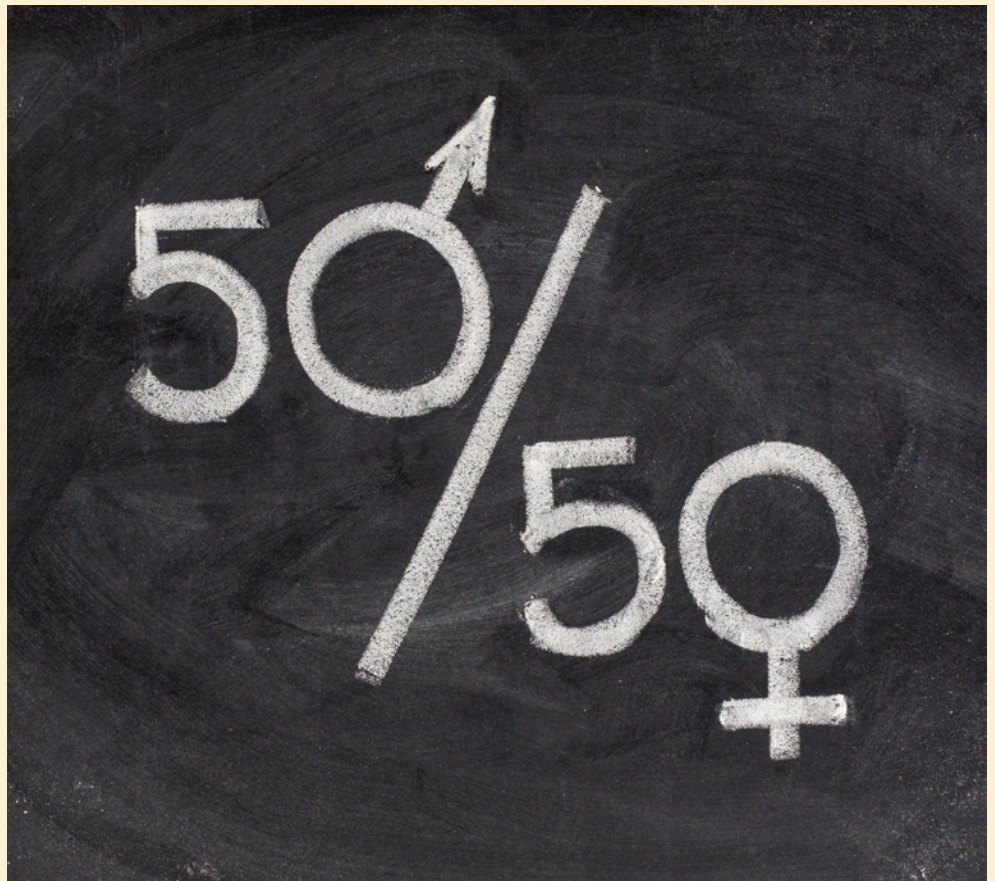




Eurofound

Addressing the gender pay gap: Government and social partner actions



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Wage differentials between men and women across Europe are a major policy concern for the European Commission and the social partners. This report provides an overview of national studies on the gender pay gap, and examines the policies and actions of governments and social actors to combat pay discrimination. The report first reviews quantitative and qualitative studies on the unadjusted and adjusted pay gap and examines the many factors cited to explain the wage differentials. Then it explores specific actions carried out by governments to reduce the gender pay gap, such as legislative measures, general recommendations, monitoring procedures and support for low-paid occupations. It also looks at joint initiatives and collective bargaining undertaken by the social partners, as well as highlighting successful good practice examples.

Introduction

According to the European Commission, ‘the [gender] pay gap measures the relative difference in the average gross hourly earnings of women and men within the economy as a whole’ (2007). The gender pay gap is one of the structural indicators used to monitor the European Strategy for Growth and Jobs, under the heading of ‘employment’.

In Europe, the unadjusted gender pay gap stands at a level of about 17.6%, according to data for 2007 from the Statistical Office of the European Communities (**Eurostat**). This figure, however, does not take into account differences in the number of hours worked or types of employment contracts. Parts of the unadjusted pay gap can be attributed to the fact that women tend to engage more often in part-time work, take more and longer career breaks which reduce length of service and work experience, tend to work in lower paid industries and work in economic sectors with less negotiating power. The list of factors used to explain the gender pay gap is long and relationships among them complex.

In the past decades, researchers worldwide have adopted fairly standardised quantitative methods for adjusting the gender pay gap. For example, a wide ranging meta-analysis by Doris Weichselbaumer and Rudolf Winter-Ebmer (2003) of more than 260 published adjusted pay gap studies for over 60 countries from the 1960s to the 1990s has found that, despite a significant decline in the level of the unadjusted pay gap, the unexplained or ‘discriminatory’ component of the gap has remained largely the same. Had all of these studies applied a similar standardised method of estimation, the yearly overall decline would amount to a slow 0.17 log points, implying a slow level of convergence between the wages of men and women. These types of studies use datasets of individuals that contain information on personal and workplace characteristics, and seek to estimate what impact each of the observed factors has on the observed pay gap. The remaining unexplained part of the gap is then referred to as the adjusted gender pay gap and is interpreted as being discriminatory. Behind this approach lies a productivity-based concept, which assumes that all differences in pay – apart from the gender discriminatory part – can be attributed to differences in individual productivity resulting from age, experience or education, or to differences in market forces.

The recent research policy debate has however advanced further: adjusting for observed differences, while interesting in itself and providing insights into the determinants of the gap, may be misleading when it comes to addressing the level of discrimination. Not only may the unexplained component – the adjusted gap – still contain variables that simply have not been observed: the explained components could also still reflect the result of discriminatory processes.

Overall, the findings are blurred. Comparative studies that do not take into account institutional, societal or distributional impacts on the gender pay gap might result in ‘biased’ findings regarding the calculated level of discrimination – even after the adjustment of individual characteristics. The question seems to be unsolvable without applying a rather holistic approach as discussed by Rubery et al (2005), who put a strong emphasis on the work environment – the general wage structure, job and workplace characteristics and the role of the social partners. In their view (Rubery et al, 2005, p. 187):

‘The productivity focus denies a role for social actors in structuring pay within the labour market, including collective actors, such as trade unions and employers’ associations, as well as individual employers and individual workers.’

Segregation – which is often singled out as the most important factor in explaining the gender pay gap – is the result of discriminating processes itself, and not only of objective elements of differences between women and men. Indeed, occupational segregation could be the effect of the pressure of gender stereotypes on educational and working choices. Meanwhile, vertical segregation and the ‘glass ceiling’ may be considered the effect of: discriminating recruitment and promotion processes within organisations, an unfair distribution of care responsibilities within the family, a shortage of care services and sometime even tax policies that tend to affect women’s labour market participation behaviour.

European policy has given the issue prominence, opting for a multi-faceted approach and adopting a policy framework within which national governments and social partners can operate.

This report aims to contribute to research at European Union level by:

- providing an overview of national-level analysis on the adjusted and unadjusted gender pay gap as evidenced through national research studies, and mapping to what extent national research includes evidence on the role of the social partners in influencing the gender pay gap;
- identifying policies and initiatives of government and the social partners on how to address the gender pay gap;
- identifying good practices on how to prevent and tackle the gender pay gap.

Policy background

The issue of the gender pay gap has been of considerable concern for the European Commission and the social partners. As part of the 2003 European Employment Strategy, the Council Decision of 22 July 2003 on guidelines for the employment policies of the Member States ([2003/578/EC](#)) stated its objective:

‘to achieve by 2010 a substantial reduction in the gender pay gap in each Member State, through a multi-faceted approach addressing the underlying factors of the gender pay gap, including sectoral and occupational segregation, education and training, job classifications and pay systems, awareness raising and transparency’.

In 2006, the European Commission published the Communication on *A Roadmap for equality between women and men 2006–2010* ([COM\(2006\) 92 final](#)), which set as a priority the elimination of the gender pay gap. This was followed in 2007 by the Communication on *Tackling the pay gap between women and men* ([COM\(2007\) 424 final](#)), which discusses a number of ways to address the gender pay gap: legislation, employment policies, encouraging employers to respect equal pay and the exchange of good practices at community level.

In November 2008, a [European Parliament resolution](#) made recommendations to the Commission on the application of the principle of equal pay for men and women. These recommendations highlight a set of integrated initiatives to tackle the gender pay gap, including the availability of analyses and the request for transparency, work evaluation and job classification, the role of equality bodies, the prevention of discrimination, gender mainstreaming, the use of sanctions and streamlining of EU regulation and policies.

The Council Decision of 15 July 2008 on guidelines for the employment policies of the Member States ([2008/618/EC](#)) placed the gender pay gap among the indicators for the monitoring of policies addressed at promoting a ‘lifecycle approach to work’. The guidelines draw the Member States’ attention to the necessity of ‘resolute action to increase female participation and reduce gender gaps in employment, unemployment and pay’. Guideline 21 stipulates:

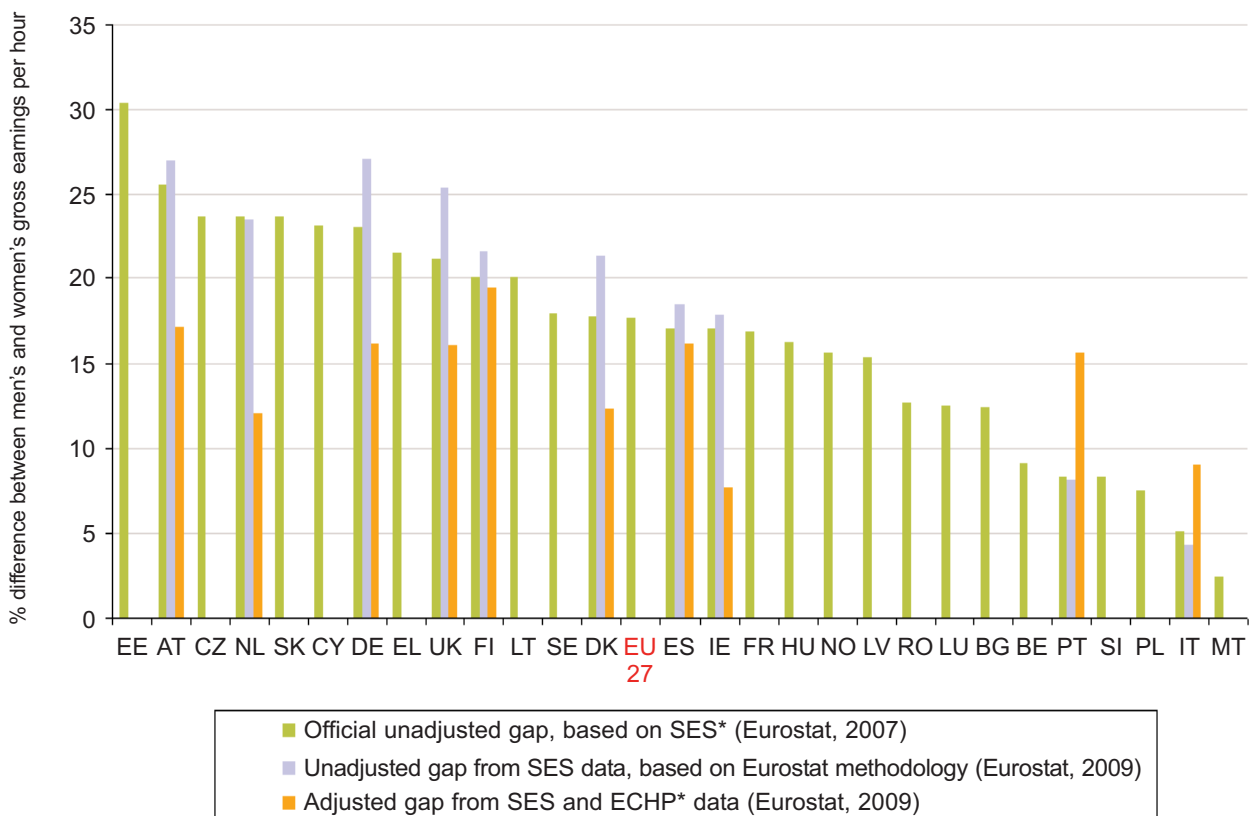
‘Particular attention should be given to explaining and addressing the reasons for the low wage levels in professions and sectors which tend to be dominated by women.’

In a recent **European Parliament resolution** of 10 February 2010 on equality between women and men in the European Union, Members of the European Parliament (MEPs) criticised the persistence of the gender pay gap in Europe, noting that women are exposed to a higher risk of poverty. They demanded a better implementation of the principle of ‘equal pay for equal work’ and deplored the fact that the European Commission had not yet made a legislative proposal on that subject. The European Parliament drew attention to the fact that economic recovery projects mainly focus on male-dominated employment and warned that support for the future of men’s rather than women’s employment would result in an increase in gender inequality.

European-level data

Official European figures on the unadjusted or ‘raw’ pay gap reveal that it stands at a level of 17.6% on average in the EU27 in 2007. The range lies between 30.3% in Estonia and 2.4% in Malta. In a recent study (Eurostat 2009, conducted by Maastricht University), researchers calculated an adjusted pay gap, using the same methodology and dataset for 11 countries. The results show that the adjustment can cause the gap to expand or contract: for Portugal and Italy the adjusted gap widens, whereas it narrows in the other countries of the sample. Figure 1 shows the gender pay gap for all 27 EU Member States (EU27) and Norway. The results represent the percentage difference between the gross hourly earnings of men and women.

Figure 1: Gender pay gap: European level data



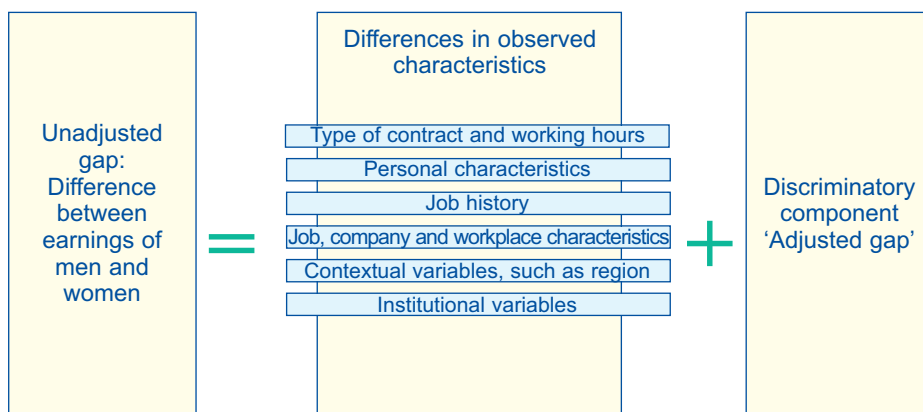
Notes: * SES = Structure of Earnings Survey; ECHP = European Community Household Panel. See Annex 2 for list of country codes. Source: Eurostat, 2009 and Eurostat 2007

Adjusting the gender pay gap

The idea of conducting such adjustment studies – which are based on individual data – is to correct for observed differences of factors which might explain the gap. The analysis is multivariate in nature, meaning that the effect of several factors can be taken into account simultaneously. Observed characteristics could be, for example, individual characteristics such as age, education, the number of children, job tenure and occupation, as well as workplace characteristics such as the economic sector and place of employment or the existence of a collective agreement. While singling out the contribution of all of these factors in explaining the gender pay gap, the remaining part is interpreted as being ‘discriminatory’ in nature. Most of these types of studies also address the ‘problem of self-selection’. The characteristics of the women who choose to work and ‘select themselves’ into employment, and hence into the wage statistics, may be different from the characteristics of the whole female population. See Eurostat (2009) and most of the other studies cited in this report for a more in-depth description of the methodology.

As described in the introductory section above, academic and public opinion (see Rubery et al, 2005) have discussed the problems inherent in these methodological approaches. The part attributed to observed differences in characteristics still reflects the outcome of discriminatory social processes: for example, why do women choose to work in low-paid occupations and why are female-dominated jobs less valued? Equally, the discriminatory component may contain unobserved factors that could explain pay differences, such as motivation or commitment to work.

Figure 2: Adjusting the gender pay gap



Source: Eurofound

National research findings

Quantitative studies on the adjusted gender pay gap

Pay statistics on the gender pay gap are collected on a regular basis and are published in periodic reports in several countries, especially those with a long-standing tradition of collecting wage statistics such as the Nordic countries of Denmark, Finland, Norway and Sweden, as well as Ireland and the United Kingdom (UK). In a number of countries, household-based surveys complement the periodic collection of statistics on the gender pay gap.

In the course of this comparative study, the national correspondents for the European Industrial Relations Observatory (EIRO) were asked to summarise the main findings of the two most important national studies in terms of sectoral coverage and relevance on the adjusted gender pay gap in recent years. About two thirds of the countries reported the existence of at least one study of that kind, while others reported on national statistics of unadjusted data, which were broken down according to different categories.

The main idea behind an examination of such national research findings is not to compare the levels of the adjusted gender pay gap. This is not – or at most only approximately – comparable between countries, and differs with the dataset, the inclusion or omission of certain variables chosen and the method of categorisation or adjustment applied. These studies however are a rich source of information with regard to learning about the causes of the gender pay gap and highlighting country-specific factors for policy to address.

The mapping of national research studies shows that a wealth of quantifiable information has been used in accounting towards an adjusted gender pay gap. This analysis has tried to classify these variables into six broader categories: contractual characteristics, characteristics of the job and the company, personal characteristics, the job history, contextual variables and institutional variables.

The table in Annex 1 gives the list of broader factors under each category and depicts which of these have been taken into account in the selected national research studies. Each study has adjusted in some way for differences in the level of education or qualification and working time, and most of the studies have taken into account basic characteristics of employees such as age, work experience and/or job tenure as well as basic characteristics of the company such as sector and size. Fewer studies have included information on different employment contract types (permanent or fixed-term), different patterns of working time, parental duties or marital status. Only a handful of studies included information on industrial relations, such as the existence of collective agreements or the presence of trade unions – at least in a contextual sense.

Table 1 outlines a range of national studies on the adjusted gender pay gap from 20 European countries. More detail can be found in the national reports of the EIRO correspondents. The findings of the studies have to be assessed against their respective scope, and should be read in line with the relevant studies.

Table 1: *National studies on adjusted gender pay gap in some European countries*

	Study	Method	Time	Coverage	Adjusted gap/ discriminatory component (%)
AT	Grünberger and Zulehner (2009), 'Geschlechtsspezifische Lohnunterschiede in Österreich'	Wage regression	2004–2006	–	12
BE	Institute for the Equality of Men and Women and Federal Public Service for Employment (2009), <i>Report on the gender pay gap in Belgium</i>	Blinder-Oaxaca	2001–2006	NACE* sectors C-K: private sector, adjusted to total economy	9
CY (1)	Christofides and Vrachimis (2007), <i>The gender wage gap in Cyprus</i>	Oaxaca-Ransom	1991, 1997, 2003	Private and public sectors	30
CY (2)	Loakimoglou and Soumeli (2007), <i>Wages in Cyprus</i> (in Greek)	Oaxaca-Ransom (human capital theory) and alternatively a heterodox method (feminist, classical economy)	2002	Private sector	13.1 (Oaxaca-Ransom) or 24.8 (Heterodox)
CZ (1)	Jurajda and Münich (2006), 'Relativní postavení žen na trhu práce v České republice' [Relative position of women in the labour market in the Czech Republic]	Blinder-Oaxaca	1998	–	30
CZ (2)	Mysíková (2007), <i>Trh práce žen: Gender pay gap a jeho determinanty</i> [Women in the labour market: The gender pay gap and its determinants]	Blinder-Oaxaca in combination with the Heckman selection model	2005	–	20.18

Table 1: National studies on adjusted gender pay gap in some European countries (cont'd)

	Study	Method	Time	Coverage	Adjusted gap/ discriminatory component (%)
DE (1)	Achatz, Gartner and Glüc (2005), 'Bonus oder Bias? Mechanismen geschlechtsspezifischer Entlohnung'	Tobit estimates and Oaxaca-Blinder analysis	2000	Nationwide, only full-time employees	7.9
DE (2)	Anger and Schmidt (2008), 'Gender Wage Gap und Familienpolitik'	Ordinary least squares (OLS) estimates	2006	Nationwide, employed persons aged 15–65 years	6 to 14
DK	Deding and Larsen (2008), <i>Gender pay gaps 1997–2006</i>	Blinder-Oaxaca	1997–2006	Nationwide, all sectors except for agriculture and fishing, persons aged 25–59 years and companies with more than 10 employees	4 to 6
EE	Rõõm and Kallaste (2004), <i>Men and women in the Estonian labour market: An assessment of the gender wage gap</i>	Oaxaca-Blinder	1998–2000	Nationwide	21–22
EL	Karamesini and Ioakimoglou (2003), <i>Determinants of the gender pay gap</i>	–	1995	Nationwide, services and industry	4 (industry), 5.5 (services)
ES	De Cabo and Garzón (2007), <i>Diferencia y discriminación salarial por razón de sexo</i> [Pay difference and gender pay gap]	Statistical multivariate analysis and econometric models with categorical explanatory variables	1995–2002	All sectors, nationwide	15
FI	Korkeamäki, Kyyrä and Luukkonen (2003–2005), <i>The gender wage gap and sex segregation in Finland</i>	The modelling approach employs a nested random effects specification to account for the hierarchical grouped structure of the underlying data	2003–2005	Nationwide, private manufacturing sector	16 (blue-collar workers), 22 (white-collar workers)
FR	Meurs and Ponthieux (2007), 'Can the gender pay gap still become narrower?'	–	1990–2002	France, annual employment surveys of all employees aged 15 years or more	25.3
HU (1)	Institute of Economics, Hungarian Academy of Sciences (<i>Magyar Tudományos Akadémia Közgazdaságtudományi Intézet, MTA KTI</i>)	Linear regression estimate	1986–2004	Nationwide	16
HU (2)	Rigler and Vanicsek (2008), <i>Gender inequalities in the labour market. Decomposition of the gender pay gap in Hungary</i>	Oaxaca-Blinder	–	–	17.7
IE	Economic and Social Research Institute (ESRI) (2009), <i>The gender wage gap in Ireland: Evidence from the National Employment Survey 2003</i>	Oaxaca-Blinder	2003	–	8

Table 1: National studies on adjusted gender pay gap in some European countries (cont'd)

	Study	Method	Time	Coverage	Adjusted gap/ discriminatory component (%)
IT (1)	Centra and Cutillo (2009), <i>Differenziale salariale di genere e lavori tipicamente femminili</i>	Blinder-Oaxaca. Two-stage Heckman procedure	2007	–	10 to 15
IT (2)	Addabbo and Favaro (2007), 'Differenziali salariali per sesso in Italia. Problemi di stima ed evidenze empiriche'	European Community Household Panel (ECHP): sample of dependent employees aged 15–65 years	2001	–	–
LU	Allegrezza, Frising, Haag, Langers, Reichmann and Schockmel (2007), <i>Egalité hommes-femmes, mythe ou réalité?</i>	Oaxaca-Ransom (1994)	2005	Private sector	12 to 23
LV	Ministry of Welfare/Zepa (2006), 'Gender equality aspects in the labour market'	Newell and Reilly, quintile regression, Oaxaca, Oaxaca and Ramson	1996–2005	Nationwide	21 to 24
NL	Erdem and Hoeben, Labour Inspectorate (Arbeidsinspectie) (2008), <i>De arbeidsmarktpositie van werknemers in 2006. Een onderzoek naar de verschillen in beloning en mobiliteit tussen groepen werknemers</i> [The position of employees in the labour market in 2006]	OLS	2006	Nationwide, employees in commercial, public and healthcare sectors	6.5 (commercial services), 2.6 (public services)
NO (1)	Hardoy and Schøne (2007), <i>Lønnsforskjeller mellom kvinner og menn: Hvor mye betyr barn?</i> [The gender wage gap: How much can be explained by children?]	Multiple regression, Oaxaca analyses	1997, 2003	Nationwide, public and private sectors, industry	–
NO (2)	Norwegian Government Report (<i>Norges offentlige utredninger</i> , NOU) Public Commission (2008), <i>NOU 2008: 6 Kjønn og lønn</i>	Regression, wages by the hour	1997, 2004	Public and private sectors	12
PT (1)	González, Santos and Santos (2007), <i>Education and gender wage differentials in Portugal: What can we learn from an age cohort analysis?</i>	Cohort analysis, following the Oaxaca methodology and employing the Neumark method	–	Portuguese mainland (95% of population), all business enterprises with at least one employee. All sectors and occupations except public administration and defence, and self- employed persons	12.6 (younger than 35 years), 19.5 (35 years or more)
PT (2)	Bastos, Fernandes and Passos (2004), 'Estimation of gender wage discrimination in the Portuguese labour market'	Oaxaca; Ramson (1994) using bootstrap techniques for statistical inference purposes (Efron, 1979 and Freedman, 1981)	1997	Lisbon and Porto, all business enterprises with at least one employee. All sectors and occupations except public administration and defence, and self- employed persons	–

Table 1: National studies on adjusted gender pay gap in some European countries (cont'd)

	Study	Method	Time	Coverage	Adjusted gap/ discriminatory component (%)
PT (3)	González, Santos and Santos (2005), <i>The gender wage gap in Portugal: Recent evolution and decomposition</i>	Oaxaca, 1973, Oaxaca and Ransom, 1994, Neumark 1988, Cotton 1988	1985–2000	Nationwide, all business enterprises with at least one employee. All sectors and occupations except public administration and defence, and self-employed persons	21.4 in male-dominated jobs, 24.2 in female-dominated jobs
SE (1)	National Institute of Economic Research (<i>Konjunkturinstitut</i>) (2009), Report on wage formation (<i>Lönebildningsrapporten</i>)	Blinder-Oaxaca	The study covers 1997–2008, but presents the situation in 2008	Private sector, nationwide	14.4 (blue-collar workers), 21 (white-collar workers)
SE (2)	National Mediation Office (<i>Medlingsinstitutet</i>) (2007), <i>Negotiation rounds for collective agreement and wage formation 2007 (Avtalsrörelsen och lönebildningen 2007)</i>	Blinder-Oaxaca	2007	All sectors, nationwide	5.3

Notes: * General industrial classification of economic activities within the European Communities (Nomenclature générale des activités économiques dans les Communautés européennes, NACE). See bibliography for full references to the studies.

Source: *EIRO national reports*

In countries where data are available, the adjusted gender pay gap is between 4% in Denmark and 30% in Cyprus. Only five countries have an adjusted gender pay gap of less than 10%: Denmark (4%–6%), Sweden (5%), Germany (6%–14%), Ireland (8%) and Italy (10%–15%). Some countries, such as Cyprus (30%), Latvia (21%–24%) and Estonia (21%–22%), remain above 20%. Regarding trends in the adjusted gender pay gap, information is available for only a few countries. In general, the pay gaps – regardless of their extent – are slightly narrowing. This is the case, for example, in Belgium, Cyprus, Norway and Sweden, while the pay gap is reported to be stable in Estonia and Latvia. The discriminatory component – which cannot be attributed to observed characteristics – is found to explain the biggest part of the gender pay gap in Cyprus, Italy and Portugal. In Portugal, this is true for both age groups studied: those aged 35 years or more and those aged below 35 years. The Italian study finds that the importance of the discriminatory component in explaining the determinants of the gender pay gap has been increasing, and that – although present over the whole wage distribution – it is higher at the very low and very high income levels.

Main findings of quantitative and qualitative studies

Occupational and sectoral (horizontal) segregation

Most country studies focus on women's segregation in low-paid occupations – both within the labour market and within the company – as a main factor affecting the difference in wages. Several of these studies single out horizontal segregation as the main cause of the gender pay gap.

A Finnish study finds that at least half of the gender pay gap arises from labour market segregation, while human capital differences account for less than 10%. In Belgium, occupational segregation accounts for 60% of the interpretable part of the pay gap. In Spain, horizontal segregation is due to a greater prominence of women in teaching, healthcare and

cleaning activities and remains an important factor in explaining the pay gap. In Greece, 51% of the gender pay gap in services and 57% of the wage gap in industry are due to occupational and sectoral segregation. Horizontal segregation in Slovakia seems to be strong mainly in the business area, where it accounts for about a third of the pay gap. In Austria, two research studies come to different conclusions. The first study breaks down the pay gap according to different categories and concludes that unequal distribution of men and women across the sectors has almost no impact on pay discrimination. However, the second study – which adjusts for observed differences – finds that horizontal segregation, together with vertical segregation and family status, represents 12% of the gap.

Vertical segregation and stereotypes

When career systems are strictly regulated and when mechanisms of recruitment and promotion are automatic and protected by collective agreements, as for example in the public sector, women tend to be less disadvantaged and their career patterns to be more similar to men's. By contrast, when recruitment and career advancement are subject to managerial discretion, women may be left far behind men. In the second case, stereotypes often still influence women's career dynamics.

Vertical segregation appears to be the principal factor of wage imbalance in Romania and in Slovakia, with a significantly lower number of women than men in managerial positions. In Estonia, vertical segregation in particular has increased since the early 1990s when the proportion of male and female managers was almost equal. The gap has widened in favour of men: by 2007, only a third of legislators, senior officials and managers were women. Women are regarded as being less reliable, insufficiently devoted to their work and less efficient than men. The tendency to take career breaks due to family responsibility and maternity leave are among the factors that feed these stereotypes. In Malta, the stereotypes are openly referred to: research emphasises that a widespread assumption still exists that women are not the 'breadwinners' and hence do not need to earn as much as men. The research also identifies the assumed potential threat to the traditional gender roles if women earned as much as men or more. In addition, the research showed that different tasks and responsibilities were distributed according to gender. In Lithuania, the attribution of different work behaviours and reliability to men and women explains at least partly the presence of a gender pay gap. A Lithuanian qualitative study finds that men are considered as those who usually assume more responsibilities, are not afraid of risks and are more efficient at using the same working time. In Cyprus, a study found that an increased educational level helped to narrow the wage gap as the position of women improved within their occupation. Denmark and Germany also report vertical segregation to be an important explanatory factor of the gender pay gap.

The qualitative studies collected provide few insights into the possible explanations for the persistent presence of women in lower qualified and lower paid sectors and professions. The Austrian studies, in particular, highlight that female occupational segregation is the result of life, educational and career choices heavily influenced by traditional roles and stereotypes. Accustomed to perceiving themselves as more suitable for certain kind of jobs, women tend to reiterate traditional education and work choices, which prevents them from seeing other options as feasible.

Besides these subjective hindrances, more objective elements contribute to the persistent prevalence of women in low-qualified, low-paid jobs. The main element is an unbalanced distribution of family responsibilities between men and women. Carrying most of the care burden makes it difficult for women to choose professions that would imply a greater time investment. This eventually results in lower wages for women.

Care responsibilities as an obstacle to career advancement

The objective differences in the role of women and men with regard to family responsibility play a major part in shaping women's careers. Women often choose part-time jobs in order to better reconcile work and family responsibilities, which makes it almost impossible to reach top managerial positions. Moreover, being the principal care givers, women are often unavailable to offer the kind of flexibility that companies would require. They are unavailable for long travelling and unplanned overtime. The studies carried out in different European countries confirm these objective factors.

As quantitative evidence shows, gendered roles in family and society and unequal distribution of care responsibilities – based on marital status and the number of dependent children – explain a relevant part of the gender pay gap. The number of dependent children is identified as a major factor in the gender pay gap in Estonia, Hungary and the UK, while it is considered among the most relevant causes in a number of other countries. An Estonian study finds that, for each child, a woman's earnings falls by 3.6%, whereas men's earnings are not affected. The study furthermore finds that, all other factors being equal, the difference between wages paid to married and single people is greater in the case of men than in the case of women. In Norway, having children explained up to 36% of the gender pay gap in 2003. This situation is more relevant for those working in the private sector than in the public sector, and especially for higher educated persons.

In Germany, it has been found that if women return to work from parental leave within 12 months and work full time, the gender pay gap narrows to 6%, whereas it is 12% for single women working full time and 14% for women who return from parental leave after three or more years.

The different behaviour of men and women towards family care responsibilities is the main cause of the gender pay gap, according to a study reporting on the Lithuanian case. Employers are more interested in employing and maintaining jobs for men, because women take sick leave more often, go on maternity leave and generally give priority to the family rather than work. Qualitative studies carried out in Luxembourg underline a change in women's behaviour in relation to career interruptions. Compared with previously, career breaks tend to be less frequent, temporary and shorter than they used to be. Maternity and family duties also emerged as the factors that limit the workplace potential of women in the Polish case.

Work experience and length of service

Difference in work experience between men and women is considered the most relevant factor of gender wage disadvantage in Germany and Ireland. Seniority – both within the company and the labour market – is understood as one of the most relevant reasons for men's higher wages in Belgium, Greece, the Netherlands, Poland and Romania. In Austria, the pay gap seems to emerge at the beginning of the career, whereas several country studies (Malta, Poland, Spain) report a widening gender pay gap with seniority or length of service. In Malta, men tend to stay longer with the same employer, which increases their chance of promotion. However, evidence from Germany and the UK reveals that the pay gap narrows after a longer period when women have the chance to signal their motivation and commitment.

Contractual characteristics

Working in non-standard jobs – both temporary employment and part-time work – is associated with the gender pay gap in two ways. Some countries, for example Malta and Spain, report that the pay gap is higher among people in such employment compared with standard employment. Secondly, the higher presence of women in part-time work has been singled out as a determinant affecting the overall gender pay gap. In the Netherlands, fixed-term employment contracts and, to a lesser extent, part-time work are foremost in the ranking of the gender pay gap determinants.

In Italy, one of the main factors of a widening pay gap is found to be the high presence of women in non-standard jobs, although a qualitative study mentions that Italian women are likely to prefer more stable and secure jobs even if they have lower wage growth profiles. In France, working time patterns have been singled out as the principal factor explaining the gender pay gap. By contrast, a German study finds that statistical discrimination against women is not apparent if the duration of the employment contract is defined in advance.

In Spain, in some cases women tend to choose temporary and more flexible jobs that require less engagement and leave them more time and energy to devote to family care.

Life course, career development and age group

Studies from Austria, the Czech Republic and Estonia have shown evidence of the variation of gender pay differentials in different life-course stages. In the Czech case, the gender pay gap widens in the 30–39 years age group, due to an interruption in women's professional career because of their having children, taking maternity leave and preferring family to career, whereas men continue in their professional career and their pay grows. Statistics Estonia (**Eesti Statistika**) has pointed out that in 2006 the gender wage differences were smaller than average among young and older workers. The biggest gender pay gap occurred among women aged 30–39 years: their salary formed just 66% of men's pay.

An Austrian study provides opposing evidence on the relation between the gender pay gap and the life course. It finds that unequal pay between men and women is due to unequal opportunities at the beginning of the career and not at later stages.

According to a French study, wage differences persist and even tend to widen over the generations. The gender pay gap was about 22% for people starting a job in the early 1990s, whereas it was around 15% for those starting a job at the end of the 1970s. The research underlines furthermore that the gender pay gap is caused by differing participation in the labour market: after five years, there are 10% more men than women in the labour market, regardless of the age group under consideration.

Job valuation

All other factors being equal, the gender pay gap may also be the consequence of men's and women's jobs being evaluated differently. In many countries, women's work is undervalued due to traditional stereotypes. In Latvia, for example, a study finds that division into 'male' and 'female' jobs is considered to be a 'normal' phenomenon. The so-called 'female' jobs are paid less and men do not want to work in such occupations, but women agree to work for a lower salary, which is also considered normal.

In the Bulgarian case, the higher pay for men is due to the evaluation that their work is physically heavier and a greater risk to health and safety. A Finnish study points out that evaluating personal work performance can be more difficult in women's occupations than in men's, as it is more difficult to measure and assess performance in work involving human relations – which is more common among women. Unfair evaluation of occupations also appears to play a role in the case of Slovenia. A recent qualitative study compared two occupations – police officer and nurse or medical technician – with similar characteristics and ranked at the same level according to the tariff rank of the Slovenian standard classification of occupations. It found that the mostly male occupation was evaluated as being more worthwhile.

Education and qualifications

Across Europe, educational levels have increased, especially among women. However, the effect on the gender pay gap did not lead to a substantial narrowing of the gap, but rather to a decline in the component of the gap which could be explained by personal characteristics (Plantenga and Remery, 2006). This is largely consistent with the findings from the studies under consideration.

More recent effects of increasing educational levels on the gender pay gap were reported for Cyprus and Portugal – the latter country finds that the impact of educational reforms reduced the gender pay gap especially among the younger and the higher skilled groups. Regarding the individual effects of education on wages, a German study finds that women benefit more than men from having completed an apprenticeship, while an Estonian study reports that education has a higher impact on men's wages. Bulgaria, Italy and Poland report a higher gender pay gap among the low-skilled groups of employees; in Italy and Poland, people with a higher level of education are also subject to a wider pay gap. These results point towards the existence of a 'sticky floor' together with a 'glass ceiling'. In Finland, the unadjusted pay gap is wider among higher skilled workers. A number of countries report that the gender pay gap is larger in the higher skilled

or educated groups of workers: in Hungary, a study finds that women with higher educational attainment face a greater level of discrimination.

Company characteristics

In the public sector and public companies, wage gaps are generally narrower than in private companies; this is the case, for example, in Italy, Latvia, Norway, Slovakia and Spain. However, Lithuania records a 9% increase in the public sector gender pay gap. Indeed, particularly in the new Member States (NMS) that joined the EU in 2004 and 2007, such as Bulgaria, Hungary and Slovenia, the gender pay gap was reported to be wider in the public sector, according to national statistics. Sometimes, the pay gap may be wider in small companies, as in the case of Romania or the UK; in the latter country, women in the largest companies earn more than men. Alternatively, the pay gap may be wider in large companies, for instance in Hungary or Spain.

Industrial relations and collective bargaining

Trade union membership, industrial relations and collective bargaining are believed to affect the gender pay gap. The potential influence of the social partners can be of a direct nature through negotiations over pay or of an indirect nature through the creation of working conditions and a social environment that is favourable to a more equal share of work and pay.

The presence of a collective agreement or works council at company level is expected to narrow the gender pay gap by compressing the wage distribution within economic sectors or the company. Centralised wage bargaining rather than company-level bargaining, as well as the introduction of minimum wages, should also narrow the gender pay gap by reducing pay differences between economic sectors and occupations. Segregation of representation however – such as the high presence of trade unions in male-dominated sectors – exerts a reverse impact on the gender pay gap. Only a few national studies produced empirical results in this respect.

In Ireland, a quantitative study found that centralised wage bargaining – and specifically the implementation of a national wage agreement – benefited women working full time and part time. However, high levels of trade union membership among men widened the gender pay gap. In Sweden, the Swedish Trade Union Confederation (*Landsorganisationen i Sverige*, **LO**) tries to level out wages, while the industrial collective agreement (*Industriavtalet*) sets the standard for all other sectors in the economy.

Finland reports that dispersed negotiation and local agreements result in women not possessing enough negotiating power. A German study found that if a company is bound to a collective agreement or has a works council, the gender pay gap is reduced substantially – by five percentage points in the case of a works council.

More empirical evidence was found regarding segregation in representation. The Spanish contribution points towards differences in the quality of collective regulation among economic sectors, which also contribute to the pay gap. For example, the negotiated wage increase was lowest in the wholesale and retail trade and in textiles, which have a high female representation. In these sectors, the great pressure surrounding salary costs gives little margin for negotiating substantial improvements. The Hungarian adjustment study found that having a collective agreement in the organisation correlates with a wider gender pay gap. This result might be explained by the prevalence of collective agreements in male-dominated sectors.

Evidence shows, for instance in Bulgaria and the UK, that the introduction of minimum wages or social security thresholds seems to narrow the gender pay gap. However, if this minimum rate is set at very low levels – such as the Interprofessional Minimum Salary in Spain, which amounted to 35% of the average salary in 2001 – it may fail to exert an impact on the level of the overall gender pay gap.

Apart from bargaining over pay, collective bargaining over other topics as well as other related instruments cited by the social partners have the potential to indirectly influence the gender pay gap. Creating working conditions favourable to both women and men – and helping to reconcile family and work duties – lies at the heart of these policies. At company level, transparency over pay, overcoming horizontal segregation at workplaces, the support of work–life balance, the organisation of working time and the existence of some family-friendly policies, such as career breaks, are mentioned as having the potential to reduce the gender pay gap.

Impact of economic crisis on gender pay gap

It is too early to assess whether and how the economic crisis has influenced the gender pay gap, given the lag in comparable statistics. From theoretical considerations, however, it might be expected that the economic downturn could narrow the pay gap in some countries. When jobs are lost or working hours are reduced primarily in well-paid male domains (for instance in France, Milewski and Périvier, 2009), the unadjusted gender pay gap might well be expected to contract. Equally, the fact that predominantly bonus-related wage components, which generally benefit men more than women, are being cut during the economic crisis could lead to a crisis-related reduction of the gender pay gap – at least in the short term and in some countries.

However, it is not clear that the greater impact on male-dominated sectors will automatically affect women less. In Italy, the General Confederation of Italian Workers (*Confederazione Generale Italiana del Lavoro*, **Cgil**) commented on official data from the National Social Security Institute (*Istituto Nazionale Previdenza Sociale*, **INPS**) in respect of the Wages Guarantee Fund (*Cassa integrazione guadagni*, **CIG**). The data highlight the precarious position of women in the metalworking industry, where they comprise only 28% of the industry workforce but represent 55% of all workers involved in restructuring processes.

Moreover, widening gender pay gaps could be expected in countries where female-dominated sectors are strongly hit by the economic crisis. For example, the Confederation of Independent Trade Unions in Bulgaria (*Конфедерация на независимите синдикати в България*, **CITUB**) and the Women's Committee of the Pan-European Regional Council (**PERC**) held a workshop discussion in May 2009 on women in the economic crisis and the informalisation of the economy (**BG0905029I**). It showed that women often experience the negative consequences of the crisis in different ways than men, related to their double role at work and home. As they are more likely than men to be in low-paid, precarious employment in sectors such as textiles, leather manufacturing, chemical products, and hotels and restaurants, they face a greater risk of immediate poverty when becoming unemployed.

Government initiatives to increase low-paid wages in female-dominated sectors have been reported in Sweden, where in the spring budget of 2009, municipalities and city councils were given an additional SEK 17 million (€1.7 million as at 25 February 2010) to cope with the economic crisis. In Bulgaria, the National Council for Tripartite Cooperation extended the compensation in the event of workers' income decreasing below the poverty threshold to part-time workers. This aimed to protect the purchasing power of workers in low-paid industries, two thirds of whom are women. In Finland – where a statutory minimum wage does not exist – the Central Organisation of Finnish Trade Unions (*Suomen Ammattiliittojen Keskusjärjestö*, **SAK**), in the spring of 2009, claimed that workers should be paid at least €1,500 a month on a full-time basis.

Government initiatives

Measures directly related to pay

In most of the cases, government initiatives do not specifically address the gender pay gap but rather gender equality in general. Nevertheless, a few interesting actions directly targeting the reduction of the gender pay gap have been undertaken in a number of countries – namely, Austria, Belgium, Cyprus, Denmark, Finland, France, Italy, Lithuania, Luxembourg, the Netherlands, Norway, Romania, Slovenia, Sweden and the UK. These measures have been implemented through different types of tools such as: national action plans, direct or indirect legislation, dedicated bodies and specific wage policies.

Specific legislation on gender pay gap

In Italy, according to Article 28 of Law No. 903 of 9 December 1977, women are entitled to the same wage as men and job classification systems have to adopt the same criteria to determine wage levels for men and women. Regarding wage discrimination in particular, a specially targeted programme introduced in 2008 establishes that positive actions should meet the following objectives:

- modify the organisation of work, performance evaluation and bonus systems;
- reduce the pay differential between women and men;
- advance female careers to also allow for an equitable distribution of tasks;
- adopt the European Commission strategy on female employability including ‘flexicurity’ criteria, combining flexibility and security.

In Luxembourg, the Labour Code (Article L 414-3) establishes equality of treatment between men and women with regard to access to employment, training and professional promotion, as well as in terms of pay and working conditions. In Cyprus, in April 2009, a number of amendments were made to the existing legislation on equal pay for men and women for equal work or work of equal value that are expected to reduce the gender pay gap.

General recommendations and action plans

In Finland, the 2008–2011 Action Plan issued by the government has among its objectives the reduction of the gender pay gap – in particular, through initiatives aimed at combating occupational segregation. In Slovenia, the Resolution on the National Programme for Equal Opportunities of Women and Men (2005–2013) stipulates four aims seeking to promote equal opportunities for men and women in employment and work. The programme has among its direct objectives the aim of reducing the gender pay gap. In the UK, the Women and Work Commission (**WWC**) brought together employers, trade unions and experts in a wide range of fields to tackle the problem of the gender pay gap. This resulted in a Government Action Plan to increase the availability of quality, part-time work, to introduce a public sector gender duty, and to ensure career guidance free from gender stereotyping.

Legislative support for collective bargaining

In France, a new law adopted in March 2006 aims to abolish the gender pay gap through collective bargaining at company level by 31 December 2010. After the Tripartite Social Conference, organised by the government on 26 November 2007, a three-stage plan of action was adopted in order to absorb pay gaps in shorter periods of time through a number of measures including: better diagnostic instruments used as a basis for negotiating occupational equality; intensifying the bargaining process in both sectors and companies; and introducing a financial penalty for companies that have not submitted to the departmental offices of the Ministry of Labour, Employment and Vocational Training (*Direction départementale du travail, de l'emploi et de la formation professionnelle*, DDTEFP) a plan for abolishing the gender pay gap by 31 December 2010.

Monitoring and transparency

Besides the general monitoring of pay differences, which is conducted by or on behalf of the majority of national governments, some countries reportedly have legislation in place for ensuring transparency. This legislation is mainly addressed at employers.

In Denmark (the ‘Act on gender specific pay statistics’), Sweden (‘Equal Opportunities Act’) and Italy (Article 46 of Law 125 of 1991), companies with more than 35, 10 and 100 employees respectively are obliged to report on and prevent gender pay gaps. The obligation to report on addressing and explaining the reasons for the gender pay gap aims to improve information on private companies’ wage differentials. In Romania, the Labour Inspection Office (*Inspekția Muncii, IM*) secures the observance of measures seeking to ensure equality of opportunity between men and women, including equal pay for equal work. Elsewhere, in the Netherlands, an advice committee was established in 2006, known as the National Working Group on Equal Pay. This tripartite committee has responsibility for promoting the implementation of equal pay and for giving guidance on the subject to companies and parties engaged in collective bargaining. On 1 December 2008, the Labour Inspectorate (*Arbeidsinspectie*) was assigned responsibility for enforcing the obligation on employers to scrutinise pay inequalities in their company.

Wage measures benefiting low-paid occupations

In 2006, the Norwegian government appointed a Gender Pay Commission to report and give recommendations on the gender pay gap. Among the recommendations was a state-financed wage pot for female-dominated occupations in the public sector and the earmarking of one third of the parental leave period for fathers. The social partners had to agree on the implementation of such a scheme in order to avoid triggering demands for compensation from other groups.

In Austria, as of August 2007, a legal claim to premium rates of pay of an additional 25% for overtime work was introduced for part-time workers, the vast majority of whom are women. This measure aims to improve the income situation of women engaged in part-time work.

Initiatives addressing women’s labour market segregation

Initiatives addressing women’s labour market segregation and gender equality target two key issues: women’s horizontal and vertical segregation, which are among the main causes of income inequality. The majority of these ‘indirect’ initiatives fall under the typologies of general government recommendations (often by means of equality programmes, the creation of specific equal opportunity bodies, or tripartite agreements) and different legislative interventions (promoting equality between men and women, introducing work–life balance policies, promoting collective bargaining on equality, or introducing specific guidance for women). Some of the initiatives seek to support female career development through new measures on parental leave and care services. Such measures include, in particular, increasing the number of crèches and introducing parental leave periods reserved for fathers, in order to balance the distribution of family care obligations between men and women.

Specific legislation on equality between men and women

Most EU Member States have adopted some form of legislation regarding equality between women and men. Greece, for instance, introduced Law No. 3488/2006 on the Implementation of the principle of equal treatment for men and women as regards access to employment, vocational training and promotion, working conditions and other relevant provisions. In Italy, the **Legislative Decree No. 198 of 11 April 2006** (‘*Codice delle pari opportunità tra uomo e donna*’) prohibits discrimination between men and women, and all forms of discrimination in access to work, wages, employment conditions and careers.

In Norway, specific legislation on gender representation on company boards, introduced on 1 January 2006, stipulates that there should be a minimum proportion of both genders on these boards of approximately 40%. The rules apply to

all privately-owned public limited companies, which have been given two years to meet the new requirements with regard to gender representation. For state-owned companies, such rules have been in force since 2004 (NO0602102F).¹

General actions on gender equality in the labour market

In many countries, governments support awareness raising initiatives among employers and the wider public. In Germany, the Federal Ministry for Family Affairs, Senior Citizens, Women and Youth (*Bundesministerium für Familie, Senioren, Frauen und Jugend*, **BMFSFJ**) supports the organisation and realisation of the country's **Equal pay day** to encourage public debate. In Denmark, the campaign 'Charter for more women in management' was undertaken by the Minister for Gender Equality in 2008 and specifically targeted at combating vertical segregation. The charter consists of a set of guidelines, which companies are expected to comply with. When companies sign the charter, they are obliged to set specific targets and to develop a strategy on how to meet these goals. The targets and strategy are unique to each individual company and may therefore vary from one company to another. By September 2009, some 75 companies had already signed up to the charter, including the A.P. Moller-Maersk Group, the largest company in Denmark. The charter is seen as a way to work towards gender equality without using the force of law and quota systems. The charter also encompasses a network, where it is possible to share experiences and to develop strategies tailored for individual companies.

In the UK, the Government Equalities Office (**GEO**), the Trades Union Congress (**TUC**), the Confederation of British Industry (**CBI**), the Chartered Institute of Personnel and Development (**CIPD**) and the Equal Opportunities Commission (EOC) developed and piloted a gender equality checklist to make employers more aware of the implications of some of their practices.

General government strategies addressing vertical segregation were launched in Sweden, for instance. These include, for example, sending gender equality delegations to schools, improving conditions at workplaces, facilitating the combining of parenting and working, and increasing investment in women's entrepreneurial activities. In Estonia, a 2008 programme entitled the **Promotion of gender equality (in Estonian, 193Kb PDF)** was launched by the Gender Equality Department at the Ministry of Social Affairs (**Sotsiaalministeerium**). Similarly, Ireland introduced the **National Women's Strategy 2007–2016**, along with a programme of positive action measures, including the **Equality for Women Measure 2008–2013**.

Legislative support for collective bargaining on gender equality

In only two countries – namely, France and Italy – legislation supporting collective bargaining has been reported. France adopted a new law to supplement existing measures – that is, the 2001 'Génisson law' – which obliges companies with more than 50 employees to carry out collective bargaining on occupational equality. The law also provides for a multi-industry agreement on gender balance and gender occupational equality, which was signed by all of the social partners in 2004. The law seeks to be innovative by imposing time constraints on negotiators. It gives the social partners the job of abolishing pay gaps by the end of 2010 – in the framework of mandatory annual pay bargaining in sectors and companies – and makes results compulsory.

In Italy, **Law No. 69 of 2009, Article 38** (*'Misure per conciliare tempi di vita e tempi di lavoro'*) provides grants to employers that promote, on agreement with the trade unions, positive actions for life-work reconciliation to the benefit of dependent and self-employed workers.

¹ Codes in brackets – e.g. NO0602102F – refer to online articles on the Eurofound website. To retrieve the article, simply enter the code in the site's search field.

Establishment of specific bodies to address gender equality in employment

For a number of countries, the EIRO national centres have reported that specific bodies dealing with gender equality in employment have been established. Table 2 lists these countries and the names of these bodies.

Table 2: *Bodies dealing with gender equality in employment, by country*

	Name of establishment
CZ	Government Council for the Equal Opportunities of Women and Men (<i>Rada vlády ČR pro rovné příležitosti žen a mužů</i>)
HU	Equal Treatment Authority (<i>Egyenlő Bánásmód Hatóság, EBH</i>)
LU	Inter-ministerial Gender Equality Committee
LV	In Latvia, the Gender Equality Council was established in 2002 to promote gender equality policy at all levels in public administration institutions, as well as to draft recommendations.
MT	Gender Equality Unit of the Employment and Training Corporation (ETC)
RO	National Commission for Equal Opportunities between Women and Men (<i>Comisia Națională pentru Egalitate de Șanse, CONES</i>)
SK	Permanent Committee for Gender Equality and Equal Opportunities for the Parliamentary Committee for Social Affairs and Housing All materials concerning gender equality are negotiated at the national tripartite Economic and Social Council (<i>Hospodárska a sociálna rada SR, HSR SR</i>). Moreover, the government and the Confederation of Trade Unions of the Slovak Republic (<i>Konfederácia odborových zväzov SR, KOZ SR</i>) work together to enforce gender equality measures (January 2009).

Source: *EIRO national centres, 2009*

Legislation supporting employees' work–life balance

Many pieces of legislation to support flexible forms of employment, which aim to ensure and facilitate women's participation in the labour market, have been reported by the EIRO national centres. As evidenced by the empirical findings of some of these studies, the effect can however be detrimental on the gender pay gap when it is only targeted at women.

At EU level, the revision of the parental leave Directive, as agreed by the European social partners in 2009, aims to support the equal sharing of childcare responsibilities by making part of parental leave non-transferable and therefore encouraging fathers to take advantage of such leave (EU0907029I). At national level, many countries have already adopted specific legislation to support the equal sharing of childcare responsibilities through addressing the role of fathers.

Several countries have introduced or amended laws on parental leave, parts of which are specifically addressed to fathers. For example, Portugal's Law No. 7 of 2008 (amendment to the Labour Code) and new rules on parental leave in Poland aim to encourage fathers to make use of part of this leave. Elsewhere, Norway extended the parental leave period (paid leave) that is reserved for fathers from four weeks (before July 2005) to up to 10 weeks (2009).

In Germany, the federal government sought to reduce the adverse impact of family-related career interruptions. In January 2007, a monthly parental leave allowance (**Elterngeld**) was introduced based on the preceding income level. The duration of this allowance has been extended from 12 to 14 months if both partners take parental leave for at least two months. It is hoped that, as a result of this condition, the take-up rates for men and women will be more even in the future.

Another reform of the childcare benefit scheme has been passed in Austria through the introduction of an income-related option, in addition to the pre-existing flat-rate schemes (AT0812039I). This measure aims to encourage higher-earning women to resume work earlier after parental leave and to attract a higher proportion of men to assume childcare

responsibilities. Accompanying measures include the increase in the number of childcare facilities. In Denmark, the Act on flexible parental leave, introduced in 2006, gives parents the right to 52 weeks' paid parental leave. Moreover, a bill on 'maternity redistribution' has been introduced with the aim of balancing maternity pay between gender specific sectors: accordingly, all employers in the private labour market can apply for reimbursement of a proportion of the full maternity pay.

A further wide-ranging law in this respect is the French law of 'equal pay for men and women'. This law addresses women's right to maternity leave, increases training allowances for employees who need to spend money on childcare in order to go on training outside of working hours, and provides help for small companies to replace employees on maternity or adoption leave.

More flexible forms of employment to support childcare were introduced in Bulgaria – this measure is targeted at young women and parents who care for children with disabilities. In Finland, the legislation on parental leave includes measures to improve flexibility for fathers of small children. Meanwhile, Slovenia has introduced an extension of the right to part-time work for parents of two children until the younger child is six years old; this measure is supplemented by the co-funding of crèche payments from the second child onwards. In addition, the parents of schoolchildren can use at least one week of their annual leave during school holidays. Norway has introduced a working time reduction measure for female-dominated groups with rotation work schemes. Sweden has pursued a different approach, introducing a tax deduction for domestic services work, where families can deduct the cost of housekeepers from their annual taxes. Moreover, the government intends to foster job creation in the service industry – although this issue is being debated, as it might also lead to increased female employment in low-wage sectors.

Encouraging women into male occupations

Horizontal segregation – or the fact that many women already choose 'typical female' professions and work in female-dominated, low-paid sectors – lies at the heart of explaining the persistence of gender pay differences. Only a few countries have reportedly launched initiatives to prevent such gender specific educational choices at an early stage, or to make women aware of opportunities in non-typical female professions at later stages of their career. More initiatives have however been reported for the promotion of female entrepreneurship.

In Austria, specific education and training policies exist and are regularly implemented through the regional offices of the Public Employment Service (*Arbeitsmarktservice*, **AMS**). In the province of Lower Austria, for instance, all prospective apprentices have to undergo a special aptitude test. This measure aims particularly to prevent girls from choosing traditional female occupations, such as those of hairdressers and shop assistants, if the tests show obvious talents for other vocations.

In Norway, public sector employers introduced initiatives to recruit more women into male-dominated sectors, such as defence, and into leading positions in several other male-dominated professions such as those of university professors.

Public sector initiatives

In the public sector, the government acts as an employer and can intervene more directly. As the earlier findings show, the gender pay gap is generally much smaller in the public sector. Initiatives have been undertaken in the majority of countries and are primarily focused on promoting pay equity and gender equality in general, as well as supporting female careers and combating occupational segregation. Fewer measures are targeted at supporting low-paid occupations and work-life balance.

Public sector measures which are directly pay related can be found in Denmark, for instance, where a tripartite Pay Commission (*Lønkommissionen*) examines pay in the public and private sectors. In Finland, where 80% of local public sector employees are women, the government has committed itself to a tripartite equal pay programme. The municipal

public sector has been particularly noteworthy in this respect: ‘The government is willing to support through a higher state subsidy a wage solution that will promote wages in female-dominated sectors. The size of the elevated state subsidy depends on how clearly the wage solution is directed at educated female-dominated fields where the salary does not coincide with the work competence.’ Moreover, in the last sectoral bargaining round in 2007, higher pay increases were offered to municipal sector employees than to those working in the private sector.

A measure that is not directly linked to pay concerns the establishment of ‘equality plans’, which is a widespread practice among European governments. Such measures include a commitment on the part of public authorities towards their employees. These commitments could include the promotion of equality of opportunity, or the elimination of unlawful harassment and sex discrimination – as seen, for example, in the UK. Elsewhere, these commitments may encompass fostering a better reconciliation between private, family and occupational life, and instigating the compulsory adoption of equality plans in state-owned companies – as seen in Portugal. Alternatively, they might equally require public administrations to draw up positive action plans for the attainment of effective parity – as is the case in Italy, for instance. In Germany, legislation can be found that stipulates certain procedures which federal authorities must follow concerning job descriptions, inviting candidates for interviews and the interviews themselves, recruitment and promotion decisions, and continuous training.

Some national centres, such as those in Estonia and Luxembourg, have further reported initiatives aimed at training civil servants on the issue of gender equality and providing them with the practical and analytical skills for gender-sensitive budget planning.

In addition, a number of countries – such as Austria, France and Ireland – have introduced mandatory quota systems in the public sector. In Austria, this is regulated by the 1993 Act on Equal Treatment for Men and Women in the Public Sector (*Bundesgleichbehandlungsgesetz*), which lays down a general requirement for positive action in favour of women. The preferential hiring of women has been expressed in a quota rule, which has just recently been raised to 45% from 40%. Detailed provisions are further stipulated for the preferential treatment of women in terms of promotion, training and further training.

Social partner initiatives

EIRO national centres have reported a variety of actions taken by social partner organisations across Europe to address gender inequality in the labour market in general and the gender pay gap in particular. The national reports suggest that trade unions are generally more active than employer organisations in starting initiatives that aim to overcome gender segregation.

This chapter summarises the various activities which have been developed by trade unions and employer organisations in unilateral as well as bilateral ways. A further section is devoted to collective bargaining aiming to reduce the gender pay gap – for example, by means of introducing gender neutral pay structures and revising of job classifications.

Given the complex nature of the gender pay gap and the broad coverage of initiatives reported, it is often difficult to differentiate between initiatives that directly address the gender pay gap and indirect initiatives dealing with equality in employment in a broader sense.

Trades union initiatives

Trade union activities seeking to address gender pay differentials cover a wide spectrum of initiatives – encompassing awareness-raising campaigns for the wider public, initiatives to monitor the gender pay gap at workplace or industry level, or gender equality measures within trade unions.

It is sometimes difficult to distinguish between initiatives that have the public and the media as their main target audience and those that are addressed to trade union organisations and their members. A number of trade union initiatives can be identified that aim, in particular, to raise awareness among trade union staff, employee representatives and/or union members by means of specific training courses and seminars. These initiatives seek to provide trade union members with the necessary skills to address the issue of the gender pay gap in collective bargaining and social dialogue.

Awareness-raising campaigns

Trade unions in most countries covered by this study have been active in raising awareness on gender aspects related to work and employment. However, many of these measures only indirectly target the gender pay gap, as they comprise activities such as general campaigns on gender equality, handbooks and guides against stereotyping and on combating discrimination in working life, promoting equal opportunities principles, and disseminating documents and data on female employment, sexual harassment and reconciling work and family life.

Initiatives specifically addressing the gender pay gap are reported to a lesser extent. However, in a few countries, such initiatives and events have been developed – often in collaboration with equal opportunities national bodies and with governments – to attract the attention of society and the media, as well as employers and employees, on the many kinds of gender pay differentials. Examples of such initiatives include, for instance, the regular organising of some form of Equal Pay Day – as reported in Austria, Belgium, the Czech Republic, Denmark, Estonia, Hungary and the Netherlands.

Monitoring the wage gap

Mapping developments with regard to gender discrimination at the workplace and the measuring of pay differentials are an important precondition for successfully developing activities. Some trade unions have developed a number of online tools to monitor wage differentials and have conducted research into this field.

For example, the United Federation of Danish Workers (*Fagligt Fælles Forbund*, **3F**), the biggest trade union in Denmark, provides an online service to calculate the gender pay gap at one's own workplace. This online service includes a detailed guide on how to make this calculation. If the gender pay gap exceeds 5%, the workers are encouraged to contact the trade union.

In Germany, the 'wage indicator for women', created by the Confederation of German Trade Unions (*Deutscher Gewerkschaftsbund*, **DGB**), provides an online platform with a large dataset for wage comparison. In Austria, the women's organisation of the Austrian Trade Union Federation (*Österreichischer Gewerkschaftsbund*, **ÖGB**) promotes the introduction of an official wage and salary calculator for each branch and sector indicating common pay in the respective sectors. It also upholds the obligation of every employer to publish gender-specific statistics – particularly with regard to income and working time.

In Hungary, a partnership between trade union confederations, a research institute and civil society organisations was involved in implementing the **EQUAL project H005** – known as 'Equal pay for equal work! Creation and operation of an e-wage barometer in a development partnership' – between July 2005 and April 2008. The **project** has built up a database of 10,000 items on wages, work and employment conditions by gender, as well as engaging in various dissemination activities, conferences and events.

Moreover, in some countries, trade unions have developed studies and research in order to better analyse and publicly demonstrate the relevance of the gender pay gap phenomenon. For example, in Cyprus, research has been conducted by the Cyprus Workers' Confederation (*Συννομοσπονδία Εργαζομένων Κύπρου*, **SEK**) to investigate the content of collective bargaining with regard to the issue of gender equality, also including the matter of equal pay. In Sweden, the Swedish Confederation of Trade Unions (*Landsorganisationen*, **LO**) publishes an annual wage report with a focus on the gender

pay gap, while the Swedish Confederation of Professional Associations (*Sveriges Akademikers Centralorganisation*, **SACO**) has been awarded for compiling, on a regular basis, reports scrutinising the gender pay gap and how it is evolving among its member companies.

Internal training and changes in organisational structures

Many EIRO national centres reported trade union initiatives aiming to raise both the awareness and competence of trade union officials and members on gender inequality issues – either through directly targeting the gender pay gap or by addressing gender equality in a broader sense.

For instance, training programmes to enhance the skills of officials, activists and works council representatives in relation to equality in employment have been devised by a number of trade unions – the French General Confederation of Labour (*Confédération générale du travail*, **CGT**), the Irish Congress of Trade Unions (**ICTU**), KOZ SR in Slovakia and the Italian trade unions. In the UK, guidance and support for trade union equality representatives have been developed by the trade union **Unite** by means of a WWC fund. At the same time, the TUC implemented a project aimed at improving national officers' ability to bargain over equality issues.

The Equality and Equal Treatment Department of the Democratic Labour Federation of Cyprus (*Δημοκρατική Εργατική Ομοσπονδία Κύπρου*, **DEOK**), along with the German United Services Union (*Vereinigte Dienstleistungsgewerkschaft*, **ver.di**) and the Confederation of Estonian Trade Unions (*Eesti Ametiühingute Keskkliit*, **EAKL**) have all provided their officers with handbooks and brochures on equal pay, training and seminars to raise awareness on the gender pay gap and to promote gender equality in wage setting.

In order to increase the number of female trade union activists and to improve the representation of women in its governing bodies, the Belgian General Christian Trade Union (*Algemeen Christelijk Vakverbond/Confédération des syndicats chrétiens*, **ACV/CSC**) adopted a new policy based on the quota system – whereby a quota of one third women had to be reached in trade union structures by 2006. Although this goal has not yet been reached among the higher ranks of trade union officials, it entails an important change in mentality and culture.

Employer organisations and the gender pay gap

Position of employers

Employer organisations tend to devote comparatively less attention to the issue of gender inequality. They often consider factors external to enterprises as the major causes of the gender pay gap – such as education, occupational segregation and family. In such a way, they attribute the gender pay gap to inequalities arising outside the workplace and falling outside the reach of the company, while possibly underestimating the influence of 'internal' factors, such as gender stereotypes and human resource management within enterprises.

However, initiatives have been reported by the EIRO national centres, whereby employer organisations take a more active stance regarding gender segregation, often through the removal of barriers to a better work–life balance.

Employer initiatives

Different forms of campaigns have been initiated by employer organisations in many countries. These include disseminating diversity management tools, fighting stereotypes and promoting women's access to managerial positions or to entrepreneurship.

Some employer initiatives are focused on improving employees' work–life balance. While many employer organisations are asking for more childcare and/or tax deduction initiatives for family services, as seen in Italy and Sweden, others are

also promoting flexible working patterns within the member enterprises. In the UK, for instance, 22 individual employers have joined the Employers for Work–Life Balance Alliance, promoted by the government. Elsewhere, the Slovenian Employers' Association (*Združenje delodajalcev Slovenije*, **ZDS**) has played an active part in promoting the Certificate Family Friendly Enterprise.

Evidence of more targeted initiatives addressing the gender pay gap can be seen in Germany, for instance, where the government and the peak organisations of employers and business associations signed an **agreement (in German)** seeking to promote gender equality in the workplace by: improving training and career prospects for women; creating a better work–life balance for both women and men; increasing the proportion of female workers in occupations, industries and particularly managerial positions that are currently male dominated; and reducing the gender pay gap.

The adoption of an indirect measure to reduce the gender pay gap, such as the so-called quota systems to support women's access to managerial positions, has been implemented in some individual companies in Germany, such as Daimler. In Ireland, however, the Irish Business and Employers' Confederation (**IBEC**) rejected the legal obligation of quotas for women, arguing that artificial and arbitrary quotas are inappropriate for achieving systematic change in female segregation.

In Cyprus, the Employers' and Industrialists' Federation (*Ομοσπονδία Εργοδοτών και Βιομηχάνων*, **OEB**) conducted a study on women's access to top management positions in banks and semi-state organisations. The study was part of a broader objective on the part of OEB to promote equal opportunities between women and men at the workplace. Similarly, in Denmark, the social partners have launched different initiatives to increase the number of women on company boards. For example, the employer organisation Danish Industries (*Dansk Industri*, **DI**) has launched a database called 'Women on board', which supports companies in finding female candidates for their boards.

Other employer initiatives have sought to promote female entrepreneurship (see box below).

Women's entrepreneurship initiatives

Employers organisations, but also governments, have been quite active in promoting female entrepreneurship. One example of an employer organisation initiative addressing the gender pay gap is the 'Academy of gender equality', founded by the Federation of Swedish Farmers (*Lantbrukarnas Riksförbund*, **LRF**) to give men and women the same possibilities to establish a business. This academy pursues the development of ideas and research, as well as the formation of public opinion, in order to promote awareness of the possibilities for women to establish businesses.

In Romania, an interesting example can be found of good practice aimed at promoting female entrepreneurship. The project 'Entrepreneurship and equal opportunities. An interregional model of entrepreneurial school for women' was funded by the European Social Fund and coordinated by the University of Oradea (*Universitatea din Oradea*) in 2007–2009, in partnership with the country's National Agency for Equal Opportunities for Women and Men (*Agenția Națională pentru Egalitatea de Șanse între Femei și Bărbați*, **ANES**) and six other educational establishments and foundations. The purpose of the project was to stimulate entrepreneurship among women and to disseminate entrepreneurial best practice in order to encourage the sustainable development of communities in the west-border counties of Romania.

In Poland, the issue of female entrepreneurship was also addressed through a media campaign – entitled 'How good to be a businesswoman!' – which sought to encourage women to start up their own business. The initiative was launched by the Department for Women, Family and Counteracting Discrimination (**Departament ds. Kobiet, Rodziny i Przeciwdziałania Dyskryminacji**) of the Ministry of Labour and Social Affairs (*Ministerstwo Pracy i Polityki Społecznej*, **MPiPS**)

Joint initiatives and collective bargaining on gender equality

Trade unions and employer organisations, as well as individual employers, jointly engage in many ways to address the issue of the gender pay gap and gender equality. The EIRO national reports which contributed to this study have cited a variety of initiatives aiming to tackle the gender pay gap issue in collective bargaining rounds and agreements, as well as through different social dialogue bodies.

Many of the reported initiatives on gender equality and the gender pay gap are dealt with through multi-employer bargaining. Examples of single-employer collective bargaining are far less evident. Framework or model agreements are often negotiated at higher level, and these seem to play an important role in addressing gender equality issues at the workplace.

Information from the EIRO national centres shows that it is often difficult to clearly differentiate between initiatives specifically targeting pay equity and those addressing gender equality in employment in a broader sense – for example, sectoral and occupational segregation or care responsibilities.

Social partner activities specifically addressing the gender pay gap include, for instance, revision of job classification systems to detect and eliminate discriminatory pay gaps, along with collective negotiations around pay increases for occupations and sectors with higher proportions of female employees.

Joint statements and clauses on gender equality and equal pay

Reports from the EIRO national centres show that one of the most frequent ways to address issues of gender equality in social dialogue processes is through joint statements and general clauses on equality in agreements signed by both sides of industry. For instance, in Greece, a bipartite framework agreement on the equality of men and women – the so-called ‘Memorandum of understanding relating to the promotion of equal opportunities for men and women in enterprises’ – was established in 2006. The document was signed by the General Secretariat for Equality of the Ministry of Interior, Public Administration and Decentralisation (*Υπουργείο Εσωτερικών, Δημόσιας Διοίκησης και αποκέντρωσης, YPES*), and by five Greek employer and business organisations. The signatories assume mutual obligations for promoting, among other things, equal pay, especially in small and medium-sized enterprises (SMEs).

In France, the application of the principle of equal pay is one of the mandatory clauses that national collective agreements must include: at the end of 2008, the majority of sectors had concluded agreements or embarked on negotiations; however, 69 sectors (43%) had still not started the bargaining process. The year 2008 was marked by a certain degree of speeding up of bargaining on the topic of occupational gender equality, particularly regarding ‘equal pay for equal work’: 19 specific agreements were signed (compared with nine agreements in 2007 and only one in 2006), while 34 agreements referred to the issue (compared with 24 agreements in 2007 and 18 in 2006). The majority of agreements negotiated in 2008 emphasise the need to abolish unjustified gender pay gaps by 31 December 2010.

In Ireland, the **Towards 2016 (2.86Mb PDF)** national social partnership agreement, concluded in September 2006, includes actions by the social partners to encourage greater numbers of women to advance to higher levels within their chosen careers. This could be encouraged through training and cost-effective reviews of equality policies within organisations.

Other claims on women’s pay are also reported. Trade union opposition to the application of the law for tax abatement in the case of extra hours, which is supposed to widen the gender pay gap, is reported for Italy. The unions have also called for the creation of a ‘Gender Equality Authority’ in this country.

Information disclosure on wage differentials

Information on wage differentials is an important prerequisite to address discriminatory aspects of wage formation. In Norway, where many trade unions at company level have access to information on wage differentials for use in company-level bargaining, this access is regulated through collective agreements at central or local level. Guidelines have been established, and in order to get information on small groups or individuals, shop stewards are required to sign an obligation not to disclose confidential information. The Norwegian Equal Pay Commission (*Likelønnskommisjonen*) also proposes that enterprises over a certain size should be required to produce pay statistics, broken down by gender and occupational position.

Revision of job classification systems

In some countries, it has been acknowledged that the gender pay gap may be a consequence of men's and women's jobs being evaluated differently, with 'typical' female occupations being undervalued. To address this possibly unfair and stereotyped job analysis and evaluation, the social partners in a number of countries have tackled the issue of revising job classifications.

In Belgium, the Institute for the Equality of Women and Men (**Institut de l'égalité des femmes et des hommes/Instituut van de Gelijkheid van Vrouwen en Mannen**) was constituted to reform the system of classifying jobs under the federal EVA project, with the aim of reducing pay differences between women and men. At the social partner level, Belgium's equal pay policy has been primarily targeted at discrimination in occupational classification. An increased number of sectoral joint committees have been addressing the issue of an analytical job classification scheme, which is considered key for higher gender neutrality in pay schemes.

In the Netherlands, the tripartite Labour Foundation (*Stichting van de Arbeid*, **STAR**) introduced a 'checklist on equal pay for payment systems', which is an instrument for social partners to check their payment systems. In the UK, two agreements called the 'Single Status' and the 'Agenda for Change' agreements were respectively negotiated in local government and the National Health Service (**NHS**). The underlying aim of the agreements is to bring all employees within a common and equal grading and pay structure. However, the partial implementation of these agreements has led to large numbers of equal pay claims (UK0808029I).

A further example of addressing gender neutral job classification can be found in Lithuania, where a 'model collective agreement' is used as a basis for drawing up collective agreements in enterprises and organisations. In relation to implementation of the principle of fair remuneration for work, the national social partners recommend applying the Methodology for the Assessment of Jobs and Positions. This methodology is based on the assessment of a job (position) using eight main factors: education, professional experience, levels of positions and management, scope of decision making and freedom of action, autonomy and creativity at work, responsibility, work complexity, and conditions of work (LT0507102N).

Wage increases for low-paid occupations and other benefits

As indicated in the first part of this report, social partners can exert an influence on the extent of the gender pay gap through collective bargaining. In the Nordic countries in particular – that is, Finland, Norway and Sweden – initiatives have been developed to tackle pay in sectors with a high gender pay gap.

Considering that the gender pay gap is largely explained by occupational and sectoral segregation, one measure for reducing the pay gap between female and male-dominated sectors is to increase the minimum wage. Studies from Bulgaria and the UK show that the introduction of minimum wages or social security thresholds seem to narrow the pay gap. In Sweden, in 2007, the social partners took the decision to allow collective bargaining to raise the minimum wage, since sectors with the lowest minimum wage have the largest proportion of female employees. Furthermore, 'the pool

of gender equality' (*Jämställdhetspotten*) in Sweden provides low-paid employees with additional remuneration through a contribution paid by the employers. The wage pools were collected according to central agreements, but distribution took place through local bargaining. The measure was directed at workplaces with a higher gender pay gap, based on the proportion of female employees with a monthly salary under SEK 20,000 (about €2,055 as at 25 February 2010).

As mentioned, the Equal Pay Commission appointed by the Norwegian government recommended a state-financed wage pot for female-dominated occupations in the public sector as one of the measures for reducing the pay gap between men and women. Among the new types of gender pay initiatives in Norway's public sector collective bargaining since 2005 is the possibility for parties at central level to agree that women should be prioritised in company-level bargaining that takes place after the central-level collective bargaining – in other words, they are given, on average, more than their pro-rata share of the funds set aside for company-level bargaining. This measure was decided in the state sector in 2008 and 2009.

In Norway's private sector, trade unions have been focusing on the problem of low-paid female-dominated groups, such as those working in retail or hotels and restaurants. Among the initiatives adopted are demands for higher general wage increases or special low-pay increases in the collective bargaining rounds for groups with the lowest average pay. In several sectors, special pay increases have been collectively bargained for low-wage groups – a measure which particularly benefits low-paid female-dominated occupations.

In Finland, the 2007 collective agreement in the public sector at local and central government level includes an equality allowance (FI0710029I). The general pay rises include an equality allowance of 2%, earmarked for qualified employees in female-dominated occupations, such as those working in care and social welfare institutions or nursery schools. Of this 2% increase, 1.5% has been allocated to low-paid employee groups, according to a national allocation agreement; the remaining 0.5% has been allotted to employees at local government level. The equality allowance varies according to the proportion of female employees and the level of education among workers in these occupations.

Good practice initiatives

Tackling gender inequalities in the labour market has often been approached through the dissemination of good practice examples. In many countries, awards and competitions have been initiated, in order to identify companies and workplaces that have succeeded in achieving gender equality in employment and that can be considered as positive examples with regard to gender equality issues.

Awarding companies with prizes or labels is considered a highly effective way of drawing attention to measures seeking to combat unfair gender practices and of achieving equality between men and women in the workplace. Most of these initiatives are broader in scope and go beyond the issue of equal pay: for example, they also promote female career and professional development, as well as issues concerning work organisation such as working time flexibility, along with maternity leave and other care responsibilities.

Awards and dissemination initiatives

In Germany, in 2006, the trade unions initiated a programme called 'The family as a success factor', which aimed to collect and disseminate information about work–life balance. The results were made available through the establishment of a platform and a permanent network among companies, along with the creation of a Family-Friendly Enterprise Award.

Another initiative in Germany is the 'Total E-Quality' scheme undertaken since 1996. The initiative has sought to establish and ensure sustainable equal opportunities for women and men in business. It was founded by seven

companies, along with the DGB trade union confederation, the German Confederation of Employers' Associations (*Bundesvereinigung der Deutschen Arbeitgeberverbände*, **BDA**), the Federal Ministry for Family Affairs, Senior Citizens, Women and Youth, the Federal Ministry for Education and Research (*Bundesministerium für Bildung und Forschung*, **BMBF**), the Institute for Employment Research (*Institut für Arbeitsmarkt- und Berufsforschung*, **IAB**) and the employer association of the state of Hessen in west-central Germany. Since its inception, the main focus of the initiative has been the advancement of women in leadership positions. The initiative includes the Total E-Quality award to companies, institutions and authorities for exemplary activities in terms of human resource management aiming to provide equal opportunity. So far, some 163 companies and institutions have been awarded this distinction.

In Luxembourg, the Women's Company Prize is awarded by the country's Ministry for Equal Opportunities (**Ministère de l'égalité des chances**). The award is given to companies that demonstrate exemplary investment in promoting their female personnel. The initiative also aims to bring the general public's attention to the fact that gender equality in the world of work has not yet been achieved.

A private sector initiative in Luxembourg is the 'Woman Business Manager of the Year Award', which was initiated by Dexia Bank (*Dexia-Banque Internationale à Luxembourg*, **Dexia BIL**). The objective of the award is to contribute to efforts seeking to raise corporate awareness of women's contributions and to promote their role in the Luxembourg economy. Each year, the prize is awarded to a company in a different sector, such as the craft industry, services or manufacturing. The prize of €10,000 a year has to be invested in the winning company's training, advisory services, recruitment or equipment.

In France, since March 2009, some 46 companies have been awarded the 'Equality label'. The label certifies that actions have been undertaken to promote occupational equality and also to support parenthood in the context of a single income. The commission awarding the label is composed of equal numbers of representatives of the state, trade unions and employer organisations. Since 10 March 2005, the date when the first labels were awarded, a growing number of companies in varied industries such as electronics, transport, insurance and communications have made efforts to obtain the distinction. Moreover, a 'club' of companies that have been awarded the label was established in October 2006, run by the association Arborus. Members of the club meet on a regular basis in different companies, in order to promote exchanges of good practice regarding occupational equality.

In the Netherlands, private employers introduced the 'Diversity Awards' as a mark of distinction to employers that have played a leading role in promoting gender equality. A similar initiative is the Portuguese annual 'E-Quality Award', which was established by the government, the Commission for Equality in Employment and in the Workplace (*Comissão para a Igualdade no Trabalho e no Emprego*, **CITE**) and the Commission for Citizenship and Gender Equality (*Comissão para a Cidadania e Igualdade de Género*, **CIG**). The award is now in its eighth year.

In Sweden, the trade union for professionals in the public sector, **Unionen**, organised an award called 'The Golden Pacifier' for companies that have put equality measures into practice. The formal requirements for participating in the award are a collective agreement and an equality plan. A project team takes a closer look at all nominated companies that fulfil the obligations, assessing how the equality plan is handled, and how visible and trustworthy the gender equality measures are in practice. The award has succeeded in raising awareness and generating significant debate on this issue in the media.

Another initiative in Sweden is 'Anna's Equal Opportunities Prize', which was launched by the Employers' Association of the Swedish Banking Institutions (*Bankinstitutens Arbetsgivarorganisation*, **BAO**) and the Financial Sector Union of Sweden (**Finansförbundet**). The objective of the award is to promote good examples of gender equality and opportunities within companies in Sweden's banking and financial services sector. The criteria for the award are very

broad, as it can go to an individual, a company, a local trade union, a project or a group involved in positive and inspirational efforts in the field of gender equality.

In Denmark, in 2007, the employer organisation DI and the Ministry for Gender Equality selected 10 companies – both in the public and private sectors – as ambassadors for promoting more women in management. A **report (in Danish, 1.21Mb)** describes these 10 companies' different strategies on how to increase the number of women on company boards. The strategies and initiatives include analyses of promotion procedures, the charting of management talents in companies, and gender mainstreaming or direct gender-based quotas in employment procedures.

A project in Italy focuses on equal opportunities in SMEs. The project, entitled 'Best in class' (*'l'Eccellenza dall'Esperienza'*), is implemented in collaboration with the municipality of Rome, the Confederation of Italian Industry (*Confederazione Generale dell'Industria Italiana, Confindustria*) and the Association of Businesswomen and Female Company Managers (*Associazione imprenditrici e donne dirigenti d'azienda, AIDDA*). It is financed by the Ministry of Labour and Social Policies (*Ministero del Lavoro e delle Politiche Sociali, LPS*). The aim of the project is to identify and valorise equal opportunities practices put in place by SMEs. Analysis of best practices to promote equal opportunities has been conducted in 182 SMEs to date.

Best practice company cases

Company initiatives that are directly related to gender pay differences and job evaluation have been reported, for example, in France and Finland. In France, the bank BNP Paribas introduced corrective measures to tackle the gender pay gap. This measure is applied if a pay gap is observed between two employees whose occupational situation is comparable. A budget of €1 million was devoted to this process in 2008 and has been renewed in 2009.

In southern Finland, the food processing company Cloetta Fazer Suklaa addressed the issue of pay differences in a pragmatic way. Women in the company used to earn less than their male counterparts because their work was considered to be easier than men's, as the company differentiated between so-called women's and men's machines. The company solved the problem by training every worker to use all kinds of machines. Women's wages could thus be raised once their skills were developed.

Vertical segregation has been addressed in the Luxembourg cleaning company Avisia. The cleaning services industry employs mainly women, hired as unskilled workers, whereas positions of responsibility are mostly held by men. As a result, the female staff seldom benefited from continuous training measures. In response, Avisia introduced a quality initiative of compulsory continuous professional training for its workers, giving them the opportunity to improve their qualifications and thereby encouraging the professional development of the female personnel. Motivated and financially supported by the 'Positive action within private sector companies' programme of the Ministry for Equal Opportunities, the company has enabled seven employees to take part in the Acticlean Continuous Training for Success programme, so that they can train as future team leaders. The women have been targeted in order to prepare them for more demanding assignments, involving greater responsibilities.

In Ireland, the issue of occupational segregation has been addressed in the project 'Women at Work', which was initiated in 2005 by Dublin Bus, An Post and Irish Rail (*Jarnród Éireann*). The three companies are public sector enterprises that have been traditionally male dominated, with jobs that are viewed as 'heavy work'; moreover, the companies share similar trade union structures, whose origins come from male-dominated craft unions. The project has sought to improve the gender balance in grades and jobs where women are underrepresented. At the same time, it aims to examine barriers to the recruitment, retention, pay and progression of women in the three workplaces. A particular emphasis was to examine the workers' perceptions in the three companies, by exploring how existing policies, practices, procedures and systems in each organisation impact on the gender balance. An audit was conducted of women's position in each

organisation, by consulting with staff and managers and by examining best practice models. The project went on to identify how women's representation can be improved in grades and jobs where they are currently underrepresented. Dublin Bus prioritised actions seeking to attract more women into the bus driving profession and into inspector positions; the company also sought to address the deficit of women at senior management levels. Similarly, An Post tried to find ways to attract more women into postal worker positions and into more senior jobs within the organisation. Irish Rail adopted the same approach by looking at ways to attract more women into train driving positions and to address their underrepresentation in senior positions within the organisation.

Summary

In Europe, the gender pay gap stands at about 17.6% (Eurostat, 2007), which means that the hourly pay of women is on average almost a fifth below the level of men. However, this figure does not take into account differences such as the number of hours worked or the types of employment contract. Part of the gender pay gap can be attributed to a range of factors that help to reinforce the differences that persist between male and female employment, including the fact that women tend to engage more often in part-time work, take more and longer career breaks which reduce job tenure and work experience, work in lower-paid industries or work in low-paid sectors with less collective representation and bargaining power.

The issue of pay equality between men and women has been on the European political agenda for a long time. As part of the 2003 European Employment Strategy, the employment guidelines for that year stated the objective 'to achieve by 2010 a substantial reduction in the gender pay gap in each Member State'. The guidelines propose a multi-faceted approach to tackling the underlying factors of the gender pay gap, including addressing the areas of sectoral and occupational segregation, education and training, as well job classifications and pay systems. The European Commission further issued communications on *A roadmap for equality between women and men 2006–2010 and on Tackling the pay gap between women and men*.

The 2008 employment guidelines of the Council of European Union underline the need for 'resolute action to increase female participation and reduce gender gaps in employment, unemployment and pay' among the Member States. In addition, the European Parliament has adopted a resolution (2008/2012(INI)) drawing the attention of the Commission to a set of integrated initiatives to tackle the gender pay gap. In a further resolution of 10 February 2010, MEPs were critical of the fact that economic recovery projects mainly focus on male-dominated employment.

Key findings

This report draws on a wealth of quantitative studies which calculate adjusted gender pay gaps based on income statistics. The report also draws on qualitative research on segregation in the labour market, female career development and gender roles in the professional and private spheres. A mapping of national research studies on the adjusted gender pay gap finds that it ranges between 4% in Denmark and 30% in Cyprus. The 'discriminatory component' – which cannot be attributed to observed characteristics – is found to explain the biggest part of the unadjusted gender pay gap in Cyprus, Italy and Portugal.

Interpreting the adjusted gap as being the only discriminatory component, however, falls short of the reality. In fact, many studies find that individual characteristics, such as the level of education, tend to explain less and less of the observed gap, particularly in a context where the level of female education has been increasing. Rather, the major reasons for this gap are very often related to both horizontal and vertical segregation – or the fact that women tend to choose lower-paid professions, reach a 'glass ceiling' in their careers, or have their jobs valued less favourably. The origins of these factors could be judged as being discriminatory in themselves – that is, when they are rooted in gender stereotypes of male and female occupations.

Looking at these social processes opens the field for addressing the role of the social partners. Empirical findings show that their influence has the potential to substantially narrow the gender pay gap – for instance, through centralised collective bargaining or the establishment of and increase in minimum wages.

A German adjustment study finds that five percentage points of the gap can be explained when estimates include information on the existence of a works council in the company. In Ireland, centralised wage bargaining and the implementation of a national wage agreement have benefited women engaged in both full-time and part-time work, while high trade union membership among men is correlated with a higher pay gap. This segregation of representation is also reported in Hungary and Spain.

Research has further shown that gendered roles in childcare explain additional parts of the gap. An Estonian study finds that for each child, a woman's earning power is reduced by 3.6%, whereas men are not affected. In Norway, having children explains up to 36% of the gender pay gap. The length of career breaks is crucial however: in Germany, it has been found that the gender pay gap falls to just 6% for women who return to work from parental leave within 12 months and who work full time; on the other hand, this gap rises to 12% for single women working full time and to 14% for women who return from parental leave after three or more years.

The second part of this report looked at initiatives and activities developed by governments (both as legislators and as employers in the public sector) and the social partners to address the gender pay gap. Governments have introduced some initiatives which directly tackle the pay gap, such as: specific legislation, as seen in the cases of Italy or Luxembourg; monitoring bodies, as shown in the case of the Danish Pay Commission; or legislative support for collective bargaining, as seen in France, where the Génisson law supports social partner plans for abolishing the gender pay gap by 2010. However, most of other initiatives reported are of an indirect nature and embrace gender equality in general. Already, ahead of implementing the revised EU directive on parental leave (EU0907029I), many countries have adopted specific legislation on supporting the equal sharing of childcare responsibilities through addressing the role of fathers; other countries have tried to increase and support female labour market participation after maternity leave – as seen in the case of Austria, where free kindergarten services have been introduced to this end.

The trade unions and employer organisations have also developed a significant number of activities to tackle the issue of pay inequality and gender segregation. Monitoring the pay gap and raising awareness – both among members and affiliates as well as among the wider public – is one of the main themes reported. In terms of addressing the issue of pay equality in collective bargaining, the social partners' role in narrowing the pay gap cannot be emphasised enough. Along with joint statements and agreements on equal pay, the revision of job classification schemes has been an issue in a number of countries in addressing possible discrimination through occupational classification – as seen in the cases of Belgium, Lithuania, the Netherlands and the UK. In Lithuania, a Model Collective Agreement is used as a basis for drawing up collective agreements in enterprises and organisations. Moreover, the national social partners have recommended the introduction of a gender-neutral, common Methodology for the Assessment of Jobs and Positions (LT0507102N).

In the Nordic countries in particular, the social partners have agreed on initiatives to tackle pay in sectors with a higher gender pay gap. In Sweden, for instance, a 'gender equality pool' provides low-paid employees with extra remuneration through employer contributions. The wage pools were collected according to a central agreement, but distribution took place through local bargaining to workplaces with a higher gender pay gap.

Policy pointers

After mapping the initiatives by governments and social partners, a number of points can be highlighted. Firstly, overcoming ‘segregation in representation’ should be a major concern for the social partners. The lower trade union presence in female-dominated and low-paid sectors should give the impetus for different strategies in recruitment, or specially tailored membership packages for women.

The comparison in this report shows that equal pay seems to be more of an issue for the trade unions, whereas employers and their organisations tend to devote comparatively less attention to the matter. However, management can play an important role not only with regard to pay equity, but also in terms of creating a climate to support the equal sharing of care responsibilities and career advancement for both male and female workers.

An issue worth discussing among the national and intersectoral social partners is empowering the sectoral social partners to put equal pay issues on the agenda not only within their own sectors, but also to opt for an intersectoral balance. An example would be an offsetting fund between companies – as seen in the case of the Swedish ‘pool of gender equality’ (Jämställdhetspotten) or the Norwegian state-financed wage pot to compensate low-paid occupations in the public sector – which the social partners still have to agree on.

Where bargaining is centralised, gender differences in pay appear to be lower. Thus, the social partners in countries operating within other contexts of collective bargaining – such as those with a predominance of company-level bargaining – could ‘simulate’ some of the advantages of centralised bargaining, by providing common guidelines for gender-sensitive collective bargaining to their respective members at the workplace level.

Finally, the issue of horizontal segregation remains crucial. Only a few initiatives have been reported that explicitly target female choice of profession, sector and career. Raising awareness of this issue among people from an early age, and promoting professions and sectors to young women and men in a gender neutral way, could help to address the root of this problem.

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Annexes

Annex 1: Variables used for adjusting the gender pay gap in national studies

	AT	BE	CY	CZ	DE	DK	EE	EL	ES	FR	HU	IE	IT	IT	LV	LU	NL	NO	PT	PT	SE	SE	
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(3)	(1)	(1)	(2)	
Contractual characteristics																							
Working time or working hours																							
Type of schedule (overtime, shift work, flexi-work)																							
Flexi-work																							
Employer offers career breaks																							
Skilled part-time work																							
Unskilled part-time work																							
Temporary work																							
Type of contract (fixed-term or open-ended)																							
Job/company characteristics																							
Managerial work/Level of supervision																							
Having a typically female occupation																							
Job function/Job position/Seniority																							
Occupation																							
Company size																							
Form of ownership (public/private/foreign)																							
Sector/industry																							
Export intensity of company																							
Size of market																							
Personal characteristics																							
Education/Qualification																							
Over-educated																							
Nationality																							
Country of birth																							
Age																							
Knowledge of national language																							
Family/Marital status																							
Family structure (head of household, partner in gainful employment, working time of partner)																							
Children																							

Annex 1: Variables used for adjusting the gender pay gap in national studies (cont'd)

	AT	BE	CY	CZ	DE	DE	DK	EE	EL	ES	FR	HU	HU	IE	IT	IT	LV	LU	NL	NO	PT	PT	SE	SE		
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(3)	(1)	(2)	(1)	(2)	
Job history																										
Professional/Work experience																										
Job tenure (with current employer)																										
Change of job																										
Spells of unemployment or non-employment																										
Return from parental leave after a certain number of years																										
Contextual variables																										
Region/Area (of employment or residence)																										
Demographic size of municipality																										
Regional unemployment																										
Urban/Non-urban																										
Value added/Business volume																										
Proportion of women in a specific job/occupation within company																										
Concentration of women in particular occupation and industry																										
School run																										
Industrial relations variables																										
Collective agreement																										
Works councils																										
Member of a professional body																										
Member of a trade union																										
Minimum wage cover																										
Level of wage agreement (individual, business, industry, national, other)																										

Note: The numbers (1), (2) and (3) under each country refer to the different studies listed in Table 1 (p.7).
 Source: EIRO national correspondents, using own 'classification' to define into broader categories

Annex 2: Country groups and codes

Country groups

EU15 15 EU Member States prior to enlargement in 2004 (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom)

NMS 12 New Member States, 10 of which joined the EU in 2004 – sometimes referred to as the NMS10 (Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia) – and the remaining two in 2007 (Bulgaria and Romania)

EU27 27 EU Member States

Country codes

Country code	Country name	Country code	Country name	Country code	Country name
AT	Austria	ES	Spain	MT	Malta
BE	Belgium	FI	Finland	NL	Netherlands
BG	Bulgaria	FR	France	PL	Poland
CY	Cyprus	HU	Hungary	PT	Portugal
CZ	Czech Republic	IE	Ireland	RO	Romania
DE	Germany	IT	Italy	SE	Sweden
DK	Denmark	LT	Lithuania	SI	Slovenia
EE	Estonia	LU	Luxembourg	SK	Slovakia
EL	Greece	LV	Latvia	UK	United Kingdom

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