



International Union  
of Food, Agricultural,  
Hotel, Restaurant,  
Catering, Tobacco and  
Allied Workers'  
Associations

# IUF PAY EQUITY TOOLKIT



BY JANE PILLINGER

# PAY EQUITY: A TRADE UNION AND WORKPLACE PRIORITY

● PAY TRANSPARENCY AND  
GENDER PAY GAP REPORTING

● EQUAL PAY FOR WORK OF  
EQUAL VALUE



The International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF) is an international federation of trade unions representing workers employed in agriculture and plantations; the preparation and manufacture of food and beverages; hotels, restaurants and catering services; all stages of tobacco processing. The IUF is composed of 407 affiliated trade unions in 126 countries representing over 10 million workers.

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# BARGAINING FOR LIVING WAGES FOR LOW PAID WORKERS • STRATEGIES TO PROMOTE PAY EQUITY FOR INFORMAL WORKERS



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Examples of her work on pay equity include the Public Services International Toolkit on Pay Equity (1999), her co-authored book *Collective Bargaining and Gender Equality* (Agenda Publishing) and research for the European Federation of Public Service Unions (EPSU) on Pay transparency and gender-neutral job evaluation job classification (2020). Jane has trained union, employer and government representatives and labour inspectors on the implementation of progressive pay equity strategies, gender-neutral job evaluation and the role of social dialogue. Recently Jane provided expert advice to the European Trade Union Confederation (ETUC), Economic and Social Committee and the European Parliament about the content of the new EU Pay Transparency Directive and particularly the role of hypothetical comparators.

In 2023, she produced a guide for the Irish Congress of Trade Unions on Gender pay gap reporting: *Guidance for unions on closing the gender pay gap and bringing the issue into collective bargaining*. Jane has also worked as an expert for the ILO, UN Women, the European Commission, amongst other entities. She is co-author of a recent book *Stopping Gender-Based Violence and Harassment at Work: The campaign for an ILO Convention* (Agenda Publishing).



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## SECTION 1: INTRODUCTION

This Toolkit aims to support trade unions in bargaining for pay equity. Pay equity means ensuring that workers receive fair pay by equally valuing the work carried out by women and men in non-discriminatory ways. **Pay equity encompasses strategies to close the gender**

**pay gap and to ensure equal pay for the same, similar or for work of equal value. Pay equity is a goal for all workers, regardless of their employment or contractual status, and whether or not they work in the formal or informal economy.**

**Globally women are paid around 20% less than men (mean hourly earnings) (ILO, 2022). The gender pay gap continues to persist, despite the fact that many countries have passed equal pay legislation and have also ratified the ILO Equal Remuneration Convention, 1951, No. 100 (which has a 93% per cent ratification rate).**

At the current rate of progress in closing the gender pay gap, the ILO estimates that it will take 257 years to close the global gender pay gap. International Equal Pay Day is celebrated on 18 September each year to mark the moment when women effectively stop getting paid compared to their male colleagues, with almost three months of the year remaining.

The **gender pay gap** measures the percentage difference between the average hourly wages of women and men. A gender pay gap will exist if women are paid lower wages than men in the workplace. The gender pay gap does not identify or measure whether there is discrimination or an absence of equal pay for equal value work.

The gender pay gap is different from **equal pay**. Equal pay ensures non-discrimination in wage setting so that women and men are paid equally for the same work and **for work of equal value**.

[AT THE CURRENT RATE OF PROGRESS...THE ILO ESTIMATES THAT IT WILL TAKE 257 YEARS TO CLOSE THE GLOBAL GENDER PAY GAP.]

## ILO Equal Remuneration Convention No. 100<sup>1</sup>

The principle of “equal remuneration for men and women for work of equal value” is set out in the Constitution of the ILO and in the Equal Remuneration Convention, 1951 (No. 100) and in the Discrimination (Employment and Occupation) Convention, 1958 (No. 111). These standards aim to eliminate discriminatory practices, including discriminatory pay practices. ILO Conventions No. 100 and No. 111 are fundamental rights at work.<sup>2</sup>

Convention No. 100 addresses to two types of unequal pay:

1. “Equal remuneration for equal work” on the basis that women and men receive the same pay and benefits when carrying out identical or similar jobs.
2. “Equal remuneration for work of equal value” where women and men receive equal pay and benefits, whether in cash or kind, for the same, similar or different jobs that can be shown to be of equal value when evaluated based on objective, gender-neutral criteria.

“Remuneration” is defined as “the ordinary, basic or minimum wage or salary and any additional emoluments whatsoever payable directly or indirectly, whether in cash or in kind, by the employer to the worker and arising out of the worker’s employment”.



## THE COVID-19 PANDEMIC: THE WIDENING GENDER PAY GAP

The COVID-19 pandemic further deepened gender inequalities resulting in a significant and lasting negative impact on women’s pay and livelihoods. Women were disproportionately affected by job losses and pay penalties, resulting in the widening of the gender pay gap. The women most severely affected, such as informal workers and low paid garment or agricultural workers, experienced some of the greatest pay reductions and reduced employment opportunities during the pandemic, leading to higher levels of hunger, debt and poverty. Many workers in female-dominated sectors such as in the garment sector experienced a significant reduction in working hours, loss of jobs and “wage theft” such as the non-payment of wages or overtime.

Informal workers have been extremely badly affected.<sup>3</sup> A study by WIEGO (2021) found that informal workers were only earning 64% of their pre-COVID earnings. In addition, 74% of respondents were unable to work during the lockdown period in April 2020 and by mid-2021 most survey respondents worked on average four days per week compared to five and a half days per week prior to the pandemic. Nearly one-third of respondents in mid-2021 said someone in their household had gone hungry over the last month. Some of the workers worst affected include home-based garment workers who work on piece work and earn just 2% of their average (median) pre-pandemic earnings in mid-2021.

For example, In Delhi, India, female waste pickers and street vendors saw a greater loss and slower recovery in earnings than their male counterparts. In addition, women took on a disproportionate burden of care during the pandemic. Overall, 34% of women and 21% of men reported that increased care responsibilities had reduced their working hours in 2021. WIEGO has called for policy makers to invest in social protection, provide accessible public services to reduce unpaid care work, and ensure better working conditions and pay for informal workers.

1 ILO Convention No. 100 : [https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100\\_Ilo\\_Code:C100](https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_Ilo_Code:C100)

2 For further information on ILO fundamental principle and rights at work. See <https://www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang--en/index.htm>.

3 ILO (2021) estimates that 2 billion people participate in informal work, and that 37% of them are women. Most employment in the Global South is informal. In low-income countries, for example, 92.1 % of employed women are in informal employment compared to 87.5 % of men. Their work affords them little social and legal protection, making these workers extremely vulnerable in times of crisis.

The ILO has called for a **gender-responsive recovery to the pandemic** in the Global Call to Action for a Human-Centred Recovery from the COVID-19 crisis, that is inclusive, sustainable and resilient (ILO, 2021).

The recovery from the pandemic has been hampered by the conflict in Ukraine, the energy crisis, climate change and humanitarian challenges. The ILO (2023) projects a slowdown in economic and employment growth in 2023, making it challenging to meet objectives to reduce inequalities and unequal pay and improve access to decent work and social justice.

The cost of living crisis faced by workers in many countries across the world has had a big impact on pay levels and survival. In Chile, for example, the small increase in the minimum wage introduced by the Boric government in 2022 was quickly eaten up by high rents, food and fuel costs. In the UK, strike action by unions in the transport and health sectors in early 2023 was a response to reduced real pay levels arising from soaring inflation and the additional burden on workers arising from austerity measures and the long-term reduction in staffing levels in these sectors.



## SUMMARY OF KEY POINTS FOR UNION ACTION

- Ending unequal pay between women and men is a key priority for unions.
- Unions can promote better awareness about pay equity and promote collective bargaining in tackling low pay and equal pay for work of equal value.
- Union roles, advocacy and bargaining are essential for the full and effective implementation of national laws and ILO Convention No.100.





## SECTION 2: PAY EQUITY: A TRADE UNION AND WORKPLACE PRIORITY

### OVERVIEW

Pay inequality between women and men is a core trade union issue and impacts on women's equality at work and in society. Women's earnings are critical for economic well-being of workers and their families. Low earnings impacts on the value of the work and the status women hold in the workplace and in the family. Unions that bring the issue to the centre of their work, in organising and representing the concerns of women workers, send a strong message that unions are relevant to women's working lives.

**Pay equity is not just relevant to union policies and bargaining on gender equality, it is a core element of pay bargaining and the wider goals of just transition. Collective bargaining is an important tool for achieving pay equity and transparent pay systems. When trade unions engage in collective bargaining on the issue the gender pay gap narrows (OECD, 2020; Pillinger & Wintour, 2019; Pillinger 2020; Chicha 2006). With better awareness of the structural causes of the gender pay gap, such as the undervaluing of women's work, trade unions have become more active in developing strategies and bargaining to address unequal and unfair pay (EPIC, 2022).**

### WHAT DO WE KNOW ABOUT THE GENDER PAY GAP?

Some elements of the gender pay gap can be explained by factors such as education and training, work experience, seniority, working hours, size of organisation or sector of activity. However, there is an unexplained part, up to 60% of the gender pay gap, that is caused by discrimination, occupational segregation, undervaluing of women's work, women's care roles and motherhood, amongst other issues.

**Occupational segregation:** occupational segregation is vertical (when men hold the higher paid jobs and women hold lower paid jobs and women face barriers in progressing up the career ladder) and horizontal (where women are overrepresented in certain occupations such as in domestic work, production of garments, administrative work, cleaning and care work). Women's pay is lower in feminized jobs or sectors. When women exceed 65% of the waged workforce their pay declines relative to more mixed workforces in similar enterprises. Their pay declines even further when women represent over 90% of the workforce in an enterprise (ILO 2019).

Furthermore, as a recent study in Switzerland found, the more that women enter a sector or profession, the more the men leave, leading to further gender segregation in the labour market and devaluing the work carried out in occupations as they become more feminised.<sup>4</sup>

The gender pay gap varies across sectors. The higher degree of feminisation the higher the gender pay gap. For example, there is a wide gender pay gap in the female dominated sectors, such as the cleaning, garments and care sectors. Even when variables such as age, marital status, education, geographic location, industry and occupation are taken into account, the adjusted pay gap is still high, at 39% in India and 48% in Pakistan (ILO 2016). In the health and social care sector women earn on average 24% less than men (ILO/WHO 2022).

In Chile, for example, many workers have migrated to the Antofagasta region to work in the mining sector where men in particular have benefitted from higher paid jobs. While mining companies have implemented diversity strategies to hire more women in mining jobs and in higher paid positions, this is not addressing the real problem behind the widening gender pay gap in the region (Alfaro, 2022). This is because women remain concentrated in lower paid service jobs in health, education, commerce, cleaning and food, often in part-time work with earnings below the minimum wage. As a result, strategies to end the gender pay gap need to go beyond diversity strategies that focus on women's progression into higher paid positions, by addressing structural problems such as women's burden of domestic and care work that prevent them from equally participating in the labour market.

**Undervaluing of women's work:** Women work in jobs and sectors that are often valued less than the jobs carried out by men. This is particularly the case when women are concentrated in "feminized" jobs and sectors such as sewing machinists in the garment and textile sector, tea pickers in the agriculture sector, domestic workers and care workers, and workers in cleaning and catering services. These jobs are often seen as "natural feminine skills" and they are undervalued and low paid. In feminized sectors, even when women have the same or higher education attainment, they receive less pay.

**Women's care roles and the motherhood pay gap:** Women spend on average 2.5 more time on unpaid domestic labour and care work than men, affecting their participation in the labour market, progression in their careers and their earnings. Mothers can experience a wage penalty as high as 30% (ILO 2019). For example, in sub-Saharan Africa the gender pay gap is 31% for women with children, compared to 4% for women without children. In South Asia, the gender pay gap 35% for women with children, but 14% for women without children. The motherhood pay gap exists when hourly wages of mothers and non-mothers are compared.

**Gender-based violence and harassment:** Women experiencing gender-based violence are more likely than other women to have disrupted work histories, hold lower-paid jobs and having fewer opportunities to progress in their careers (IWPR 2018, Pillinger et al. 2022). This in turn impacts on the gender-pay gap. In addition, when women work in situations of vulnerability, in low paid and insecure work, they are more at risk of gender-based violence and harassment. ILO Better Work (2016) found that sexual harassment was more likely to take place when pay and incentives were linked to production targets and the awarding of bonuses. This applies to piece-rate systems (Broino, 2018). When workers are reliant on piece rate pay, there is an increased likelihood that they will experience sexual harassment.

**Non-standard, precarious and informal work:** Women predominate in non-standard and precarious work, such as non-permanent and casual work, often with low pay and limited social protection. For example, part-time workers experience lower hourly earnings than full-time workers, resulting in a higher gender pay gap. Women informal workers face some of the biggest wage gaps, including lack of access to minimum wages and social protection.

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4 <https://www.news.uzh.ch/en/articles/media/2023/Men-Are-Leaving.html>

See YouTube: [https://www.youtube.com/watch?v=qc\\_VFw\\_QkQQ](https://www.youtube.com/watch?v=qc_VFw_QkQQ)

**In many countries, particularly in the global South, low minimum wages and low pay continue to be major problems for women workers, leading to a dependence on overtime or second and third jobs to increase earnings.** In addition, taking the example of Vietnam, unexplained factors, including discrimination, account for 60% of the gender pay gap, a level that is higher than in most other South-East Asian countries. Furthermore, women wage earners in Vietnam's garment sector are twice as likely to earn low pay than men. Significantly, differences in women and men's skills, experience, education and training do not sufficiently explain the gender pay gap and particularly the 'unexplained' element. Working in a highly feminised industry and occupations (such as in the garment sector) and the incidence of motherhood, are two of the most significant factors underlying the gender pay gap (ILO, 2018). In the global North, more workers are facing in-work poverty because of the increase in precarious jobs, zero hours contracts and on-call jobs and low paid part-time. Many workers carry out several part-time jobs to make ends meet.

**Multiple and intersecting discrimination:** Different groups of women experience wider gender pay gaps. They include women informal workers, women migrant workers, racialized women workers and disabled women workers working in some of the worst paid and least secure jobs. The gender pay gap therefore has to be seen as the result of a wide range of factors, such as race and ethnicity, disability, access to education and age. Women subjected to intersectional discrimination have fewer opportunities to progress into higher-paid positions in the labour market.

**Data from Canada shows that there is a wider gender pay gap for those who face multiple discrimination (data for full-time workers for 2016, Statistics Canada)**

All women:	15% pay gap
Indigenous women:	35% pay gap
Women with disabilities:	46% pay gap
Newcomer women:	29% pay gap
Racialized women:	33% pay gap



## BRINGING PAY EQUITY INTO COLLECTIVE BARGAINING

### What can unions do to strengthen collective bargaining on pay equity?

- Build the capacity of collective bargaining teams to carry out negotiations at workplace and/or sectoral levels.
- Promote gender-balanced representation on collective bargaining teams. If there is low representation of women, new union strategies may be needed, including the training of women representatives, to address this.
- Provide guidance and training to collective bargaining teams about women's unequal pay and give practical support to ensure equal pay is included in collective bargaining.
- Ensure that any negotiations to increase the pay of women workers comes from a separate budget and not as a result of a reduction in men's pay.

## Ensure that strategies to achieve pay equity are included in all pay negotiations

- Collect data and give evidence about the gender pay gap to use in negotiations, making comparisons across occupations and sectors, where possible.
- Ensure that negotiations address tools to level out pay inequalities, for example, by negotiating for an additional percentage or flat rate pay increases in low paid and feminised jobs and sectors.
- Introduce a **gender impact assessment** to ensure that all bargaining claims and draft agreements are checked for their gender impact. The assessment can also identify way to address lower pay in feminised jobs and how they are classified.



## Making pay transparent and carry out reporting on the gender pay gap. (See Section 3)

- Negotiate for pay transparency, access to anonymised wage data and gender pay gap reporting.
- Ensure that even in situations where there is equal pay for the same work that women equally benefit from bonuses or other allowances.
- Provide training and guidance for union representatives on how to ensure that equal pay, pay transparency and gender pay gap reporting can be included in collective bargaining.
- Negotiate strategies to make performance-related pay and individually negotiated pay transparent and ensure that these systems do not disadvantage women workers.

## Tackle the structural causes of the gender pay gap and unequal pay



- Negotiations to tackle the structural causes of the gender pay gap and unequal pay are important in addressing gender bias, direct and indirect discrimination and the unequal evaluation of jobs.
- Address the problem of women's low-paid work by bargaining for living wages. (See Section 5)
- Adopt new bargaining strategies, such as negotiating higher pay increases in sectors or jobs that are predominately low paid and female; argue for flat rate percentage increases, which are of particular benefit for lower paid workers.



## Address the undervaluing of women's work (see Section 4)

- Carry out gender-neutral job evaluation ensuring that the assessment of different jobs is tackled objectively and with no discrimination or gender bias, under relevant criteria of skill, effort, responsibility and working conditions.
- Tackle the undervaluing of women's work and that fact that women's pay is low because women do the work. Build these arguments into strategies to end low pay.
- Start from the **presumption that all jobs held in feminised sectors/occupations will be undervalued**. Studies from across the world are conclusive about the undervaluing and lower pay of jobs in feminised jobs and sectors. This presumption, that women's work was undervalued, was the starting point for trade union negotiations in Australia and New Zealand a few years ago in the care sector (Pillinger 2020).

### **Check that existing job classifications are not gender biased and discriminatory**

- Ensure that wage-setting is not based on historical or gender biased differences between women's and men's pay.
- Check that pay and grading systems / bargaining groups do not separate out women's work and men's work into separate pay bands / negotiations.
- Address the individualisation of pay negotiations, including performance and bonus payments, which more likely to benefit men's jobs than women's jobs.
- Carry out a regular review of existing job classification/pay and grading systems to see if they need revising to ensure that all jobs are fairly and equally evaluated according to responsibility and skills required for the job.
- Ensure that feminised jobs are not classified into separate, more restrictive and less valued pay bands, compared to masculinised jobs.
- Negotiate for a simplified number of pay bands, or single pay bands, as this can help to reduce the possibility of unfair or discriminatory pay.
- Ensure there is no difference in non-basic pay, performance and bonus payments for women's and men's jobs.

### **Address the causes and consequences of the motherhood pay gap**

- Negotiate access to maternity protection, balancing work and family life and provision of affordable childcare services. Address discriminatory barriers to women's career progression and into higher paid occupations.
- Negotiate policies that address the unequal sharing of work and family life, the adoption of laws that include the right of fathers to take paid parental leave and the sharing of care responsibilities.
- Ensure that parents have access to flexible working hours, including reduced hours and/or part-time work that is fairly paid, and with the possibility to revert back to full-time work.

### **Ensure that recruitment, promotion and career development opportunities are equal and non-discriminatory**

- Ensure non-discriminatory recruitment processes.
- Provide training and mentoring to enable women to progress into higher-paid positions.
- Provide equal opportunities for women to access career development and skills training.
- Where women face disadvantages because of lower literacy (in cases where girls have fewer years of schooling compared to boys) ensure that recruitment processes that involve a questionnaire are adapted so that they are simple, easy to follow and do not exclude or disadvantage women workers.

### **Ensure that workers in formal and informal sectors have entitlements to social protection and pensions**

- Address the systematic lower lifetime earnings of women workers and the consequences of a significant gender pensions gap.
- Negotiate for women's workers access to social protection and pensions.



## Represent the rights of informal workers to minimum wages and social protection (see Section 5)

- Organise and represent informal workers in negotiations for decent work, social protection and legal rights to minimum wages.

## Raise awareness within the union about the women's unequal pay in formal and informal sectors

- Produce information, leaflets and posters setting out information about the gender pay gap, women's low pay, the undervaluing of women's work and why pay equity is a trade union issue.
- Carry out surveys and consultations with workers about their pay and other benefits such as bonuses or social protection. Use this as a basis for negotiations with employers, and in the case of informal/own-account workers, in negotiations with public authorities.
- Give information about why it is important to address the gender pay gap and women's low pay, and that the union is fighting for fair and equal pay for women workers.
- Press your **global union federation** to put the gender pay gap on to the bargaining agenda with transnational companies in order to ensure the issue is addressed across the supply chain.

## Ensure that action to close the gender pay gap is included in International Framework Agreements (IFAs) negotiated between global unions and transnational companies

- Negotiate clauses in IFAs based on the ILO Equal Remuneration Convention, 1951 (No. 100) and the ILO Discrimination (Employment and Occupation) Convention, 1958 (No. 111).
- Use human right due diligence (HRDD) as a leverage to negotiate measures on pay equity when monitoring the implementation of IFAs. This will ensure that pay equity and measures to close the gender pay gap are addressed in the supply chain.

## Advocate for pay equity laws to ensure equal pay for work of equal value



- Ensure that national laws on pay equity are in line with the ILO Convention No. 100 and address equal pay for work of equal value.
- Lobby for the introduction of pay transparency laws that include the role that employers and trade unions can play in reducing identified gender pay gaps (**discussed further in Section 3**).
- Where possible, advocate for comprehensive laws that enable comparisons to be made within establishments and through hypothetical comparisons between female dominated and male dominated occupations and sectors (**discussed further in Section 4**).
- Trade unions can also advocate for their governments to build the capacity of and tools for enhanced labour inspection roles, ensuring that labour inspectors are able to spot pay inequalities and the undervaluing of work predominantly carried out by women.



In Colombia, where the gender pay gap is around 30%, the President established an elite group of 50 women labour inspectors to tackle gender inequalities and gender pay gap.<sup>5</sup> The first priority, starting in 2022, was to carry out inspections in the sectors with the highest feminisation or sectors where sexist and patriarchal practices against women and LGBTI people have been identified. These mechanisms will be developed in companies, public entities and informal workplaces.

In Cyprus, the Czech Republic and Portugal, for example, awareness raising, training and/or tools have been drawn up for labour inspectors, helping to build awareness of gender pay inequalities.<sup>6</sup> The Cypriot programme on unequal pay and job evaluation trained all of the country's labour inspectors and relevant government officials in 2013. The programme aimed to enhance labour inspection methods in order to detect pay inequalities.

In the sections that follow, union roles and bargaining will be discussed in more detail in relation to:

- Pay transparency and gender pay gap reporting
- Equal pay for work of equal value
- Bargaining for living wages
- Bargaining for the rights for informal workers

### SUMMARY OF KEY POINTS FOR UNION ACTION

- Union action to end the gender pay gap must address the structural causes of the pay gap e.g. occupational segregation, women's burden of care responsibilities and the undervaluing of women's work.
- Gender-based violence disrupts women's working lives and earnings, impacting on the gender pay gap.
- Strategies to tackle women's low pay and promote living wages are important to closing the gender pay gap.
- Collective bargaining needs to address pay equity in pay negotiations through measures on non-discrimination in employment and pay transparency.



5 <https://www.infobae.com/america/colombia/2022/11/22/presidente-gustavo-petro-puso-en-marcha-el-grupo-elite-de-mujeres-para-enfrentar-la-desigualdad-de-genero-en-el-mundo-laboral/>

6 <https://equineteurope.org/wp-content/uploads/2014/03/EQUAL-PAY-REPORT-PUBLICATION.pdf>



# SECTION 3:

## PAY TRANSPARENCY AND GENDER PAY GAP REPORTING

### OVERVIEW

“Pay transparency measures, depending on how they are put in place, can serve as an effective tool in identifying existing pay differences between men and women, and as such can be vehicles to address the gender pay gap and reduce broader gender inequalities in the labour market.” (ILO, 2022:1)

This section covers strategies on pay equity that address **pay transparency and gender pay gap reporting**. A lack of pay transparency can impact on the gender pay gap and make it impossible to identify, for example, if there is discrimination or undervaluing of women’s work (ILO, 2022). It is essential that unions have access to pay data in order to bargain effectively to close the gender pay gap. In the EU, it is estimated that “a comprehensive approach to pay transparency and integrating equal pay in collective bargaining could reduce the gender pay gap by between 1.65 per cent and 4.33 per cent” (cited in ILO, 2022:6).

**Gender pay gap reporting** in the workplace is a system whereby employers collect data on women’s and men’s earnings in order to show the gender pay gap. This is an important tool for union negotiations, as it gives a picture at a point in time of the average gender pay gap. More and more countries are implementing laws on gender pay gap reporting in order to improve pay transparency.<sup>7</sup> In the Europe Union (EU) the new Pay Transparency Directive (2023) will put obligations on employers to report on the gender pay gap, address equal pay for work of equal value and consult with trade unions.

7 They include: Austria, Canada, Chile, France, Germany, Lithuania, Iceland, Ireland, UK and USA. For further information see ILO (2022).



Even if laws have not been passed, there is still a lot that unions can do to negotiate and campaign for pay transparency in their workplaces.

### Summary of the European Union Pay Transparency Directive (on the basis of the agreement in the Council, 20 December 2022)

The new Directive will mark significant legal progress in Europe. Its aim is to ensure that there is pay transparency, following a long campaign by unions across Europe.

**Pay transparency for job-seekers:** Employers will have to provide information about the initial pay level or its range in the job vacancy notice or before the job interview. Employers will not be allowed to ask prospective workers about their pay history.

**Right to information for employees:** Employees will have the right to request information from their employer on their individual pay level and on the average pay levels, broken down by sex, for categories of workers doing the same work or work of equal value. This right will exist for all employees, irrespective of the size of the company.

**Reporting on gender pay gap:** Employers with at least 100 employees will have to publish information on the pay gap between female and male workers. In a first stage, employers with at least 250 employees will report every year and employers with between 150 and 249 employees will report every three years. As of five years after the transposition of the Directive, employers with between 100 and 149 employees will also have to report every three years.

**Joint pay assessment:** Where pay reporting reveals a gender pay gap of at least 5% and when the employer cannot justify the gap on basis of objective gender-neutral factors, employers will have to carry out a pay assessment, in cooperation with workers' representatives.

#### Better access to justice for victims of pay discrimination:

**Compensation for workers:** workers who have suffered gender pay discrimination can receive compensation, including full recovery of back pay and related bonuses or payments in kind.

**Burden of proof on employer:** where the employer did not fulfil its transparency obligations, it will be for the employer, not the worker, to prove that there was no discrimination in relation to pay.

**Sanctions will include fines:** Member States should establish specific penalties for infringements of the equal pay rule, including fines.

Equality bodies and workers' representatives may act in legal or administrative proceedings on behalf of workers.

## HOW TO MEASURE THE GENDER PAY GAP: HOURLY, MONTHLY AND ANNUAL EARNINGS?

- The standard measurement of the gender pay gap is **hourly earnings**. This is a crude measurement based on the hourly price of labour. It does not take into account other factors that often boost wages such as performance-related pay, bonuses or overtime.
- A wider gender pay gap exists when **monthly or annual earnings** are measured as this will take into account factors such as working hours and overtime. Men are more likely to work longer hours, including overtime, than women. Because of care responsibilities, women generally work fewer hours than men in occupations that also undervalue their work.

- **Lifetime earnings** reveal the impact of pay inequalities, resulting in a wide pensions pay gap. This means that large numbers of women face poverty and economic insecurity in old age. In the EU, in 2019 the gender pay gap was 16% (based on average hourly earnings). However, women aged over 65 years received a pension that was on average 29% lower than that of men.

Even if basic pay rates are equal, pay gaps frequently occur because of inequalities in the allowances and bonuses paid to male and female employees. A recent report from Spanish confederation Comisiones Obreras (CCOO, 2022) found that as much as 40% of the monthly pay gap between women and men is found in allowances and bonuses.



**In Appendix 1 in this Toolkit there is a methodology for identifying the gender pay gap in hourly earnings, the gender pay gap in bonus payments, and the gender pay gap for part-time and non-permanent workers.**

Pay transparency is an essential starting point for union negotiations on ending pay inequalities between women and men. Unions can bring equal pay and pay transparency into bargaining in the following ways:

- **Request information about workers' pay;** this can be used in negotiations to end unequal pay and pay discrimination.
- **Negotiate with the employer** to collect gender-disaggregated data and to publish regular information about the gender pay gap.
- **Involve unions in drawing up action plans** to address the root causes of the gender pay gap.

## IDENTIFYING THE GENDER PAY GAP IN THE WORKPLACE

Identifying the gender pay gap in an organisation involves the collection of data on women's and men's earnings. However, basic pay, calculated as hourly earnings, may mask other gender pay gaps, such as the payment of bonuses or additional payments from overtime hours worked. For this reason, it is important also to collect data and report on gender differences on other elements of pay that fall outside of the scope of basic pay. For example, when bonuses are taken into account the gender pay gap usually widens. This is because bonuses are more likely to be awarded to male employees and higher earners.

There are several ways that the gender pay gap can be calculated. It can be done **simply** by comparing the basic pay of women and men in an organisation. However, basic pay is only one element of women's and men's pay. Bonus pay and overtime are two additional elements that should be taken into account.

In summary, the main elements of pay that should be included in gender pay reporting are:

- basic pay, measured as hourly earnings
- bonuses/payments in kind
- overtime payments
- hourly earnings of non-permanent workers
- hourly earnings of part-time workers

Some employers only carry out gender pay gap reporting on full-time workers. However, it is important that gender pay gap reporting covers all workers, regardless of the hours worked or their contractual status. Another factor to take into account is the wider gender pay gap for part-time and non-permanent workers. As a result, unions should also negotiate to identify the gender pay gap between part-time workers with full-time workers, and non-permanent workers with permanent workers.

WHAT IS INCLUDED IN PAY?	WHAT IS NOT INCLUDED IN PAY?
Normal wage paid to employee	Redundancy or termination pay
Allowances e.g. retention allowance	Reimbursement of travel, subsistence or other expenses
Bonuses e.g. money, vouchers, securities, profit sharing, productivity bonus, commission pay	Back pay
Benefits in kind e.g. payment of health insurance	Pay in lieu of leave
Overtime payments	Childcare or other services
Pay for piecework	
Leave pay e.g. annual, maternity or sick leave	
Shift premium pay	
Performance-related pay	

**Employers should involve unions** in producing a report on the data collected, including an action plan setting out ways to address a gender pay gap. Often employers recommend that more women should be given opportunities for higher paid senior and leadership positions. However, there may be other structural factors that unions can bring to the bargaining table that can benefit a large part of the female workforce who experience low pay (as described in the previous section).

In some countries employers are legally required to carry out gender pay gap reporting and to make the data publicly available, for example, on a government web site. In other countries, the data remains internal, but this has to be discussed with trade union representatives in the workplace. Ideally, the report should contain proposals and action plan to address any identified gender pay gaps.

## WHAT CAN UNIONS DO TO PROMOTE GENDER PAY GAP REPORTING?

There are many ways that unions can take a role in negotiating with employers on ways to report on the gender pay gap. Unions have an important role to play in holding discussions with employers.

- **Ensure union representation** at all stages in the process of gender pay gap reporting, including in drawing up an action plan to address identified pay gaps.
- **Request information from the employer** on pay scales and bonuses, including how bonuses or performance related pay are calculated and awarded, and if there are differences between male and female workers.
- **Argue for a comprehensive approach**, covering basic pay, bonuses, and gender pay gaps faced by part-time and non-permanent workers.
- **Agree actions to tackle identified gender pay gaps** that address the structural and root causes of the gender pay gap.
- **Negotiate strategies to make performance-related pay and individually negotiated pay transparent**, and negotiate to ensure that these systems do not disadvantage women workers and lead to a wider gender pay gap.

- **Unions who are also employers should carry out their own internal gender pay gap reports.** This can help to build union awareness in negotiating for a pay transparency and gender pay gap reporting.
- If an employer does not agree to undertake gender pay gap reporting, **unions can carry out a gender pay gap report in the workplace** through an anonymous survey with workers to identify different pay levels and bonuses, or by drawing on gender breakdown of pay data provided by the employer, if available.<sup>8</sup>

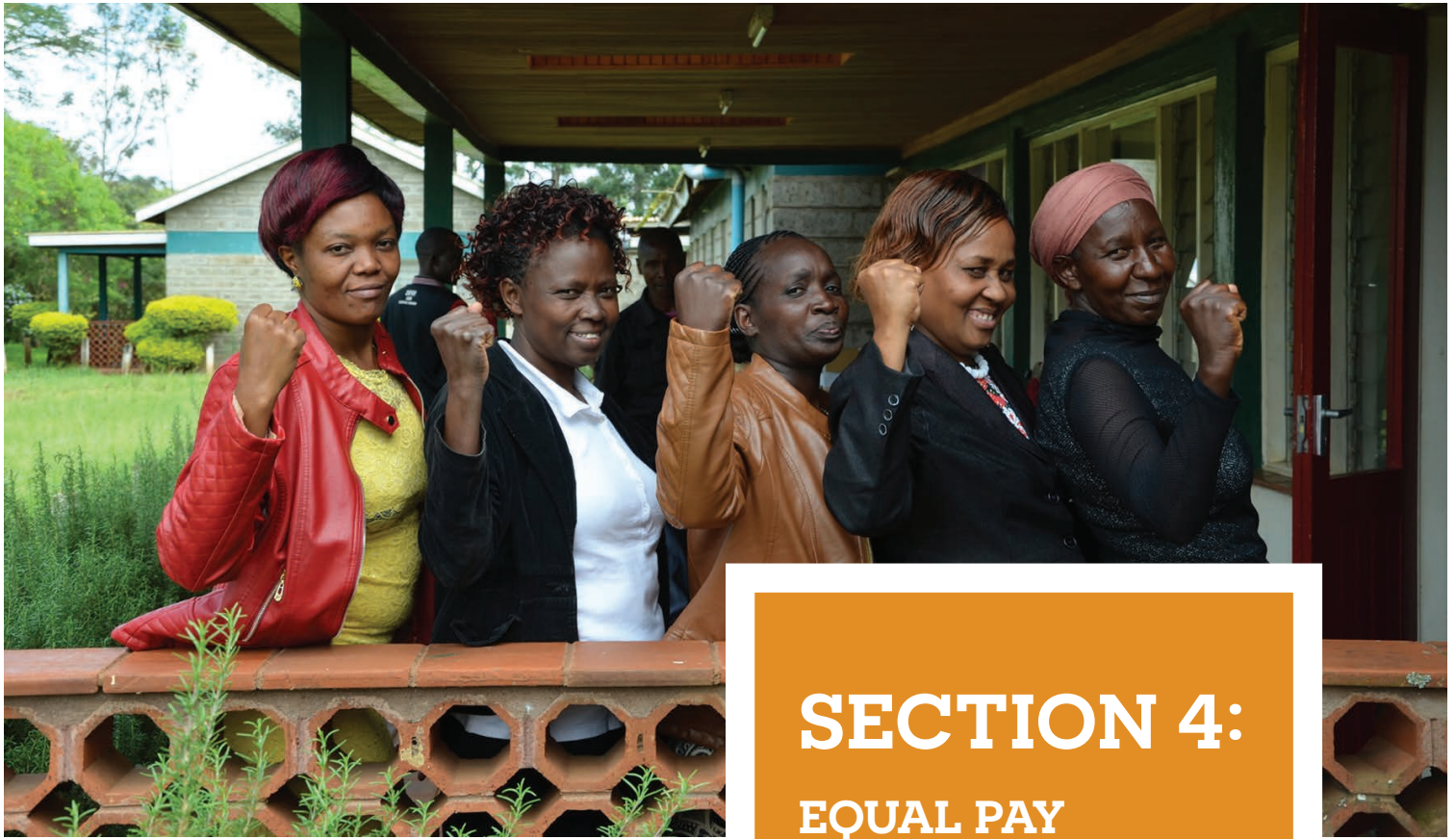
## SUMMARY OF KEY POINTS FOR UNION ACTION

- Unions have a pro-active role to play in negotiating pay transparency measures, including reporting on the gender pay gap.
- Unions should negotiate measures to reduce identified gender pay gaps and use pay transparency as an entry point for pay equity in collective bargaining agreements.




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8 For an example of a survey template and questions to include in a survey see: <https://equalitytrust.org.uk/sites/default/files/Equal%20Pay%20Toolkit%20Print%20Version.pdf>



## SECTION 4:

### EQUAL PAY FOR WORK OF EQUAL VALUE

#### OVERVIEW

As mentioned in Section 2, women's skills are often regarded as "natural" female characteristics rather than acquired skills. Skills such as stitching and machine work, admin work, cleaning or care work are undervalued because they are carried out by women. As a result, it is important to examine whether there is gender bias in assessing the value of women's work, competencies and skills. For example, gender stereotypes impact on how we label and value women's work and skills, often with gendered job titles such as: 'chef v cook', the 'management assistant v secretary', or the salesman v the sop assistant.

#### GENDER-NEUTRAL JOB EVALUATION

Gender-neutral job evaluation is a tool for ending discriminatory wage setting and the undervaluing of work carried out by women. It is one of the most frequently used methods for setting pay levels and highlighting pay inequalities in jobs that are different, but equally valued.

Gender-neutral job evaluation involves the following:

- **Analysis of the content of a job**, not the individual characteristics of a worker;
- Determines the **relative value of a job**, including an appropriate job classification;
- A tool for establishing a transparent and **equitable wage structure**;
- Can help in drawing up job descriptions, job specifications and competencies;
- Takes account of **new jobs** and the need for increasing levels of specialisms and complexity in organisations.

Gender-neutral job evaluation can be used simply to compare two jobs, or it can be a tool to cover all jobs in a workplace or sector.

## STEPS INVOLVED IN CARRYING OUT GENDER-NEUTRAL JOB EVALUATION

- Step 1:** Identify jobs for comparison
- Step 2:** Examine pay data and any differences in pay between male and female jobs
- Step 3:** Collate Job descriptions and check job content with workers and line manager
- Step 4:** Select factors for comparison (see Box 1 below for description of factors: **qualifications/skill, effort, responsibility and working conditions**)
- Step 5:** Assess whether the jobs are of equal value (equal value assessment). There are various methods that are used to assess the value of different jobs.

The method that is most widely used and recommended for pay equity purposes is the “analytical method”. This looks at the requirements of all jobs and assesses them using detailed criteria which can take account of the undervaluing of work predominantly carried out by women. It is the method presented in the **ILO Guide to gender-neutral job evaluation (ILO, 2016)**. Anyone interested in carrying out gender-neutral job evaluation should refer to this guide.

**Box 1** illustrates what is covered in gender-neutral job evaluation, including situations where the undervaluing of women’s work may occur, based on an objective assessment of factors that describe the different demands of the job under the **headings of skill, effort, responsibility and working conditions**. Under each factor jobs are scored for their value. It is possible to take account of a wider range of factors or sub-factors that are specific to particular demands and skills required for the job. However, it is often the case that women’s “taken for granted skills” are overlooked or undervalued.

### Box 1 :

#### Factors involved in job evaluation

FACTORS / DEMANDS OF THE JOB	WHAT THIS COVERS	WOMEN’S SKILLS THAT MAY BE OVERLOOKED
Qualifications, skills & knowledge	<ul style="list-style-type: none"> <li>■ Qualifications, experience, training, knowledge required for the job.</li> <li>■ Mental, social and physical skills and abilities.</li> <li>■ Problem solving skills, independent judgement and decision-making.</li> </ul>	<ul style="list-style-type: none"> <li>■ Interpersonal and communication skills</li> <li>■ Operating/maintaining equipment</li> <li>■ Coordination</li> <li>■ Manual dexterity</li> <li>■ Visual attention</li> <li>■ Customer service</li> <li>■ Managing records</li> <li>■ Keyboard skills</li> </ul>
Effort	<ul style="list-style-type: none"> <li>■ Physical, intellectual or mental demands of the job.</li> <li>■ Frequency, duration, exertion, strain, stress.</li> </ul>	<ul style="list-style-type: none"> <li>■ Lifting heavy items of machinery or products</li> <li>■ Lifting or moving people who are frail</li> <li>■ Multi-tasking</li> <li>■ Physical effort from regular, restricted or light repetitive movements</li> </ul>

FACTORS / DEMANDS OF THE JOB	WHAT THIS COVERS	WOMEN'S SKILLS THAT MAY BE OVERLOOKED
Responsibility	<ul style="list-style-type: none"> <li>■ Responsibility required in the job e.g. for human, technical, financial resources.</li> <li>■ Supervisory roles for people, equipment or clients.</li> </ul>	<ul style="list-style-type: none"> <li>■ Confidentiality, handling sensitive information</li> <li>■ Managing and organising meetings</li> <li>■ Caring for people, emotional support</li> <li>■ Knowledge of safety and emergency procedures</li> <li>■ Training and orientating new staff</li> </ul>
Working conditions	<ul style="list-style-type: none"> <li>■ Psycho-social factors in the working environment, e.g. safety risks from lone working.</li> <li>■ Danger and hazards of the job.</li> <li>■ Unpredictability.</li> </ul>	<ul style="list-style-type: none"> <li>■ Physically or emotionally stressful situations e.g. dealing with challenging clients</li> <li>■ Exposure to chemicals and corrosive substances</li> <li>■ Repetitive movements</li> <li>■ Sitting or standing for long periods of time while operating machinery</li> </ul>

The following are some examples of low paid women's jobs that are undervalued, many of which do not take into account the physical other demands of the job, or that there are skills involved in the work:

- **A tea-picker** endures long hours of work in difficult conditions and she has to have good manual dexterity and skill to pick the ripe tea leaves. She frequently has to carry extremely heavy weights on her back. Piece work can put added stress on the worker to work faster, further compromising her health and safety at work. On tea plantations she is also exposed to pesticides, risks of injury from dangerous animals, sun and extreme heat, and lack of access to drinking water and toilets. However, her pay is based on less than minimum wages and often calculated on the basis of piece work.
- **A domestic worker** combines many skills in managing and carrying out cleaning, cooking and care work. She endures working conditions that impact on health and safety, such as long hours, dealing with unreasonable expectations and workloads, heavy work that results in musculoskeletal injuries and problems, dealing with multiple demands from and complicated relations with clients/family members, heightened risks of violence and harassment, risks from chemicals involved in cleaning products, amongst others. Many domestic workers do not have minimum wages or contracts of employment. Many migrant backgrounds, which leads further vulnerability and discrimination.

## WHAT CAN UNIONS DO TO ADDRESS THE UNDERVALUING OF WOMEN'S WORK?

As this may be a very new issue for many unions, the following points are made to help build understanding about tools that can be used to address the undervaluing of women's work. This draws on work carried out by unions in Canada, Europe and Australia to address the problem through gender-neutral job evaluation.

- Include **gender-neutral job evaluation** in negotiations, drawing on gender-neutral and non-discriminatory criteria in evaluating jobs around relevant criteria of skill, effort, responsibility and working conditions.
- Where a job evaluation scheme has previously been undertaken, ask management to **carry out a review of the way that the jobs were evaluated** to identify any potential gender bias that may have led to jobs being inappropriately classified and under-valued.

- Provide **training and guidance for union representatives**<sup>9</sup> to recognise unequally valued jobs and to understand how gender-neutral job evaluation can be conducted in practice.
- Ensure **union involvement** in the design and implementation of job evaluation schemes.
- Check that the job evaluation scheme is analytical and addresses **gender bias and the undervaluing of women's work**, particularly where women's skills are overlooked.
- Select **jobs for comparison that can be equally valued**. Usually this will mean finding higher paid comparators from within the company - or if this is not possible in another company or sector - that carry out different work. It is important to select higher paid jobs that have the potential to be valued equally with lower paid less-valued work. Box 2 gives examples of equal value comparisons that have been made between lower paid female dominated jobs and higher paid male dominated jobs.

### Box 2 :

#### Examples of jobs that were deemed to be of an equal value following job evaluation exercise

FEMALE DOMINATED JOBS	MALE DOMINATED JOBS
Social affairs manager	Engineer
Speech and language therapist	Pharmacist
Librarian	Refuse collector
Caterers and cleaners	Gardeners and drivers
Accounts clerks	Mail handlers and sorters

Source: ILO (2013)

- Where possible, **make comparisons with jobs in other male dominated higher paying occupations and sectors**. Where there is no male comparator, trying arguing for the use of hypothetical comparators.<sup>10</sup> A **hypothetical comparator** can help to demonstrate that if a man was employed on a job of an equal value in the same workplace, the jobs carried out by women would still be lower paid. This will be relevant where women's jobs are clustered into highly-feminised occupations.<sup>11</sup>
- Examples of hypothetical comparators could include: a nurse working in care of the elderly compares her pay with the pay of a plumber whose earnings are higher than the nurse; or a woman working in administration who carries out multiple tasks for management compares her job with a car mechanic earning higher pay.

9 In the Resources section of this Toolkit there are several examples guidance materials in carrying out gender-neutral job evaluation from the ILO, UK, Belgium and New Zealand.

10 Hypothetical comparators are important for sectors where no male comparator can be found. Under the forthcoming EU Pay Transparency Directive, due to be agreed in 2023, in situations where no comparator exists in the workplace, the use of a hypothetical comparator is allowed in order for a worker to show that they have not been treated in the same way as a hypothetical comparator of another sex would have been treated. This is particularly important in gender-segregated employment markets where a requirement of finding a comparator of the opposite sex makes it almost impossible to bring an equal pay claim.

11 In a case in the UK Supreme Court, concerning an equal pay claim for 7000 female supermarket workers, it was argued that in the absence of no higher-paid male comparators a hypothetical comparison could be carried out. This would identify the terms and pay a comparator would be employed on if he was transferred to do his job in the same workplace as the female comparator. The court argued that finding common terms across different establishments should not be difficult. <https://www.supremecourt.uk/cases/docs/uksc-2019-0039-judgment.pdf>



In practice, most equal pay laws only allow for a comparison for equal pay to be made between workers in the same establishment. But in female dominated sectors this is not always possible. In Canada, which has some of the most progressive laws on pay equity in the world, unions have made significant gains in addressing equal pay for work of equal value in female dominated workforces in nursing homes for older people. Unions won a landmark case in the Ontario Court of Appeal in 2022 ensuring that employers use the provision in the law allowing for comparisons to male jobs (a “proxy”) in another sector. This means that women in female dominated sectors can have access to a male comparator, opening doors for women to compare their pay with men in other sectors (Unifor, 2021).

**A further important element of equal pay for work of equal value is to ensure that job classification schemes and overtime rates are not gender biased.**

- Check if there are **gender differences in pay and bonuses** that have been agreed in job classifications / pay and grading schemes. Are women in lower paid grades and men in higher paid grades?
- Ensure that all **classifications are gender-neutral** (based on the equal evaluation of qualifications/skill, effort, responsibility and working conditions of jobs predominantly carried out by women compared to those carried out by men).
- Check if there are **different overtime rates** for jobs predominantly carried out by women and those predominantly carried out by men.
- **Review existing and draft collective bargaining agreements** check that the pay of women and men equal, particularly in cases where different job are covered by separate collective agreements.

## EXAMPLES OF UNION ACTION

**In the UK, UNITE the Union** has played a proactive role in implementing pay equity strategies, particularly for low paid and undervalued women workers. The **UNITE Action Pack on Equal Pay** gives specific guidance for union representatives on implementing equal pay strategies, including gender-neutral job evaluation and equal pay audit (a detailed survey of equal pay in an organisation). Equal pay audits in the food and drink industry led to pay rises for women workers. In addition, the unequal value given to jobs carried out by women has been highlighted in several cases. One example, in metal factory found that women workers carrying out skilled work assembling components were paid on a lower grade than the man who moved the finished product from their area to another area. The comparators were chosen and the women’s job titles changed and the women moved up to the higher paid grade. In a further case the union took the employer to the tribunal because of unequal value given to table hands’ jobs (women) with guillotine operators’ jobs (men). Women were on the bottom grade and the men on the top grade. This led to a job evaluation exercise where the women’s jobs were found to be of equal value with the men’s jobs.

Box 3 gives an example of an equal value assessment of the jobs held by a woman canteen cook with the higher paid craft jobs in the shipping sector. It was one of the first cases of equal pay for work of equal value in the UK. **Although this example is not from an IUF sector, it does show how women’s jobs as cooks are frequently under-valued.**

The equal pay case concerned workers in a shipbuilding company that were covered by a collective agreement setting out different pay, terms and conditions of employment for different jobs. Jobs predominantly carried out by women were lower valued and lower paid than the jobs predominantly carried out by men. The jobs carried out by men had better holiday and sick pay than the jobs carried out by women. Based on a simple job evaluation, this example shows that although the job of a female canteen cook and of the male craft work are different, they are equally valued. The job evaluation used a simple formula of low, moderate or high demands for each element of the job and each of the demands were seen to be equally important and therefore there was no need to apply a weighting system (that allocates higher scores for one set of demands over another).

**Box 3 :****Example of an evaluation of two jobs in the shipping sector <sup>12</sup>**

Demands	Canteen cook (non-manual skills classification)	Male craft workers (painter, joiners and insulation engineers) (manual skills classification)
Qualifications, skills & knowledge	Equal demands: qualification/training for the job	Equal demands: qualification/training for the job
Working conditions	Equal demands: working in a hot and steamy kitchen	Equal demands: associated with shipboard working
Responsibility	Equal demands: responsibility for people and equipment	Equal demands: responsibility for people and equipment
Planning and decision making	Equal demands: planning menus, ordering and timing	Equal demands: planning and making decisions about repairs and equipment
Effort / physical demands	Equal demands: physically demanding roles involving lifting, long periods of time standing and operating heavy and hot/dangerous equipment	Equal demands: operating machinery and heavy loads, operating electrical equipment, difficult working conditions e.g. in confined spaces

In **France**, unions have argued for objective criteria to address the undervaluing and overlooking of women's skills (such as problem solving tasks, emotional-care skills, multitasking, extension of technology in administrative work, time management etc.). The CFDT (2019) union confederation compared pay levels across eight different sectors, including health and social care and seven male-dominated sectors in the private sector, such as building, glass, and metallurgy. Comparing equivalent years of training, the study showed that in the predominantly female health and social care sector starting salaries were consistently well below the other sectors (for example, equivalent skills were held by a builder who earned €100 and a nursing assistant who earned €86). This evidence was used to strengthen negotiations for job reclassifications in both the public and private health and social care sectors.

In **Belgium**, legislation was introduced in 2012 requiring the social partners to review all job classification systems to ensure they are gender-neutral. Unions with the Institute for the Equality of Between Women and Men (2010) drew up a checklist on 'Gender neutrality in job evaluation and job classification' to facilitate this process. It gives detailed guidance on how to ensure that job classification systems are gender-neutral and how to carry out job evaluation using objective criteria across six broad criteria (knowledge and qualifications, problem solving, responsibilities, communication, team work and team management, and the working environment). The checklists contained in the guidance have been used in training with trade union activists and in negotiations with companies and at sectoral level.

In 2013 in **Germany**, the NGG union representing workers in food, beverages, tobacco, hotels and catering decided to actively implement pay equity and to use the eg-check. de auditing tool in Unilever's factory in Auerbach, Saxony. Some jobs at the company were female-dominated (packaging department), while others were predominantly male (mixing department). With around 200 employees, the plant was not too large for an initial company audit. As part of the pay equity audit, NGG and pay equity audit experts reviewed the collective agreements, the company wage tables and an agreement on performance-related pay.

12 This is an example of a real case taken by Julie Hayward who worked as a canteen cook at Cammell Laird Shipyard in the UK (Hayward v Cammell Laird). She was awarded equal pay based on her catering qualifications, responsibilities, knowledge and physical demands were equivalent in value to jobs held by men. For a short description of the case: <http://www.unionhistory.info/equalpay/display.php?irn=703> and a video of her case <https://www.bl.uk/learning/histcitizen/sisterhood/clips/equality-and-work/equal-pay/146389.html>

The audit found that all the agreements contained phrases and criteria that were potentially discriminatory. Although no actual discrimination was identified in the implementation of the company-level performance pay agreement, some changes in its application and wording were recommended. Also the audit found that the collective agreement, and the grouping of workers into pay grades, were not discriminatory. The results of the audit were presented to a working group made up of the two gender experts, two representatives from NGG, the local works council, the spokesperson for the joint works council and a representative of management. These issues were then brought to the next round of collective bargaining.

In another example in the bakery sector, NGG conducted an analysis to determine whether line management jobs were of equal value to bakery jobs. The review showed that both jobs were of equal value, even though the predominantly female line managers were one or two pay grades below the scale compared to male colleagues in the bakery. Following this exercise, female managers asserted their claim to be paid on the higher pay scale.

In **Austria**, women and men working in the industrial cleaning sector were covered by different collective agreements and a grading system where women and men were separated into different wage groups, which had been contracted out of the public sector to the private sector. A comparison was made of Wage Group 6, made up of 80 % of women carrying out industrial cleaning in offices and production sites (hourly wage of €9,38 per hour), with Wage Group 3, predominantly men carrying out so-called special cleaning such as windows, carpets and machines (hourly wage rate of €10,38). The work was assessed as being equal following an assessment that compared qualifications, work tasks and areas of application. Agreement was reached between the employer and the union to equalise the pay and provide women workers with the higher male rate of pay.

## EXAMPLE OF JOB EVALUATION EXERCISES

**The example from the hotel sector in Box 4 is for illustration only and aim to show how jobs can be compared across different job demands in order to identify whether jobs are of an equal value.**

The hotel is based in a popular tourist resort in **Kenya**. The job of the Head Cleaner/ Housekeeper is predominantly female and classified as Grade 3, with monthly salary of \$197 per month. The job of the Head Gardener is predominantly male and classified at Grade 4, with a monthly salary of \$242 per month. Although the two jobs are different and paid unequally, a comparison of the two jobs to illustrate how the two jobs could be rated as being of an equal value. In this example, each element of the job is scored out of 5, and the final total scores is equal.

The Head Cleaner/Housekeeper was given a higher value with regards to responsibility for people, whereas the Head Gardener is given a higher value for skills of knowledge and creativity and for physical effort involved in the job. This example also shows that the Head Gardener benefited from an additional bonus for outdoor working, whereas no additional payment was given to the Head Cleaner/Housekeeper who had to deal with clients and sometimes had to be on-call to deal with emergencies and work irregular hours. By assessing the value of the demands involved in the job, it is possible to see that feminised jobs have traditionally been of lower value. By applying gender-neutral and non-gender biased criteria it is possible to show how two jobs can be equally valued.

**Box 4 :****Example of an equal value assessment in the hotel sector**

Demands	Head Cleaner /Housekeeper (Grade 3: \$197 per month)	Score (1-5)	Head gardener (Grade 4: \$242 per month and a bonus of \$10 per month for carrying out outdoor work)	Score (1-5)
Qualifications, skills & knowledge	Experience and training for the job  Managing people and efficient scheduling of cleaning tasks	3	Experience and training for the job  Knowledge of horticulture, plants, and garden design	4
Working conditions	Frequent irregular and anti- social hours/weekend work  Having to be on-call  Responding to emergencies / client demands  Working in cramped spaces / often with dangerous chemicals  Dealing with aggressive or abusive clients	5	Outdoor work / working in high outdoor temperatures  Regular working hours  Exposure to noise from equipment	4
Responsibility demands	Supervisory responsible for 25 workers  Responsibility for recruitment, induction and staffing rotas  Training and updating of workers' skills  Health and safety of hotel clients and workers  Ordering supplies  Quality control	5	Supervisory responsibility for 5 workers  Training and updating of workers' skills  Ordering supplies  Health and safety of hotel clients and workers  Quality control  Ordering supplies  Repairing & maintaining equipment	4
Effort / Physical demands	Physically demanding work  Mental effort (drawing up rotas and work schedules)  Psychological demands from managing a large and diverse team	4	Lifting and operating equipment  Mental effort (garden design)  Risk of physical injury  Frequent heavy work	5
<b>Total score</b>	<b>17</b>		<b>17</b>	

An important part of the work of unions is to challenge and raise awareness about cultural factors that impact on the value of the work carried out by women. For example, in Kenya the union KUDHEIHA has been raising awareness of workers in Masai communities, where traditions have led to stereotypes that do not recognise equal pay for equal work and that only men should carry out paid work.

## PROBLEMS TO LOOK OUT FOR: THE MARKET DEFENCE JUSTIFICATION FOR UNEQUAL PAY

Some laws allow for unequal pay to be justified by an employer based on a market defence argument for unequal pay. This is on the basis that there is an economic argument, based on the market value, for paying men higher wages. Unions are contesting these arguments because the neutrality and externality of markets is not as well-founded as it appears to be. The so-called objective market defence arguments for higher pay can lead to discriminatory decisions by employers, who may also have an influence on the market value. In principle, the pay of any worker should be based on the demands of the job, not the market value of the job.

In a case in **South Africa**, the higher salary of a male worker was justified by the employer at recruitment because the company wanted to incentivize the man to accept their offer of employment, on the basis also that his higher qualifications and experience demanded a premium. This material argument is permitted under the Code of Good Practice on equal pay which provides that a difference in pay may be justified, based on the individuals' respective seniority or length of service, the respective qualifications, ability, competence and provided that employees are equally subject to the employer's performance evaluation system, and that the performance evaluation system is consistently applied. Unions in South Africa have contested this approach on the basis that it can result in discrimination against women.

- Challenge discriminatory or gender biased assumptions about market value.
- Ensure that, if a **market defence argument** is used at recruitment, that strategies are built in to equalise male and female wages for jobs of an equal value over time. In both Swedish and Irish case law,<sup>13</sup> cases where a market defence was justified also noted that the pay gap is supposed to gradually close if jobs are equal or of equal value.
- Remember that it is the **demands related to the job**, rather than the job holder, that have to be taken into account. For example, if the job requires a certain level of training and/or qualification, higher pay is not awarded to a worker that has a higher level of education or training that is not relevant for the job. This means that someone who has a university degree but is working in an unskilled or low skilled job, for example, in a fast-food restaurant is not given higher pay because of their qualification.

### SUMMARY OF KEY POINTS FOR UNION ACTION

- The undervaluing of the skills and work carried out by women is one of the major causes of the gender pay gap.
- Women's skills and knowledge are frequently overlooked in the setting of wages.
- Gender-neutral job evaluation is a tool to compare different but equally valued jobs, (across demands of the job based on qualifications/skills, effort, responsibilities and working conditions).
- Unions should ensure that all job classifications are gender-neutral. This means rectifying any historical bias and stereotypes that put a higher value on men's jobs, compared to women's jobs.



13 See: [https://equineteurope.org/wp-content/uploads/2019/07/handbook\\_on\\_equal\\_pay\\_-\\_electronic\\_version-2.pdf](https://equineteurope.org/wp-content/uploads/2019/07/handbook_on_equal_pay_-_electronic_version-2.pdf)



## SECTION 5: BARGAINING FOR LIVING WAGES FOR LOW PAID WORKERS

In this section we look at how pay equity strategies can be developed around low pay and living minimum wages.

### OVERVIEW

In low waged economies and sectors pay equity strategies often aim to “raise the floor” through the implementation of living minimum wages. As the ITUC argues, living wages are a stepping stone to gender equality and social progress.<sup>14</sup> In many feminised sectors pay is low because it is women doing the work. Therefore, unions should consider both the value of women’s work and the implementation of living wages for all workers as dual strategies for improving women’s pay.

Furthermore, it is crucial that living wage calculations take into account additional living costs borne by women, such as babysitting/childcare costs, costs associated with more frequent visits to the doctor and in purchasing with sanitary products.

Pay equity strategies should ensure that as a starting point all women workers have access to minimum wage protection, and where possible to advocate for this to be at levels that provide for living wages.

In many countries unions have addressed women’s low paid work by arguing for the payment of minimum wages. For example, in **Kenya** a minimum wage of approximately \$150 is provided for in the labour law. However, very few low paid workers, including domestic workers, receive the minimum wage, many only receiving \$50 per month. The strategy of unions has been to raise awareness about the value of women’s low paid work. This has led to claims by domestic workers to ensure that there is full implementation of the minimum wage regulations, including spelling this out in contracts of employment for domestic workers.

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14 YouTube: [Living wages and equal pay for work of equal value. Minimum living wages and equal pay for work of equal value everywhere are a stepping stone to gender equality and social progress.](#)

See also ITUC: <https://www.ituc-csi.org/wagescampaign> and <https://www.ituc-csi.org/brief-wage-gap>

In a further example, **waste pickers in Buenos Aires**, Argentina, negotiated a social wage which was topped up by the municipality. Although below the national minimum wage, this offered waste pickers at least some protection from poverty.

**The critical starting point for these strategies is to ensure that informal workers, including women informal workers, have collective representation and collective power, including the right to form a trade union.**

The **ILO Domestic Workers Convention No. 189** protects the right of domestic workers, laying down minimum protections in relation to minimum wages, non-discrimination and protection from abuse. Convention 189 recognises domestic work as any other work in labour law, and provides for a minimum wage in countries where it exists, and it guarantees domestic workers a monthly payment and access to social security and maternity protection. Pay has to be established without discrimination based on sex (Article 11), which was introduced in the Convention in order to address the underpayment and undervaluation of domestic work, as provided for in ILO Convention 100. In relation to private recruitment agencies, the Convention ensures that the charging of fees by private recruitment agencies are not deducted from wages (Article 15).

## WHAT CAN TRADE UNIONS DO TO PROMOTE MINIMUM WAGE COVERAGE FOR ALL WORKERS AND LIVING WAGES?

- **Bargain to ensure that all workers are protected by minimum wage legislation** so that it covers all workers, including domestic workers and workers in the informal economy.
- **Organise low paid women workers** so that they can collectively bargain for the implementation of living minimum wages, and ensure that all workers, including domestic workers, are covered. It is also important that workers have both financial autonomy and collective bargaining power to ensure equitable prices paid by buyers, when this is applicable.<sup>15</sup>
- **Negotiate for industry and sector-wide agreements** to ensure that all workers, whether they work in unionised factories or not, are provided with living minimum wages.
- **Represent and advocate for women low paid workers** to ensure their access to minimum wages, including better implementation of minimum wage laws and a role for the labour inspectorate in detecting abuses.
- **Negotiate national tripartite agreements** that establish national living minimum wages across a whole economy, sector or occupation. Ensure that this includes protection for all workers, regardless of the sector they work in or their contractual arrangements.
- **Ensure that there is no gender bias or discriminatory assumptions** underpinning the setting of minimum wages and living wages, which may have an impact on women in feminised sectors. Comparisons with wages in male dominated sectors could be made to address any bias or discrimination.

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15 See for instance the exemplary struggles of the Indian union SEWA through the tribute of the IUF Asia Pacific region on the passing of Sister Ela R. Bhatt, the founder of the SEWA, on November 2, 2022, <https://iufap.org/2022/11/05/honouring-elaben-trade-union-justice/>

- **Raise the value of domestic and care work** by providing training and certified skills. This can help to raise the value of the skills involved in domestic and care worker and give recognition of their skills. This helps to bring these workers into regular and higher paid employment, and to progress into higher paid formal care work, for example, in the health care sector.
- **Campaign for the ending of exploitation of migrant workers** by private recruitment companies and intermediaries, who frequently fail to pay minimum wages and in some cases deduct fees from a migrant workers pay. Include in campaigns the 'no charging of fees', respecting ILO Convention No. 181 (Private Recruitment Agencies) which states that fees will not be charged to migrant workers.
- Advocate for **living wages in global supply chains**, including where sub-contracting takes place, in order to ensure that all workers across the supply chain receive living wages.

## EXAMPLES OF UNION ACTION

Examples are given below of union strategies that can contribute to pay equity for domestic workers in both the formal and informal sectors. They include strategies for legal protection, decent work and minimum wages for domestic workers.

The **International Domestic Workers Federation** has campaigned for domestic workers to have rights to minimum wages in the law and to ensure that employers respect their rights to minimum wages. Even though many minimum wage levels do not meet living wage standards, this has had the effect of increasing the pay of domestic workers. This is critical for the most vulnerable domestic workers, for example, migrant domestic workers without contracts of employment or access to decent pay.

In **Uruguay** wage councils were recently established for rural workers and domestic workers. For example, the wage council for domestic workers brought together employers and the domestic workers union, Sindicato Unico de Trabajadoras Domesticas, to negotiate for wages, working conditions, social security registration and dispute handling.

Domestic workers in **Argentina** are covered by a national **tri-partite agreement on decent work for informal domestic and care workers**, signed by the Ministry of Women, the Housewives' Union of the Argentine Republic, SACRA and the Auxiliary Personal Union of Private Houses, UPACP, on 7 October 2020. It has brought domestic workers into sectoral wage setting and has resulted in an agreed minimum wages for domestic workers, amongst other benefits. The agreement covers: women's leadership and sexual diversity in union organizations; prevention of harassment and without violence; the relationship between care policies and work-family co-responsibility; reduction of labour and pay gaps; and working with particular sectors such as the migrant, rural and indigenous population.

Domestic workers in several European countries, such as **Italy, Spain and Belgium**, are protected in the law. This ensures that domestic workers have contracts of employment, minimum wages and social protection, and the right to negotiate and sign CBAs with employers. The **Italian collective agreement for domestic workers** renewed in 2020 by the employers (Fidaldo and Domina) and the trade unions (Filcams Cgil, Fisascat Cisl, UILTuCS and Federcolf), covers 2 million domestic workers and was critical to protect the greater risks faced by domestic workers during the pandemic. Under the agreement, the monthly pay was increased by €12 and an allowance was given for workers assisting children up to 6 years old or other dependent persons. Workers with specific qualifications are granted an additional allowance of up to €10 per month, and full-time employees with a seniority of at least 6 months with the same employer can benefit from 40 hours per year of paid leave for professional training for family assistants. This is increased to 64 hours if the training is provided by the recognized bilateral body for the sector.

**One strategy adopted by unions is to ensure that domestic and care workers have access to training and accreditation of their skills. This has helped to give recognition to the skills involved in domestic and care work and to improve the pay for this work.**



- In the **Dominican Republic**, the National Federation of Women Workers (FENAMUTRA) founded a Specialised Centre for Training in Domestic Services (CEFESD) in 2009, and in 2013 the National Union of Domestic Workers (UNFETRAH) was formed. CEFESD provides training programmes for domestic workers on home care and personal care, labour law, social security, accidents in the home, chemical risks, ergonomic techniques for efficient cleaning, culinary arts, conflict management and effective negotiation techniques. Two new certified training programmes and associated manuals will from January 2023 provide for certified skills in child and elder care. Training has helped to raise the value of the work carried out and is leading to higher wages. Negotiations with the government have led to an announcement for a pilot plan for a minimum wage, social security coverage and a written labour contract, which will lead to the formalisation of around 300,000 jobs in the domestic work sector.
- A training programme for domestic workers run by the training centre established by the **Hong Kong Confederation of Trade Unions (HKCTU)**, with the **Hong Kong Federation of Asian Domestic Workers Unions (FADWU) (IDWF, 2022)**, enabled domestic workers to gain recognition of their profession, upgrading of their skills and a system for matching the worker with employers who pay decent wages. Trainees went onto mentor other domestic workers and in some cases to become trainers themselves. The training helped to organise domestic workers and build their self-confidence, leading to their participation and leadership in trade unions. The FADWU held regular get-togethers for domestic workers on practical issues such as planning menus, cooking and craft classes and sharing of experiences, which helped with recruitment and networking.

### SUMMARY OF KEY POINTS FOR UNION ACTION

- Unions' demands must ensure that all workers are entitled to living minimum wages, regardless of the sector worked in, or whether work is formal or informal.
- Collective bargaining is essential in bargaining for living wages, including industry-wide and sectoral agreements to ensure that all workers are covered.
- Ensure that the skills held by women in undervalued jobs are recognised, for example, through training and through the recognition and qualification of skills held.
- Campaign for the ratification and full implementation of provisions on wages and working conditions in the ILO Domestic Workers Convention No. 189.





## SECTION 6:

### STRATEGIES TO PROMOTE PAY EQUITY FOR INFORMAL WORKERS

#### OVERVIEW

Pay equity is difficult to achieve when the majority of women workers are working in the informal economy as self-employed and own-account workers. Women informal workers face risks of employment insecurity

and poverty, which are reinforced by patriarchal practices and risks of violence and harassment. However, there are some good practice negotiating strategies that unions and informal workers' organisations have adopted to improve the pay of informal workers.

Women in informal employment generally face a double penalty: informal workers are generally lower paid than formal workers, and in informal work, women are paid less than men. As women tend to be over-represented in the lower end of the informal occupation spectrum, gender wage gaps are likely to be much wider in the informal sector than the formal sector (OECD, 2019).

Women informal workers face exploitation and high risks of gender-based violence. In Kenya, for example, 80% of street vendors and market traders are women. They are frequently the primary family breadwinner who carry their children on their backs, with no shelter or safety at the roadside and no access to rest areas, toilets or shelter from the sun.

**ILO Recommendation No. 204 on the Transition from the Informal to the Formal Economy** aims to facilitate the transition of workers and economic units from the informal to the formal economy. It addresses the need to respect workers' fundamental rights and ensure opportunities for income security, livelihoods and entrepreneurship, while also promoting the sustainability of enterprises and decent jobs in the formal economy, as well as the coherence of macroeconomic, employment, social protection and other social policies.

## WHAT CAN TRADE UNIONS DO TO PROMOTE PAY EQUITY FOR INFORMAL WORKERS?

Trade union strategies are often outside of traditional collective bargaining. These may focus on negotiations with public authorities on non-discrimination and rights established under national labour laws, the creation of formal employment opportunities, training and accreditation of workers' skills, the creation of cooperatives and social solidarity economy organisations, access to financial services and credit, minimum wages and social protection.

- **Ensure that trade unions open their doors to represent, organise and give voice to informal workers**, and to discuss and adopt new strategies that are relevant to informal workers who are outside of the scope of labour and social protection laws.
- **Organise informal workers and build their voice and collective strength** to argue for minimum wages, working conditions and access to social protection.<sup>16</sup> Ensure that informal workers', especially women workers, have a seat at decision-making tables.
- **Draw up MOUs with informal workers' organisations**, setting out how the trade union will work in partnership with informal workers organisations.
- **Represent the interests and inclusion of informal workers** in negotiations for living minimum wage setting at national or sectoral levels.
- **Support collective negotiations**, for example, with public authorities to secure rights for informal workers such as workers carrying out piece-work and street vendors without access to labour protection and health and safety measures. Bargain for licencing, access to toilet and changing facilities, protection from violence and harassment, and access to credit and loans.
- **Ensure that national tripartite or sectoral negotiations** that address living minimum wages and/or social protection include all workers, including informal workers.
- **Argue for the formalization of informal work** to ensure legal recognition, recognition of skills and experience, protection, rights and benefits such as minimum wages and social protection.
- **Address sub-contracting in supply chains**, for example, in the agricultural or tobacco sector to ensure that informal homeworkers can earn decent piece rates and earnings, have regular work and improvements in their working conditions.
- **Organise homeworkers** to ensure that they can bargaining collectively with employers, who may also be third-parties.
- **Campaign for better legal and contractual protections** around the payment of regular wages and to address the non-payment of wages for workers working on piece work rates. Piece work is often found in sectors where women work, such as garments, electronics and agriculture. It involves workers being paid a fixed piece rate for each unit produced.
- Ensure that women workers in the informal economy have access to **childcare and maternity protection**, including extending paid maternity leave or maternity benefits to women workers in informal economy (ILO, 2016; WIEGO, 2019).

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16 <https://iufap.org/2022/11/18/for-social-protection-to-be-effective-it-must-empower-women-advance-workers-rights-and-redistribute-wealth/>

## EXAMPLES OF ACTION TAKEN BY UNIONS AND INFORMAL WORKERS' ORGANISATIONS

An increasing number of unions are forging **cooperation and signing MOUs with informal workers organisations**. For example, around 40–45 % of the informal workers organisations affiliated to street vendors organisation, StreetNet, are members of national trade unions and some have formed into trade unions by themselves. An example from **Zimbabwe** is an MOU between the informal workers organisation ZCIEA and the national trade union ZCTU signed on 13 August 2004. IT sets out that each party shall maintain independent operations but will collaborate on key issues.

In **India**, where 93.7% of workers are engaged in the informal economy, the trade union SEWA (self-Employed Women's Association) has advocated for a range of strategies. SEWA's core approach focusses on organising informal workers and building up their collective strength, for example, by establishing cooperatives and associations, enhancing skills, opportunities, sustainable livelihoods, income security and social protection. This has ensured that street vendors, for example, can be protected and have better security of work, income security, social security and food security.

Wider issues that can impact on wages include access to finance and banking. For example, SEWA opened an urban cooperative bank of informal economy women workers in the city of Ahmedabad, Gujarat. SEWA has also helped to strengthen informal workers' bargaining power and provide alternatives to informal economy women workers, for example, through the establishment of cooperatives and training programmes.

A further important development is to ensure that informal workers have access to social security, established under the Unorganized Workers' Social Security Act, introduced in India in 2008. In addition, in 2007 the Gujarat Urban Informal Economy Workers' Welfare Board (GUIEWB) was established to provide identity cards, medical benefits, tools and equipment kit, and to provide skills training.

SEWA played a key role in initiating the National Alliance of **Street Vendors in India (NASVI)**, to lobby for the **National Policy for Urban Street Vendors 2004** and later for the Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014. SEWA's campaigning for an increase in **wages for incense stick rollers** has led to annual wage increases for workers, including minimum wages and better working conditions.

A further important issue is to ensure minimum wages, rights and protection for homeworkers, who may be working for a third-party on piece rates. **HomeNet Thailand** successfully campaigned for the legal protection for homeworkers, leading to the Homeworkers Protection Act B.E.2553 in 2010 and a policy on social protection which entered into force in 2011. The law provides for fair wages and equal pay for workers doing the same work, workers have to be issued with contracts of employment and provided with occupational safety and health protection. There is still a lack of awareness about the legislation and some problems with implementation in practice.

### SUMMARY OF KEY POINTS FOR UNION ACTION

- Organise and represent informal workers and tailor pay equity strategies and bargaining to include access to minimum wages, social protection, training, access to finance and loans and negotiations with public authorities.
- Ensure that informal workers, particularly women, are supported to form trade unions and to be represented in union decision-making structures at all levels.



## APPENDIX 1: SIX STEPS INVOLVED IN CALCULATING THE GENDER PAY GAP

### Step 1: Calculating hourly earnings: including basic pay, bonus pay and overtime

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Hourly earnings are calculated on the basis of the ordinary pay received during the 12 months reporting period, divided by the hours worked.

- Identify the pay of employees in a relevant pay period (this could be weekly, monthly or annual).
- Calculate working hours (this could be the exact working hours, working hours that are averaged out where there are variable working hours or piecework, or on the basis of normal weekly working hours as set out in the contract of employment).
- To get the hourly earnings divide the pay by the total number working hours for the relevant pay period (weekly, monthly or annual).

### Step 2: Identify the average gender pay gap: mean and median

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Mean and median measure the average gender pay gap in different ways.

#### MEAN GENDER PAY GAP

This is the average wage among all waged workers, based on the average of all the values covered. It compares the average of women's pay to average of men's pay in the wage distribution. This is expressed as a %:

$$\frac{(A - B)}{A} \times 100$$

A is the mean hourly pay of all relevant employees of the male gender  
B is the mean hourly pay of all relevant employees of the female gender

#### Example: Mean gender pay gap

The male earnings are added together and the female earnings are added together. They are then divided by the number of employees.

- Male hourly earnings: male 1 €10,5, male 2 €14, male 3 €16, male 4 €20 = 60,5% (4) = mean hourly earnings of **€15.12**
  - Female hourly earnings: female 1 €10,5, female 2 €11, female 3 €12, female 4 €15, female 5 €25 = **73,5% (5)** = mean hourly earnings of **€14.70**
- $$\frac{€15.12 - €14.70 \times 100}{14.70} = \text{Mean gender pay gap of } \mathbf{2.85\%}$$

#### MEDIAN GENDER PAY GAP

This is the middle wage earner, located in the middle of the wage distribution; it compares the value located in the middle of the female / and male wage distribution. In other words, half earn more than the median salary, half earn less. This is expressed as a %:

$$\frac{(A - B)}{A} \times 100$$

A is the median hourly pay of all relevant employees of the male gender  
B is the median hourly pay of all relevant employees of the female gender

#### Example: Median gender pay gap

Hourly earnings are ranked from highest to lowest paid:

- Male hourly earnings: €10.50, €12, €15, €20, €25 = median hourly earnings of **€15**
  - Female earnings: €10.50, €12, €13, €20 = median hourly earnings of **€12**
- $$\frac{€15 - €12 \times 100}{12} = \text{Mean gender pay gap of } \mathbf{25\%}$$

The same mean and median calculations can be made in calculating the gender pay gap for part-time workers, non-permanent workers, and for bonus payments.

### Step 3: The gender pay gap in bonuses and benefits in kind

- Carry out a separate analysis of the numbers of women and men that receive bonuses and benefits-in-kind, as these are often cause the biggest gender pay gaps.
- Collect data on the % of male and female employees paid: bonuses and benefits-in-kind.
- Collect data on the numbers of women and men who receive bonus pay and benefits-in-kind.
- Calculate the mean and median bonus pay of male and female employees, and then go on to calculate the mean and median gender bonus pay gap for all employees.

### Step 4: The gender pay gap: part-time and non-permanent workers

Using the same method applied to hourly earnings (Step 1 & 2 above) identify the gender pay gap between:

- Part-time and full-time workers: compare the hourly earnings of part-time and full-time workers, and calculate the mean and median gender gap between part-time and full-time workers.
- Non-permanent and permanent workers: compare the hourly earnings of workers of non-permanent or fixed term contracts with the pay of workers on permanent contracts, and calculate the mean and median gender pay gap for these workers.

### Step 5: Organise workers into pay quartiles.

Workers are separated into four pay groups (upper, upper-middle, lower-middle, lower) based on the hourly pay of male and female workers. Each quartile should represent a quarter (25%) of the total workforce. This will help unions to get a picture of where women predominate in the four quartiles. When examining pay quartiles, it is often the case that women predominate in the lower pay quartile, in which case it is important to put in place strategies to address occupational segregation. An example of pay quartiles in a company of 346 staff can be found below.

#### EXAMPLE OF PAY QUARTILES IN AN ORGANISATION WITH 346 STAFF, OF WHO 234 ( 68% ) ARE WOMEN AND 112 ( 32% ) ARE MEN

	Number of male and female employees		Percentage of male and female employees in each quartile	
	Female	Male	Female	Male
Upper quartile	49	37	57.0	43.0
Upper-middle	58	29	66.7	33.3
Lower-middle	65	21	75.6	24.4
Lower quartile	62	25	71.3	28.7

## **Step 6: Draw up a gender pay gap report and action plan to address identified gender pay gaps**

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The report should set out all the relevant data collected, the methodology used and what is the average gender pay gap (mean and median). The causes of the gender pay gap should be identified and an action plan drawn up jointly between the employer and unions to address them.

Source: Adapted from the Irish Congress of Trade Unions (2022) Gender Pay Gap Reporting Guide.

## GLOSSARY

Comparator	In order to show that there is unequal pay it is necessary to have a comparator who is on higher pay and doing the same or equally valued work as the woman making the claim. Most laws require that the comparator be employed by the claimant's employer and work at the same establishment. In female dominated jobs or sectors there may be no male comparator. In these cases unions are encouraged to find male comparators in other sectors or a hypothetical comparator as evidence of unequal pay (see hypothetical comparator below).
Earnings	This covers gross remuneration/pay in case or in kind paid to employees, and includes pay for time not worked e.g. holiday pay, maternity pay or paid leave to care of children.
Equal pay for equal work	Women and men receive equal pay and benefits for work that is the same, or requires the same skills, effort and responsibility, and is carried out under similar working conditions.
Equal pay for work of equal value	Equal pay for work of equal value addresses jobs that are different, but which may be valued equally when gender-neutral criteria are applied, for example, through gender-neutral job evaluation. This addresses the undervaluation of women's work by assessing the requirements of the job in a gender-neutral way in relation to skills, effort, responsibility and working conditions.
Gender-neutral job evaluation	A method to assess the value of different jobs based on an assessment of skills, effort, responsibility and working conditions required for the job, and on the basis of common and objective criteria. The aim is to contribute to greater transparency and more effective systems for pay setting that address the value of work predominantly carried out by women.
Gender impact assessment	This is a tool used to assess the gender impact in a policy, activity or programme. It looks at the different effects on gender equality (positive, negative or neutral) of any policy or activity. In some countries unions have carried out a gender impact assessment of collective bargaining agreements to ensure that they are not gender biased.
Gender pay gap	The gender pay gap is the percentage difference between women's and men's pay. It is calculated as the difference between average hourly earnings of men and average hourly earnings of women, expressed as a percentage of average hourly earnings of men.
Global (or International) Framework Agreement	An agreement or joint commitment between a global union and a multinational company. GFAs / IFAs have been signed in a wide range of sectors including garments, agriculture, hotels, banking, electronics, manufacturing, amongst others.
Human Rights Due-Diligence	A mechanism enabling enterprises to proactively address potential and actual adverse human rights impacts in their supply chains. The Guiding Principles on Business and Human Rights agreed by the United Nations Human Rights Council in 2011 set out that in respecting human rights, business enterprises are required to exercise human rights due diligence to identify, prevent, mitigate and account for how they address impacts on human rights.
Hypothetical worker comparison	Comparisons of wages of women and men can be based on comparisons between real workers or hypothetical workers. In sectors or occupations where there is no male comparator, one solution is to identify a hypothetical comparator to demonstrate the undervaluing of a job held by a woman. This is important because many women are unable to make a claim for unequal pay because they do not have an actual comparator. This can be used to show that the employer would have paid a woman less compared to a man in a different but equally valued job.



Job classifications	Systems established by employers to classify jobs into standardised scales, based different grades that correspond to job responsibilities and skills, with levels of pay set accordingly. Gender-neutral job evaluation is often used in establishing new or reviewing existing job classification systems.
Living wages	Living wages represent the income level that enables workers to have sufficient earnings to enable them to have a satisfactory standard of living for themselves and their families, and that protects them from poverty. This is sufficient to cover food, housing, education, health care, transportation, clothing, and other essential needs, including savings for retirement or emergencies.
Low pay	As defined by the ILO, low pay refers employees whose hourly earnings at all jobs were less than two-thirds of the median hourly earnings, calculated as a percentage. However, there is no international definition for low pay.
Minimum wages	Minimum wages set out agreed minimum weekly or monthly pay, which is either set by law and/or negotiated in CBAs by sector or occupation. However minimum wages in many countries are very low and do not provide living wages. The ILO Minimum Wage Fixing Convention No. 131 established the level of minimum wage as the combination of both social (living) factors and economic factors such as the needs of workers and families.

## FURTHER INFORMATION AND RESOURCES

### GUIDANCE MATERIALS ON GENDER PAY GAP REPORTING

Pillinger / Irish Congress of Trade Unions (2022) Gender Pay Gap Reporting Guide.

<https://ictu.ie/sites/default/files/users/user319/7952%20ICTU%20Gender%20Pay%20Gap.pdf>

Government Equalities Office (UK) Gender Pay Gap Reporting: Guidance for Employers.

<https://www.gov.uk/government/collections/gender-pay-gap-reporting>

### GUIDANCE MATERIALS GENDER-NEUTRAL JOB EVALUATION

Equality and Human Rights Commission (UK) (2020) Equal Pay: How do I carry out job evaluation?

<https://www.equalityhumanrights.com/en/advice-and-guidance/job-evaluation-schemes>

ILO (2009) Promoting Equity: Gender-neutral job evaluation for equal pay. A step-by-step guide.

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Institute for Equality between Women and Men (Belgium) (2010) Checklist: Gender neutrality in job evaluation and classification. Brussels, Institute for Equality between Women and Men.

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Public Service Commission, Ministry of Women & New Zealand Government (2020) Pay Equity in the State Sector: Pay Equity Work Assessment Process Guide. Wellington, Government of New Zealand.

<https://www.publicservice.govt.nz/assets/SSC-Site-Assets/Workforce-and-Talent-Management/Pay-Equity-Work-Assessment-Process-Guide.pdf>

### OTHER GUIDANCE ON EQUAL PAY

United Steel Workers (USW) (Canada) Closing the Gender Pay Gap: We can do it through collective bargaining.

[https://www.usw.ca/wp-content/uploads/2022/04/gender\\_wage2019-EN.pdf](https://www.usw.ca/wp-content/uploads/2022/04/gender_wage2019-EN.pdf)

UNITE (UK) Pay Up Campaign on Equal Pay:

<https://www.unitetheunion.org/media/1477/equal-pay-pack.pdf>

ILO (2013) Equal Pay - An Introductory Guide:

[https://www.ilo.org/global/publications/WCMS\\_216695/lang--en/index.htm](https://www.ilo.org/global/publications/WCMS_216695/lang--en/index.htm)

Ministère du Travail (France) (2021) Guide: Égalité femmes-hommes. Mon entreprise s'engage.

<https://travail-emploi.gouv.fr/demarches-ressources-documentaires/documentation-et-publications-officielles/guides/guide-egapro-tpepme>

Ministère du Travail (France) (2019) Index de l'égalité professionnelle : Calcul et questions/réponses.

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Government of Catalonia, CCOO, CGT et al. (2021) Guía para la aplicación de la igualdad retributiva entre mujeres y hombres (Spain).

[https://treball.gencat.cat/web/.content/13\\_-\\_consell\\_relacions\\_laborals/documents/04\\_-\\_recursos/publicacions/igualtat-i-temps-de-treball/Guia\\_igualtat\\_retributiva/Guia-aplicacion-retributiva-ES.pdf](https://treball.gencat.cat/web/.content/13_-_consell_relacions_laborals/documents/04_-_recursos/publicacions/igualtat-i-temps-de-treball/Guia_igualtat_retributiva/Guia-aplicacion-retributiva-ES.pdf)

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<https://www.ccoo.es/76c5b5ec2de4237255da2ecd9da0e499000001.pdf>
- CCOO (Spain) (2021) Estudio: valoración neutra de los puestos de trabajo en la industria del pescado.  
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[https://sante-sociaux.cfdt.fr/upload/docs/application/pdf/2020-05/egales\\_au\\_travail.pdf](https://sante-sociaux.cfdt.fr/upload/docs/application/pdf/2020-05/egales_au_travail.pdf)
- Equal Pay International Coalition (EPIC)  
<https://www.ilo.org/global/topics/equality-and-discrimination/epic/lang--en/index.htm>
- Equal Pay International Coalition (EPIC) (2022) What is IUF doing to reduce the gender pay gap?  
<https://www.equalpayinternationalcoalition.org/members/iuf/>
- ETUC (2019) Resolution on Pay Transparency  
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## NOTES

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# **IUF**

## **PAY EQUITY**

### **TOOLKIT**



**BY JANE PILLINGER**

THIS TOOLKIT AIMS TO SUPPORT TRADE UNIONS IN BARGAINING FOR PAY EQUITY.

PAY EQUITY MEANS ENSURING THAT WORKERS RECEIVE FAIR PAY BY EQUALLY VALUING THE WORK CARRIED OUT BY WOMEN AND MEN IN NON-DISCRIMINATORY WAYS.

PAY EQUITY ENCOMPASSES STRATEGIES TO CLOSE THE GENDER PAY GAP AND TO ENSURE EQUAL PAY FOR THE SAME, SIMILAR OR FOR WORK OF EQUAL VALUE.

PAY EQUITY IS A GOAL FOR ALL WORKERS, REGARDLESS OF THEIR EMPLOYMENT OR CONTRACTUAL STATUS, AND WHETHER OR NOT THEY WORK IN THE FORMAL OR INFORMAL ECONOMY.