Natascha Schaberl-Kogler, Microsoft Austria

1. Equal pay for women and men is a multifaceted issue. Politics, social partners, NGOs, administrative organisations and industry must all be on board to make a change for the better. Each of these must use their means to the full and launch joint initiatives wherever it makes sense. Microsoft, in keeping with its mandate as a responsible market leader, is setting a pioneering example by embedding this topic as a citizenship topic (responsible leadership, diversity, HR – open organisation) in its company strategy.
2. Companies, as a matter of course, should pay women and men the same wage if they work in the same job and have comparable qualifications. Apart from that companies should actively promote women to hold senior and management positions and provide a setting conducive to work-life balance. Company culture has a bearing on whether families are treated as an entity including men and women, or are considered a woman’s concern only. Microsoft has done a lot in this respect already (diversity council, discussion forums, promotion of women, parental leave management).
3. Career choice is a major aspect to be considered in the context. There is great potential here for cooperation among politics, administration, NGOs and industry. IT in particular is an attractive sector for women, offering opportunities for working from home and allowing them to work on a flexible schedule. Mobile work is ideal for women (and men) who have family and children and have to accommodate their needs, e.g. taking children to kindergarten, etc. Most IT jobs are very flexible already, at least compared to other industries, such as tourism. Microsoft has been participating in Daughters’ Day for several years now, setting a good example of how cooperation can really work. We are planning to establish a “Digigirlz Academy” next Easter. Most difficulties are still encountered when putting a value on individual careers, for qualifications, demand and supply alone are not the decisive factors, as nursing careers clearly show.

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