

Irish Congress of Trade Unions

**Congress Submission on the Gender Pay Gap
to the Gender Equality Division,
Department of Justice & Equality**

October 2017



Introduction

Congress welcomes this Department of Justice public consultation on tackling the gender pay gap. We have used the consultation period to highlight and discuss relevant issues with affiliate trade unions and other civil society organisations with a view to informing our contribution. This included an engagement with Minister Flanagan at our [Women's Seminar](#) in Port Laoise in September at which the gender pay gap was a major focus of discussion.

The issue is not a new one for us of course. Congress ran the GAP (Gender & Pay) Project (2002/4) funded under the Equality for Women Measure (Department of Justice, Equality & Law Reform). One of the major outcomes of the GAP Project was a [toolkit](#) for use by officials and activists. It was designed as a 'no-nonsense' guide for practitioners and retains relevance for tackling the gender pay gap in the current context. More recently, a [motion](#) proposed by IMPACT was also debated and passed unanimously at our July 2017 BDC.

We will be drawing from these initiatives and others in the course of this submission. Congress notes the suggestion by the Department to focus on the following:

- the factors creating the gender pay gap;
- the actions that need to be taken; and
- whether you can contribute to implementing these actions.

We note the very useful [consultation paper](#) published by the Department and this submission will concentrate on the latter two points.

What is the Gender Pay Gap?

The gender pay gap is the difference between the average hourly pay of all male employees and of all female employees. The EU Gender Pay Gap Indicator developed by the European Commission compares the gender pay gap across EU Member States, measuring the difference between the average gross hourly earnings of men and women, expressed as a percentage of the average gross hourly earnings of men. According to this indicator, the gender pay gap for Ireland was 13.9% in 2014. The EU average is 16.7%.

Reasons for the Gender Pay Gap

There are a number of contributing factors including:

- Labour and Education Market Segregation by gender and the corresponding unequal distribution of women and men in sectors, occupations and positions (horizontal and vertical segregation);
- Women are more likely to be in part time work which tends to be lower paid
- Women are more likely to be involved in important unpaid tasks which leads to greater challenges in balancing work and family life;
- Women are more likely to have more absences and career breaks from the workplace and resultant impact on earnings, pension entitlements and promotional prospects;
- Lack of availability of quality, affordable childcare facilities and out-of-school hours care;
- Senior positions tend to be held by men;
- Pay discrimination, though illegal, still persists;
- Opaque and unsystematic wage setting processes which tend to be more advantageous to men;

- Austerity and attacks on collective bargaining during the economic crisis;

Tackling the gap requires an all of Society approach to dealing with these issues. Our system of work has been designed predominantly by men for men and unsurprisingly produces a gendered outcome. The reality is that if we are to achieve real gender equality including elimination of the gender pay gap, the system needs to be redesigned to take into account the differential impact on men and women. Our submission will outline some of the steps that can be taken in this regard.

What Can be Done to Narrow the Gap?

A range of measures are needed if we are to close the gap and the Programme for Government outlines some of these including a commitment to “promote wage transparency by requiring companies with 50 or more employees to complete a wage survey”. The following actions included in the National Strategy for Women and Girls 2017 – 2020 (NSWG) also outline a number of initiatives that have the potential to contribute towards the lessening of the gap:

Action 1.21 - ‘Undertake a package of measures to tackle the gender pay gap’.

Action 1.22 - ‘Initiate dialogue between union and employer stakeholders to address the gender pay gap. Develop and promote practical information resources to explain and increase understanding of the multifaceted aspects of the gender pay gap and its causes. Develop practical tools to assist employers to calculate the gender pay gap within their organisations and to consider its aspects and causes, mindful of obligations regarding privacy and data protection’.

Action 1.23 - ‘Promote wage transparency by requiring companies of 50 or more employees to complete a wage survey periodically and report the results’, will be progressed by the Tánaiste and her department.

Congress is an active participant on the NSWG Strategy Committee and looks forward to working with those around the table, including IBEC, on progressing these initiatives.

1. Pay Gap Reporting

The issue of promoting wage transparency, surveys and reporting is clearly a very topical one with trade unions (Congress, IMPACT and others) to the fore in campaigning for regulations requiring employers to disclose information on the gender pay gap in their organisations. Clearly the type of reporting will be a key issue in developing this. In March the “Gender Pay Gap Information Bill 2017” introduced by the Labour Party was published and has now passed second stage in the Oireachtas.

What will the Bill do?

¥ It will apply to employers with 50+ staff

¥ Employers will be obliged to publish:

- 1) the difference between the mean hourly rate of pay of male employees and that of female employees
- 2) the difference between the median hourly rate of pay of male employees and that of female employees
- 3) the difference between the mean bonus pay paid to male employees and that paid to female employees
- 4) the difference between the median bonus pay paid to male employees and that paid to female employees
- 5) the proportions of male and female employees who were paid bonus pay
- 6) the proportions of male and female employees in the lower, lower middle, upper middle and upper quartile pay bands

It has passed 2nd stage in Seanad Éireann and is due to go to committee stage during the current Dail term, where amendments will be considered. It currently enjoys all party support but we note the concern expressed by the Minister who has stated that *“we should not enact legislation in this area without having full consultations first with interested stakeholders, in particular employers and trade unions.”*

Business Europe have successfully blocked any progress at European level on *new legislative action to revise the Equal Pay Directive* stating that such an approach “will increase administrative burdens without addressing the real causes of the gender pay gap” and “underestimates the employees right to a confidential use of their pay related data”. IBEC have consistently said that such legislation is not a useful proposal for tackling the gender pay gap. We note IBEC’s suggestions for

- Dialogue between union and employer stakeholders
- Development of practical resources to increase understanding of the causes of GDP
- Development of practical tools to assist employers calculate the GDP

And we remain willing to dialogue on issues such as

- Celebrating good practice
- GPG reporting to include explanatory narrative
- Reporting cycle – 1, 2 or 3 years?
- What types of pay are included?
- Supports from Government to collate data

However, we will not compromise on the issue of publication of the data collected by companies. Transparency of the gender pay gap in companies is the whole point of the legislation and could lead to healthy competition in terms of firms competing for female talent on the basis of their published gender pay gap and initiatives to tackle this. It could also help Government and others in

terms of procurement of services to use company performance on gender as a tool to promote initiatives to tackle the gender pay gap.

Finally, it is important to note that larger trade unions will also be obliged to survey and report when this legislation is passed. The IBEC publication “Gender Pay Reviews: A [template](#) for examination of gender pay in organisations” is a very useful tool in this regard for all who have such a responsibility. IMPACT’s submission covers this issue in more detail.

2. Tackling low pay

Much of the public discourse around the issue in recent months has centred on revelations about the highest paid people in the BBC and RTE and the predominance of men in that category. The NUJ have been to the fore in seeking remedial action at both the BBC and [RTE](#).

Much of the discussion around the pay of senior journalists is far from the experience of the vast majority of women. The Low Pay Commission Report on the Preponderance of Women on Low Pay (Oct. 2016) shows that of those earning the National Minimum Wage there are close to twice as many women as men. Between 1/3 and 1/2 of this imbalance is based on caring responsibilities, hours worked, and the sectors in which women are employed. CSO data also demonstrates differing reasons for taking up part-time work with 52% of women related to caring responsibilities and 42% men indicating inability to source fulltime work.

The Congress [submission](#) to the low pay commission on the preponderance of women on the minimum wage outlines our approach to tackling the predominance of women on low pay, including tackling:

- Gender occupational segregation at both horizontal and vertical level;
- Lack of affordable quality early years care and education; and
- The importance of industrial relations and labour protections.

In relation to this latter issue, bringing forward legislation to implement the recommendations of the University of Limerick Report on Low Hour and Zero Hour Contracts should be done as a matter of urgency. Congress has been pressing for change in this area for some time and have engaged directly with the relevant officials in an effort to shape and influence the proposed legislation. It is our view that such legislation is necessary because left unchallenged, precarious work practices and zero hour contracts create downward pressure on employment standards across the economy and create intolerable uncertainty over hours and earnings for thousands of workers, the majority of whom are women.

Women dominate industries with a high proportion of precarious work including hospitality and retail. The flexibility of hours is used by many employers as a method of control over their workers (a MANDATE survey shows that 85% of Dunne's Staff say this is the case). This restricts workers, mostly women, in terms of having a secure income and while that may not affect their hourly rate of pay, it can mean a reduction of 50-75% in their income from one week to the next. It also reduces the ability for those workers to join trade unions and collectively bargain for pay increases which would help to close the gender pay gap.

More efforts are also needed to overcome occupational segregation, especially by negotiating larger wage increases for lower paid workers, particularly in female dominated sectors (the so-called 5 'C's': cleaning, catering, caring, cashiering and clerical work). This should be based on a strategy to level out pay differences between female-dominated sectors and male-dominated sectors and through the promotion of national sectoral collective bargaining in the joint labour committee system.

3. Job evaluations free of gender bias

Great care is needed to ensure that Job evaluation is free of any gender bias. Bias in Job Evaluation can typically arise from one or both of two principal factors: the actual scheme that is used, and/or the methodology that is used to

implement the scheme. It is therefore important that both facets are considered at the outset.

Job evaluation (also called job appraisal or job assessment) can be an important lever to ensure equal pay, particularly in situations where women and men do not normally work alongside each other.

Job evaluation is a comparison of the relative value of different jobs in terms of the level of demand the work makes on the average worker. The abilities of the individual workers are not measured.

Where sex stereotypes are used in the process of evaluation, this can result in the undervaluation of the jobs mainly held by women. For example, traditional schemes tended to measure only the physical and mental aspects of work and do not include factors that adequately measure dexterity, caring functions, organising or coordinating activities of people. Or where market rates are used to establish the relative weight of factors, these may simply reflect historical discrimination in the labour market.

Unions have been to the fore in bargaining for the use of gender neutral job evaluation criteria that define and value factors in an objective manner — taking into account only those aspects required to perform the work to the expected level of accuracy and efficiency, without being influenced by gender stereotypes or bound by traditional criteria; and that conceptualise work as having human relations skills and emotional aspects, as well as mental and physical aspects.

Job evaluation structures should have clear Terms of Reference, which should highlight the fact that ending wage discrimination is an agreed goal of the exercise and contain an acknowledgement that avoiding and/or removing gender bias may challenge existing relativities.

Care should also be given to ensuring that bias is not present in the job title, and if there is no reason other than a historical one for two different titles denoting male and female jobs, then the title should be changed.

Periodic reviews should take place to ensure that bias does not creep in to any job evaluation system. A full review should take place at least every five years. If

revisions are made after the initial evaluation, then care should be taken to ensure that if jobs are revised upwards or downwards, then they should not disproportionately affect either men or women.

A systematic review of the grading of jobs mainly carried out by women and upgrading them to pay of similar jobs mainly done by men could have a major impact on the gender pay gap.

4. Promotion of Collective Bargaining and Union Membership

Research in both Europe and the US confirm that membership of a trade union and access to collective bargaining reduces the gender pay gap. The gender pay gap is lowest in countries where overall equality is higher and in countries where collective bargaining coverage is high and/or in companies that are bound to a collective agreement. Estimates suggest that a 1% increase in social dialogue 'coverage' reduces the gender pay by 0.16% and the higher the degree of coordination in wage formation, the more equal the distribution of pay.

The independent non-profit think tank, the Economic Policy Institute ([EPI](#)) has also stated in April 2017 that *“One promising way to address both gender-specific disparities and the broken link between all typical workers’ pay and economy-wide productivity growth is through the resuscitation of collective bargaining. Unions have been proven to provide women with higher wages and better benefits.”*

A MANDATE [survey](#) in the retail sector, showed that unionised employees earn 30% more than non-union workers in the sector.

An ETUC [resolution](#) from 2015 outlines in some detail the key role of collective bargaining in closing the gap.

The value to women of trade union membership therefore needs to be prominent in any discussion of the gender pay gap. Standing up for decent standards of employment is best achieved collectively through a trade union and this fact needs to be acknowledged and promoted by Government and all with an

interest in this important issue. The recent call by the Minister for Children, Katherine Zappone, for workers in the sector to join a union (made at the Kennedy Summer School, New Ross, County Wexford, 7th September) is an interesting development in this regard.

It is important to note that our legislative framework is still deficient in this regard and any sustained effort to reduce the gender pay gap will need to deal with these, specifically:

Right to trade union representation

Congress has consistently outlined the outstanding issues in relation to the right of union members to be represented by their trade unions – in individual matters as against collective bargaining - arising from the Wilson judgement of the ECHR. Such representation is reflected in the Code of Practice on Grievance and Disciplinary Procedures which defines employee representative as including “a colleague of the employee's choice **and a registered trade union** but not any other person or body unconnected with the enterprise”.

Collective Bargaining

Despite the 2015 Industrial Relations Amendment Act progressing collective bargaining rights further than ever before in the history of the State, workers in Ireland still do not enjoy a constitutional entitlement to participate fully in collective bargaining with their employers. In order to effectively close the gender pay gap, the Government needs to provide for the fundamental right to engage in Collective Bargaining for every worker in Ireland.

5. Women’s disproportionate share of caring work

The table below is a stark illustration of how women predominate in those whose principal economic status is in home duties.

Gender based Overall Principal Economic Status
in Labour Market (ROI) (Q1 2017)

Principal Economic Status	Male	Female
At Work	1,084,400	906,300
Unemployed	124,200	64,800
Student	209,300	208,500
Home Duties	9,900	421,700
Retired	272,100	195,500
Others	96,100	73,400

It is this area that perhaps best underlies the “unexplained” element of the gender pay gap. Women in Ireland are working in a system that was designed by one gender for one gender and in the absence of a system that promotes gender equality, women and families take rational decisions to work part time, reduce hours in order to care for children and, until recently with the introduction of paternity leave, were the only gender to have any statutory right to paid family leave to care for children. It is not unsurprising that such a system provides huge advantages for those not expected to disengage from the workplace – mainly men. We need to examine our care and family leave systems in order to produce a system that provides real choices for parents, regardless of gender.

Much greater attention should be given to addressing gender stereotypes and cultural assumptions about women’s and men’s work, and how they impact on the value of women’s work and low pay, which is essential to ending gender segregation. This also requires more emphasis to tackling the impact of women’s care responsibilities so that women are not disadvantaged in terms of their pay or careers. Creating a climate where men share family responsibilities equally with women, including parental and paternity leave, alongside a commitment to strengthening public services in the provision of childcare and elder care is a societal prerequisite.

In the area of **Early Years Care and Education**, despite limited progress in recent years with the “free pre-school year” and the introduction of the single affordable childcare scheme, we have a long road to travel in terms of the provision of an affordable quality, accessible childcare system. There is a huge need for further progress towards Ireland meeting the UNICEF early childhood spending target of 1% of GNP. There is also a need for the implementation of a Programme for Government commitment to review the early care inspection regime, and withdraw funding from providers who fail to meet standards. The recent announcement to implement the Budget 2016 commitment to commence on the Independent Review of the Cost of Delivering Quality Childcare is a welcome development. However, the July publication of the Joint Committee on Children and Youth Affairs on [Working Conditions of the Early Years Education and Care Sector](#) has confirmed a significant gender pay gap in a profession where 98% of employees are women, in a sector characterised by low rates of pay and substandard working conditions. We need to ensure that we do not build another edifice to discrimination by not dealing with this issue and there is an urgent need for the negotiation and implementation of agreed salary scales for early years’ staff to boost professionalisation of the sector.

The development of our early years system is indicative of how care work is undervalued in our society and the need for huge cultural change. Increased investment linked to quality will not only impact on the gender pay gap but also have huge [benefits](#) for children and wider society for generations to come.

Our **Family leave** system is also in need of revision in order to promote gender equality and to tackle the gender pay gap. In that context, Congress considers elements of the package on work-life balance issued by the Commission within the pillar of social rights aimed at ensuring better balance between family and professional commitments for women and men a very useful contribution. It consists of a set of legislative and non-legislative measures addressing three interrelated areas:

- 1) Family-related leave arrangements (parental, paternity and carer’s leave) and flexible working arrangements;

- 2) Childcare and long-term care;
- 3) Economic incentives for parents and carers to work.

Congress broadly welcomes the Commission’s package and the mixed policy approach. Our [family leave](#) provision lags behind many of our EU partners and it is time for us to correct this. Research has demonstrated how this is mutually beneficial to workers and their families, enterprises and indeed to wider society. Congress welcomes the commitment in the current Programme for Government to prioritise additional paid parental leave in the first year of a child’s life and urges the Government to immediately introduce this legislation as an important step.

6. Women in Leadership

Congress notes the Government commitment to a review of women’s representation across all sectors in the Programme for Government. It is our view that the promotion of women in leadership across all of our institutions is a prerequisite for implementing the many changes needed in order to tackle the gender pay gap. The statistics are stark:

- ¥ 35 (22%) women elected to Dail and 19 (32%) Seanad
- ¥ 7 of 34 Ministers in Government are women
- ¥ Women comprise just 16% of membership of ISEQ20 company boards
- ¥ Women are underrepresented in senior positions in the Civil service

Despite currently having a woman General Secretary and President of the Irish Congress of Trade Unions, we are acutely aware of the need for more women leaders in the trade union movement also. We will continue to work with trade union colleagues across Europe on [best practice](#) in remedying this situation.

This will help to ensure the inclusion of a gender perspective in the collective bargaining agenda – including the gender pay gap.

The Government have also committed to commissioning an independent review of women's representation in governance and senior management in business in the National Strategy for Women and Girls 2017-2020 as well as an implementation plan to promote women to senior leadership roles.

We note the Gender Quota provided for in legislation (30% to rise to 40% seven years after next general election) and are of the view that given the slow pace of change in Ireland that specific and targeted measures to increase the number of women in decision making roles must be taken, including gender quotas. Quotas provide a mechanism for accelerating the pace of change, and increasing the numbers of women in decision making roles.

7. Pensions

We have outlined above the fact that women do more unpaid work, take more career breaks reflecting their disproportionate share of caring responsibilities and this not surprisingly has consequences in the latter part of a woman's life. The gender pension gap in Ireland is a staggering 37% and the current State Pension system punishes countless thousands of pensioners, mostly women, for having left the workforce to care for their families.

We as a society need to talk about the issue of pensions as a matter of urgency. Failure to do so will lead to a rise in levels of old age poverty, and it is women who will be hit in a disproportionate manner. We believe that the 2012 changes to PRSI qualification bands for pensions discriminates against women and should be immediately reversed. This was a grossly unfair decision that had the effect of reducing the Contributory Pension of those with an average of 29 annual contributions, by €1500 per annum, more than two thirds of whom are women. There was no political debate; no public consultation and no cost benefit analysis of the measure. There was no consideration given to the issues of fair play, or equity, or minimising hardship to those worst affected. We need to

acknowledge this disproportionate effect of pension changes on women and commit to reversing this gender discrimination immediately.

More fundamentally, we need to develop a proper national system of pension provision by bringing forward legislation to provide for the mandatory second tier pension scheme with a provision for auto enrolment.

8. Promotion of STEM subjects and apprenticeships

Congress acknowledges that actions 1.8 – 1.10 in the National Strategy for Women and Girls focus on the issue of the number of girls and women into non-traditional courses and professions and looks forward to the publication of the National STEM Education Policy Statement. Likewise we acknowledge that the NSWG also includes a commitment to examine the barriers to female participation in apprenticeships. Congress welcomes the expansion of the apprenticeship model into new areas and urges the Government to ensure that this important review is completed in a timely manner.

Educational segregation results in subsequent labour market segregation, with many young women corralled into sectors characterised by low pay and poor terms and conditions of employment.

We acknowledge the recent work done in highlighting the low participation rate of young women in STEM subjects in second and third level education, including the 2016 report of the STEM Education Review Group.

We strongly recommend that Government works with partners in civil society, the trade union movement and the business sector to increase the participation by young women in STEM subjects at second and third level.

Congress will continue to work on the Apprenticeship Council continued reform of the system of apprenticeship and traineeship to include these changes and also, importantly, the abolition of current Apprenticeship charges which can act as a disincentive. There are very positive [examples](#) from across Europe and the

UK of how apprenticeships can play a key role in getting more women into engineering and science.

9. Agenda 2030

As the consultation paper points out, the 2030 Agenda for Sustainable Development contains specific goals which are of direct relevance to this issue:

- SDG 5 aims to achieve gender equality and empower all women and girls.
- SDG 8 commits member states to promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Women's equality and empowerment is also mainstreamed into other goals.

The gender pay gap is one of the indicators against which progress towards achieving Goal 8 will be measured. If we make genuine attempts to tackle our gender pay gap it will assist greatly in our first voluntary national review at the high level political forum at the UN in New York next July, not least in relation to target 8.5 which aims to "achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value and decent work for all."

Conclusion

This submission has discussed how a gender-segregated labour market, the difficulty of balancing work and family life, the undervaluation of female skills and work are some of the complex causes of the persistent gender pay gap and outlined actions that could help to tackle the problem. It is not only the right thing to do but is also economically desirable. Economic inequality for women costs an estimated \$9tn per year in the developing world alone, according to a report released in 2015 by Action Aid.

A combination of low pay, low participation in the workforce and insecure employment not only drags down women's economic opportunities, but also the global economy as a whole, the report found.

The European Institute for Gender Equality states that Gender equality has strong, positive impacts on Gross Domestic Product (GDP) per capita which grow over time. By 2050, improving gender equality would lead to an increase in EU (GDP) per capita by 6.1 to 9.6%, which amounts to **€1.95 to €3.15 trillion**.

Improvements in gender equality in employment would lead to an **additional 10.5 million jobs in 2050**, which would benefit both women and men. ([EIGE, 2016](#)).

We welcome the enhanced focus in recent times on tackling the gender pay gap. Government and European Commission efforts to raise awareness of the gender pay gap and its pervasive consequences are positive, but it is our determined view that without further legislation, discrimination against women in pay and at work will continue.

Finally, Congress is a supporter of the ETUC Pay Rise campaign and firmly believes that a pay rise for women would narrow the gender pay gap, and boost the economy by giving millions of working women more money to spend. We have outlined how a pay rise that narrows and ultimately eliminates the pay gap between women and men could be achieved by:

- ***Raising wages for low paid workers such as cleaners, catering staff, carers, cashiers and clerks – jobs where the majority of workers are women. Women also make up over 80% of the workforce workers in sectors such as personal care workers, cleaners and helpers, general and keyboard clerks, and health associate professionals;***
- ***Job evaluations: to review the grading of jobs mainly carried out by women and upgrade them to the pay of similar jobs mainly carried out by men;***
- ***Pay transparency: where pay is not collectively bargained, pay increases are not transparent and men usually negotiate higher***

increases than women. We need gender pay gap reporting legislation now;

The gender pay gap is painful and unjust and carries a high human and economic cost. Unless action is taken to speed up equal pay, women will have to wait over 70 years to be paid the same as men. Equal pay would be the greatest economic stimulus package that Ireland and Europe has ever seen, and lift millions of women out of poverty.

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