

Power in the Outside World Translates into the Family

The Gender Pay Gap in Europe

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For more than 50 years there have been regulations in the European Union which make it mandatory that women and men get a similar salary for the same or similar work. Also, for 50 years there has been a statistically evident gender pay gap of 16% (EU-15). This means that for every euro a man earns a woman only gets about 84 cents. This is not only a violation of basic human rights and a waste of human capital. It also has severe effects on society, gender relations and in the end on the family.

Definitions and Statistics

The institutions of the European Union define the gender pay gap as “the difference between men’s and women’s average gross hourly earnings as a percentage of men’s average gross hourly earnings.”² European statistics show that the gender pay gap varies a lot among the member states. One reason for this is that there are huge differences in the way that the member states collect data. The European Union is working on a standardized way to collect data, until that is achieved one has to keep in mind that the figures may vary because they derive from different sources and may have been collected in different ways.

Nevertheless, even with a standardized way to collect data, the gender pay gap will still show differences among the member states. For example, the United Kingdom, Germany, Estonia and Slovakia all have a pay gap above 20%. The lowest pay gaps are to be found in Portugal, Malta, Italy and Belgium, which show a range from 4% to 7%. It is interesting to note that even in the alleged “gender sensitive” states like Finland,



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Sweden, Norway and Denmark the gender pay gap is approximately 17 %.

The most important fact the statistics might show: there is no significant narrowing of the gender pay gap in the European Union or any given member state.

European Legislation

The latest report of the European Commission on equality between women and men quotes that, “the pay gap between women and men remains at unacceptably high levels and shows no significant signs of being closed.”³ This is quite astonishing since the legal basis to tackle the gender pay gap was laid down more than 50 years ago. The most important legal foundations in this regard are the following:

- Article 141 of the European Community Treaty (formerly 119) which indicates that “each Member State shall ensure that the principle of equal pay for male and female workers for equal work or work of equal value is applied.”
- The Council Directive 75/117/EEC of February 1975 on the approximation of the laws of the Member States relating to the application of the principle of equal pay for men and women—this was legislated since the member states did not do everything they could to implement the principle of equal pay.
- Council Directive 97/80/EC of 15 December 1997 on the burden of proof in cases of discrimination based on sex—this shifted the burden of proof, at least partly, to the employer.

There are also some important decisions of the European Court of Justice and of course the single member states interpret and implement the European guidelines in different ways. Without going further into the details of European legislation, the most important thing to be aware of is that there has been a legal basis to reduce

the pay gap since 1957, which until today has hardly shown any signs of success in terms of reducing the gender pay gap.

Causes and effects of the Gender Pay Gap

There is not one ultimate cause for the pay gap. In fact there are a number of factors which all together lead to a continuing and stable pay gap. The most important are as follows:

Education

While looking for an explanation for the pay gap one inevitably presumes that there has to be a logical explanation. Justifying different pay with different educational patterns would be a convenient thing to do. “Unfortunately” there is not even the slightest proof of this, at least not in the European Union. On the contrary, the proportion of female students in the European Union is 55 percent.⁴ The level of education therefore offers no answer at all.

Segregation of the labor market

The segregation of the labor market leads in two directions. On the one hand women work in different professions, which means that there is something like a gender related division of work. The overall pattern is always the same: women are concentrated in fewer and worse paid professions, and, in addition, these professions offer less possibilities for career advancement most of the time. Usually these are





positions in the areas of health care, education, administration and retail. In Europe, 60 percent of all women work in less than 10 occupational groups.

The other dimension along which the labor market is segregated is hierarchy. Men and women have different hierarchical positions. In 2000 for example 10,2 percent of men were working in leadership positions whereas only 5,8 percent of the female workforce were working in a similar position.

Part-time work

The percentage of part-time workers differs a lot between the member states. On average, in 2005, the share of female part-time workers constitutes 32.4 percent in contrast to only 7.4 percent of the male employees.⁵ The positive aspect of part time work is that it allegedly offers a chance to combine work and family life. Obviously this is only the case for women, since they are the majority of part time workers. The negative effects are a manifestation of obsolete gender role models in which the women goes to work and afterwards still does the all the housework and is responsible for the care of children. A financial loss can also be observed in addition to worse chances for career advancements.



Trade unions and minimum wage

Minimum wage and the influence of existing trade unions also affect the pay gap, especially since trade unions in many member states are more or less involved in the negotiations about the wage level. This means, on the one hand, that they could play an active role in the equalization of the wages of men and women. On the other hand, their position in the negotiations can also lead to a consolidation of the gender pay gap. In this respect it is very important that women take active parts in trade unions in general. The existence of a minimum wage might prevent at least the widening of the gender pay gap since there are disproportionately more women who work in the low wage sector

The “worth” of female work

It takes special systems to translate work into monetary value. There are different systems designed with a special attention to gender like ABKABA (Analytical Evaluation of Work according to Katz and Baitsch) in Switzerland or HAC from Sweden which is named after its inventors Anita Harriman and Carin Holm. The problem in this context is that a lot of the time qualifications needed in the working domains of women (like to nurse, to educate) are taken as natural or inborn which makes them less valuable. It's therefore important to think about the “image” of professions which are mainly taken by women. One way to do that would be the universal application of gender neutral methods like the above mentioned

Children and child care/family

The structure of the family and the presence of children play a key role when it comes to the pay gap. As the quotation at the beginning of this article already said, the position a person takes outside its primary group has a direct effect on its position inside this group (and vice versa). There is some statistical data from the European Union which verifies this to some degree. A recent publication of the European Commission quotes

that “...the gender pay gap is higher for [female] married employees and significantly lower for singles...”⁶ Other authors like Linda R. Hirshmann even state there is something like a “marriage premium” of at least 10 % for men, whereas that time spent on home production directly reduces earning for women.⁷

Children and childcare

As one might already assume, children requiring childcare also play an important role when it comes to the pay gap. In general the labor participation of women in the European Union is strongly linked to number and age of the children who live in the family.⁸ In 2003, 75% of the women without children were gainfully employed in contrast to only 60% of women who had children. Interestingly, the level of education also plays an important role, as the data shows: the higher the education, the higher the probability of women who are employed.

The availability of childcare is crucial in this context and it differs a lot in the EU. While in Sweden, Denmark and Finland, childcare is seen as a social right which makes it accessible and affordable, in other member states like Ireland it is extremely hard to find affordable childcare. Basically, one can say that in member states with a wide offer of (public) childcare, the rate of women joining the labour market tends to be better.

The decline of births in most member states might also be closely linked to the topics discussed above. It's probably not a coincidence that countries with a wide and affordable offer of childcare like France (with a fertility rate of 1,94) and Sweden (1,77) have a birthrate that is significantly higher than in countries which don't offer accessible childcare like Spain (1,34) or Germany (1,34).



Activities

Since 1996, the EU has had a dual approach in terms of equalization. On the one hand, gender mainstreaming was introduced, which means that the implications for women and men of any planned act on any level and in all areas have to be taken into account.⁹ On the other hand, the EU launched several programmes and initiatives to address specific “gender problems”—like the National Reform Plans, which have to be drawn up yearly by the member state to implement the European Employment Strategy.

Another important initiative is EQUAL. Financed by the European Social Fund, its aim is to find new ways to fight discrimination based on sex, religion, sexual orientation, disability or age. As for the gender pay gap, there are various projects in the member states. For example, “Close the gap,” a Scottish project, encouraged women to engage in the fight against the pay gap, developed action plans and even tried to include the employers in the entire process.

Now, in 2007, the EU has announced the “European Year of Equal Opportunities for All,” which aims at the promotion of equal opportunities for everybody around the four key aspects of activities: rights, respect, representation and recognition. It is obvious that these also touch many gender related subjects of discrimination, among them the gender pay gap.

Besides the activities on the European level, the member states also take different actions to close or at least narrow the gender pay gap. The extent of these activities differ a lot, from Norway, where the topic has ranked high on the political agenda for the last few years, to Germany where it is hardly a subject of the political debate.

Conclusion

The gender pay gap generates from diverse factors. Activities to tackle the pay gap therefore have to focus on a whole variety of causes on European and national levels. Since the legal basis to tackle the pay gap was laid a long time ago, now is the time to focus on implementation to really achieve the goal of equal payment. Activities like monitoring to recognize pay gaps where they occur, the improvement of childcare or the universal application of gender neutral systems to value work are suggestive steps to take to name just a few. A general task is the raising of awareness.

One can also account for an equal payment from another perspective. If you put the family in focus, it's obvious that money and financial power influence the status of a person and also the strength of decisions. It is important to recognize that starting a family has different effects on men and women. Whereas men usually benefit, women have to pay a higher price, at least financially. It might seem weird or even extremely unromantic to think about money and status when it comes to love and family. On the other hand, without a proper financial basis, no one can raise a family. Getting paid less than their spouse and doing most of the (un-paid) domestic work makes women financially dependent and in the end neglects their potential to contribute to the whole of society.

If we are going to progress towards an equal society, where man and women, have the same rights, opportunities and responsibilities, economic equality is the key. Closing the gender pay gap is one step in the right direction.

(ENDNOTES)

- 1 Hirshman Linda R.: Get to work, 2006, p.35
- 2 Eurostat: Living conditions in Europe, Data 2002-2005, 2007
- 3 Commission of the European communities: report on the equality between men and women, 2006, p. 6.
- 4 Eurostat:
- 5 Eurostat: Living Conditions in Europe, p.46
- 6 European Commission: Gender pay gap – Origins and policy responses – A comparative review of 30 European Countries, July 2006
- 7 Hirshman, Linde R.: Get to work – A manifest for women of the world, p. 54, 2006.
- 8 Eurostat: Statistics in focus. 4/2005, p. 1.
- 9 Wikipedia

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