

# Equal Pay for Trade Unions

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# Agenda

- A. Research Objectives
- B. Research Methodology
- C. Highlights of the Research Findings
- D. Salient Conclusions & Recommendations



# Research Objectives



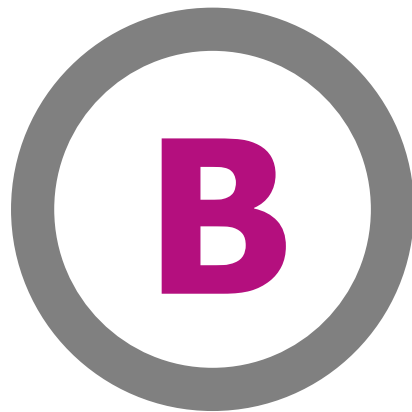
# Overriding Research Objective

To analyse and identify the work that is undertaken by trade unions with respect to equal pay for women and men during collective agreement negotiations.

This research study focused on **equal pay vis-à-vis gender**. Therefore the scope of this research did not include equal pay in relation to other characteristics such as sexual orientation, ethnicity, etc.

# Specific Research Objectives

- **Research how trade union representatives** in Europe deal with the concept of **equal pay for women and men** during collective agreement negotiations
- **Identify tools** that are used by trade union representatives when negotiating for equal pay during collective bargaining
- **Develop training content** for a training session to empower local trade union representatives with knowledge on equal pay
- **Develop the content of an information booklet** on equal pay to be presented to trade union representatives.



# Research Methodology



# Research Methodology

## Secondary Research

A **thorough literature review** was conducted. Various international and local sources were consulted for the purpose of this research.

# Research Methodology

- **International Sources:**
  - i. International Labour Organisation (ILO)
  - ii. European Commission
  - iii. European Network of Equality Bodies (EQUINET)
  - iv. European Trade Union Confederation (ETUC)
  - v. European Trade Union Institute for Research (ETUI)
  - vi. Equality bodies of European countries.



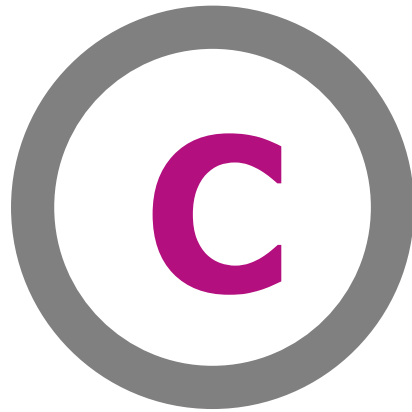
# Research Methodology

- **Local Sources:**
  - i. Department of Industrial and Employment Relations (DIER)
  - ii. University of Malta
  - iii. Jobsplus
  - iv. Online news sources.

# Research Methodology

## Primary Research

- One-to-one interviews were carried out with leading European Trade Unions and Trade Union Confederations.



# Research Findings



# Research Areas

- i. Equal Pay: An Overview
- ii. The Equal Pay Day
- iii. The Main Causes of Unequal Pay
- iv. Collective Bargaining
- v. Preparing for Bargaining for Equal Pay
- vi. After Bargaining for Equal Pay
- vii. Bargaining Models: European Countries
- viii. Malta's Situation.



# Equal Pay: An Overview



# What is Equal Pay?

- **Equal pay** means that women and men performing equal work or work of equal value must receive equal pay.
- The **Equal Remuneration Convention of 1951 (C100)** highlighted the importance of equal remuneration for work of equal value.

# The two forms of discrimination

**Unequal Pay** may result from:

- i. **Direct** Discrimination – Equal Pay for Equal Work
- ii. **Indirect** Discrimination – Equal Pay for Work of Equal Value

# Equal Pay for Equal Work (Direct Discrimination) – A definition

*“Equal pay for equal work means that similarly qualified women and men will be paid equally when they perform the same or virtually the same work in equivalent conditions”*

ILO, 2013



# Two forms of direct discrimination

## Type I: Sex is a specific criterion on which wages are set

**Example I:** *A female cook preparing lunches for company directors gets a lower salary than a male chef cooking breakfast, lunch and tea for employees (UK EHRC, 2019)*

**Example II:** *A man on a €35,000 salary leaves an organisation and is then replaced by a woman in the same role, with the same level of skills, experience and qualifications on a €30,000 salary (ACAS, 2017)*

# Two forms of direct discrimination

**Type II: The same job acquires different titles depending on the sex of the job holder**

MALE Job Title	FEMALE Job Title
Assistant Manager	Manager's Assistant
Chef	Cook
Janitor	Cleaner
Information Manager	Librarian

ILO, 2013

## Equal Pay for Work of Equal Value (Indirect Discrimination) – A definition

*“When women and men perform work that is different in content, involving different responsibilities, requiring different skills or qualifications, and is performed under different conditions, but is overall of equal value, they should receive equal remuneration”*

ILO, 2013

# The Concept of Equal Value

**Equal value (indirect discrimination)** may apply in situations where jobs that are performed by women and men:

- i. Are performed under **different conditions**
- ii. Require **different qualifications or skills**
- iii. Require **different levels of effort**
- iv. Involve **different responsibilities**
- v. Are **performed in different places** or enterprises/different employers.

ILO, 2013

# Indirect Discrimination – An Example

**Example I:** *Female employees at a textile factory (a predominantly female sector) receive less salary than male employees at a food manufacturing factory (a predominantly male sector) (FGTB, 2020)*

**Example II:** *Employees who are employed at shop floor level (mostly female) at a supermarket are paid a lower salary than warehouse employees (mostly male). The shop floor employees claim that they work long hours and must interact with customers throughout their shifts. Hence, they argue that their work is of equal value to the work of their co-workers at warehouse level. (Equal Pay Now UK, 2020)*

# The Concept of Pay

- The concept of pay goes beyond the basic salary.
- Apart from the basic salary, pay also includes:
  - i. Overtime supplements
  - ii. Special bonuses
  - iii. Travel facilities
  - iv. Training courses
  - v. Termination payments.

EQUINET, 2019

# The Concept of Pay

- One European Trade Unionist remarked:

“... Fringe benefits are increasingly becoming another source of unequal pay. Women tend to receive less of such benefits than men. Such fringe benefits are now being included in the gender institute’s equal pay report and more attention is being given to such benefits. It appears that the gap is shifting from the basic salary to such fringe benefits ...”



# The Equal Pay Day





## The Equal Pay Day

- The Equal Pay Day (4<sup>th</sup> November as proposed by the EU) has been celebrated in Europe since March 2011.
- This event raises awareness on the importance of equal pay and is used by trade unions to communicate their demands for equal pay, equal opportunities and equal working conditions.
- One Belgian Trade Unionist remarked that this event is very important in Belgium and is heavily promoted with both employees and the wider community.
- In Malta, NCPE has been celebrating the Equal Pay day since 2015.



# The Main Causes of Unequal Pay



## Cause I: The Lack of Transparency

- **Pay Transparency** is one of the most important measures for tackling pay inequalities.
- **A transparent pay system is ...**

*“... one where employees understand not only their rate of pay but also the components of their individual pay packets. A transparent pay system avoids uncertainty, perceptions of unfairness and reduces the possibility of individual claims” – UK EHRC, 2016*

## The Lack of Transparency – An Example

- One Norwegian Trade Unionist observed that in certain circumstances it is very difficult to achieve transparency. The following scenario depicts this:

*A male is the project manager of two employees – one male and one female. The project manager delegates the work to the two employees. At the close of project, the female employee receives a lower performance bonus than the male employee with the project manager's argument being that the male employee has contributed more towards the project.*

## Pay Transparency: EU Recommendation

In 2014, the European Commission issued a recommendation that proposed:

- i. **Employees** are to be permitted to request information on all aspects of pay that is segregated by gender
- ii. **Medium-sized companies** with, at least, 50 employees, should produce regular reports on the average pay by gender
- iii. **Large companies** with at least 250 employees are to carry out pay audits
- iv. Equal pay issues and pay audits are to be included in **collective agreements** (EU Commission, 2014)

... **HOWEVER**, the impact of such recommendation has remained rather limited and pay transparency measures are still absent in 13 member states, including Malta.  
(EU Commission, 2020)

# Achieving transparency

- Transparency is mainly achieved through **good pay data**
- Good pay data includes all information on all aspects of pay, including any fringe benefits and performance bonuses.
- In some countries, like Austria, Norway, Iceland and Belgium, trade unions have negotiated agreements which require disaggregated pay data to be made available to the trade union negotiators.

## Cause II: Lower Grading given to Female-Dominated Jobs

- Women's skills are perceived as reflecting female characteristics, rather than acquired skills and competencies, and this leads to women's skills being undervalued (EU Commission, 2013)
- Female jobs tend to score lower than male jobs due to the false assumption that skills, which resemble work that is performed by women for free at home, are intrinsic to women's nature rather than acquired through learning and experience (ILO, 2013)
- One European Trade Unionist observed that one must be careful of unconscious discrimination while evaluating women's and men's work.



# Collective Bargaining





## Collective Bargaining – A definition

The ILO Collective Bargaining Convention, 1981 (NO 154) defines Collective Bargaining as:

“all negotiations which take place between an employer, a group of employers or one or more employers' organizations, on the one hand, and one or more workers' organizations, on the other for:

- i. determining working conditions and terms of employment; and/or
- ii. regulating relations between employers and workers; and/or
- iii. regulating relations between employers or their organizations and a workers' organization or workers' organizations.”

*ILO, 1981*



# Collective Bargaining

## Preparing for Bargaining for Equal Pay



## Preparing for Bargaining for Equal Pay

European Trade Unions make use of the following tools when preparing for bargaining for equal pay:

- i. Developing a **pay equity strategy**
- ii. **Raising awareness** amongst trade union members on equality issues
- iii. **Educating the trade union members** on recognising different forms of discrimination at the workplace
- iv. **Building alliances** with groups (e.g. women rights group) in the wider community
- v. **Distributing questionnaires** to employees to obtain views of silent employees
- vi. **Gathering information** through job evaluations and equal pay audits.

*ILO, 2013*



## **Bargaining for Equal Pay: Addressing The Key Challenges**

- i. Addressing the lack of transparency and lack of information on sex-disaggregated pay data**
- ii. Conducting inclusive job evaluations**
- iii. Raising awareness on and addressing the underlying causes of pay differentials**
- iv. Ensuring the effective role of employers in the design, implementation and monitoring of the principle of equal pay**
- v. Addressing the lack of women representation in trade unions.**

*ILO, 2013; ILO, 2001*

## Addressing the Challenges I - Lack of Transparency

- **Conducting ‘Pay Audits’ is the most effective tool** that is used by European trade unions for gathering pay data and for addressing the issue of transparency.
- A European Trade Unionist informed us that ...  
“... It is very important to conduct equal pay audits to obtain figures and data on the gross pay received by women and men and to be able to draw proper comparisons.”

## Pay Audits

Pay audits help trade unions and employers to determine:

- i. Whether male and female employees **are doing equal work**
- ii. Whether male and female employees, who are doing equal work, **are receiving the same pay and benefits** and, if not, to **identify why**
- iii. Whether **reasons for any differences in pay** for women and men doing equal work are legitimate
- iv. An **action plan** to remove any potentially unlawful differences in pay.

*Equal Pay Portal, 2019*

## Pay Audits

- In countries like Austria, Finland, Sweden, Belgium and Norway, there is legislation which obliges employers to conduct pay audits and to produce income reports.
- A study conducted by the ETUC in 2014 found that in countries where pay audits are mandated by law, it was easier for trade unions to conclude collective agreements with employers on equal pay.

## Pay Audits: Convincing Employers

- Pay audits are costly and time-consuming. Hence, convincing employers to conduct a pay audit is challenging for trade unions.
- **Some arguments** that European trade unionists present to employers to convince them to conduct a pay audit include:
  - i. Transparent pay systems send a **positive message** about a company's values and ways of working
  - ii. Pay is a **key motivator** at work
  - iii. Fair and non-discriminatory pay systems are a **legal requirement**
  - iv. Failure to ensure equal pay might lead to legal claims and **reputational damage** which will affect the company's commercial success.

*UK EHRC, 2019*



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## Addressing the Challenges II - Inclusive Job Evaluations

*“Job evaluation has also been found to be the most effective tool for eliminating pay discrimination, as this process allows for the comparison of jobs to determine the relative position of one job to another on a wage or salary scale”*

ILO, 2013

## Inclusive Job Evaluations

- Inclusive job evaluation is the **most used tool** by European trade unions to determine 'equal value' and to classify jobs
- An inclusive job evaluation is one that is **analytical**
- An analytical job evaluation system **breaks jobs down into components and allocates points to each component**
- The **four main components** of an analytical job evaluation are:
  - i. skills and qualifications
  - ii. responsibility for equipment, money and people
  - iii. effort required
  - iv. working conditions (ILO, 2013)

# Inclusive Job Evaluations

Some jobs that have been compared as being of ‘equal value’ through inclusive job evaluations:

Mostly MEN		Mostly WOMEN
Security guards	WITH	Wardens in accommodation for the elderly
Park supervisors	WITH	School meal supervisors
Gardeners & drivers	WITH	Caterers & cleaners
State & local government employees	WITH	Social & community service workers
Engineers	WITH	Social affairs managers
Pharmacists	WITH	Speech therapists
Refuse collectors	WITH	Librarians
Pilots & mechanics	WITH	Flight attendants
Letter carriers, mail handlers & sorters	WITH	Account clerks

*ILO, 2013*



## Addressing the Challenges III - The Lack of Women Representation

- A research conducted by ILO ACTRAV (2019) concluded that only 30% of trade union negotiators worldwide are women.
- **The main causes of the underrepresentation of women in trade unions are:**
  - i. Negative stereotyping** against women's participation in unions
  - ii. Women holding themselves back** due to time constraints and hostility from their male colleagues
  - iii. Women lacking the confidence** to go for leadership roles
  - iv. Women being discouraged** through the historical 'male' culture of unions
  - v. Women lacking the knowledge** on union structures and how to get into decision-making positions.

## Addressing the Challenges III - The Lack of Women Representation

One Belgian Trade Unionist remarked that as a trade union they have been focusing a lot on addressing the issue of sexism at the workplace ...

“...It has been observed that if women, who join a trade union, are confronted by sexism, they will end up leaving such trade union. The trade unions’ culture is very old and male-oriented and therefore we need to strive to change this culture. As a trade union, it is important to have clear guidelines on what is acceptable behaviour among colleagues. Behaviour that might have been accepted ten years ago, should no longer be accepted today.”



# Collective Bargaining

## After Bargaining for Equal Pay

## After Bargaining for Equal Pay

To ensure that the collective agreement is honoured, European Trade Unions:

- i. Publish the collective agreement with a summary of its main points  
**Example:** Some EU trade unions publish all collective agreements on their members' website page for ease of access
- ii. **Inform their members** on the proper methods of handling disputes and assure them of confidentiality
- iii. **Collect statistics** on recruitment, promotions, dismissals, salary levels and training programmes on a regular basis
- iv. Exercise **continuous monitoring** to gain insight for future collective agreements
- v. Include **specific clauses** in the collective agreement (as specified below).

*Source: ILO, 2001*

## Clauses that are included by trade unions in the collective agreement:

- i. A request for the employer **to keep sex-segregated statistics** on pay levels
- ii. A request for the employer to **safeguard transparency** with the employees
- iii. A request for the employer to **share the gathered statistics** with the trade union
- iv. The setting up of an ‘equal pay’ **dispute resolution procedure.**





# Bargaining Models: European Countries



## Bargaining Model: Norway

- Collective bargaining has a clear hierarchal structure – at the top are basic agreements between confederations and employers’ associations followed by agreements for specific industries.
- Two-thirds of all employees in Norway are covered by a collective agreement and unions play a major role in ensuring that gender equality issues are on the bargaining agendas.
- In Norway gender discrimination is not socially acceptable and the law mandates companies to keep statistics on the earnings of each employee.
- Every employer is obliged to submit the statistics to the national statistics bureau. To date statistics on some 300 different occupations have been published. Trade Unions have access to such statistics and make use of them when bargaining for equal pay.

## Bargaining Model: Sweden

- Sweden has strong requirements for monitoring and resolving gender pay reporting and audits.
- Unions are actively involved with the analysis of gender pay issues and the structuring of action plans.
- The Swedish National Mediation office produces an annual detailed report on wage differences between women and men and this report is very important for collective bargaining.
- The 2008 Discrimination Act obliges Swedish employers to carry out a pay survey every three years to detect, resolve and prevent unjustified differences in pay based on gender.

## Bargaining Model: Belgium

- Equal pay has been on the agenda of trade unions in Belgium since the 19th century.
- In 2002, it was mandated by law that, at least, one-third of all advisory committee members in Trade Unions must be female. The introduction of such gender quota was a very important step for women to be more involved in the decision-making process at trade unions.
- In Belgium there has been significant effort to encourage women to participate in trade unions and women's participation has always been on the increase. In 2020, 46% of trade union members are female.
- In 2012, a screening of all job classifications was mandated by law and every 20 years, the job classification system must be re-evaluated.

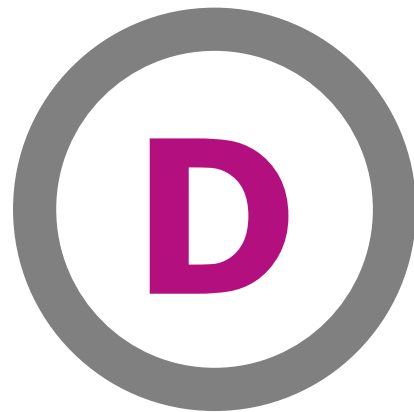


# **Cvii** The Situation in Malta



## Malta's Situation

- The earliest Maltese trade unions date back to the late 19th century, while the first collective bargaining in Malta took place in the first quarter of the 20th century (DIER, 2018)
- In Malta, equal pay is mandated by law through the Employment & Industrial Act of 2002 (Chapter 452, Part IV)
- Most collective bargaining in Malta is done on a one-to-one basis at company levels. However, collective agreements tend to mostly focus on the bread and butter issues such as remuneration, working time, bonuses and disciplinary procedures (Borg A., CLS, 2016)



# Salient Conclusions & Recommendations



## Address the Issue of Pay Transparency

- The 2014 EU recommendation on pay transparency proposes four main points to address the lack of transparency (as indicated above). Such measures are still not yet implemented in Malta, making it one of the 13 EU member states in which pay transparency measures are still absent.
- **Recommendation:** Pay transparency measures should be introduced in Malta's legislation and Malta should implement the 2014 EU recommendation on transparency. This will help address the lack of pay transparency.



## Introduce Pay Audits

- Research shows that in countries where pay audits are mandated by law it is easier for trade unions to conclude collective agreements with employers on equal pay. In some EU member states pay audits are mandated by law and employers are obliged to submit regular statistics on the salary tied to specific designations.
- **Recommendation:** Malta should introduce a law mandating employers to conduct pay audits and the collected statistics (salary tied to specific designations) should be made available to trade unions, always allowing for data protection provision. This will allow trade union negotiators to identify any discrepancies in pay for women and men and be in a better position to negotiate for equal pay.

## Conduct Inclusive Job Evaluations

- Conducting an inclusive job evaluation is the most used tool by European trade unions for determining equal value and for job classification.
- **Recommendation:** Local trade unions should encourage employers to conduct inclusive job evaluations to determine work of equal value. Trade Unions should be involved in the process of such job evaluation to ensure that the evaluation is being conducted in a proper manner and that it is free of any bias.

## Increase Women Representation in Trade Unions

- A good number of European trade unions have a women's committee (within the trade union) which plays an important role in the fight for equality between women and men. Such committee is the place where issues related to women's themes are presented and analysed.
- **Recommendation:** Local trade unions should strive towards setting up such women's committees to encourage more female participation at the Union and to ensure that female issues are on the union's agenda.

# Thank you.



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