

close the deal, fill the gap:

«Close the Deal, Fill the Gap» is a project funded by the PROGRESS Programme of the European Union. Coordinator: University of Verona (Italy). Co-beneficiary partners: Queen Mary University of London and University of the West of England (United Kingdom), University of Silesia (Poland) and IRES (Italy). The research was carried out with the support of the social partners at European level (the ETUC) and at national level (CGIL, CGIL Veneto in Italy; TUC, Network Rail Infrastructure, Transport and Salaried Staffs' Association, and Chartered Institute of Personnel and Development in the UK; Polish Teachers Union, ZGG in Poland). The project started on 1 December 2014 and is about to end on 30 November 2016.

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Brochure

THE PROJECT

«Close the Deal, Fill the Gap» is a project funded by the PROGRESS Programme of the European Union under a call for proposals specifically targeting the problem of the Gender Pay Gap (reference no. JUST/2013/PROG/AG/4890/GE). It is coordinated by the University of Verona (Italy) and involves the partnership of the Queen Mary University of London and of the University of the West of England (United Kingdom), of the University of Silesia (Poland) and of IRES, an Institute for Economic and Social Research (Italy). The research was carried out with the support of the social partners at European level (the ETUC) and at national level (CGIL, CGIL Veneto in Italy; TUC, Network Rail Infrastructure, Transport and Salaried Staffs' Association, and Chartered Institute of Personnel and Development in the UK; Polish Teachers Union, ZGG in Poland).

The project started on 1 December 2014 and is about to end on 30 November 2016. It was implemented across the three partner countries – Italy, the UK and Poland – chosen for their contrasting profiles in terms of differing models of industrial relations, systems of collective bargaining and collective agreements' coverage, and differing rates of the GPG, at least according to Eurostat's statistics.

The ultimate aim of the project is to disseminate good practices and to elaborate a set of guidelines that can usefully support trade unions, employers' associations and companies, which are the final beneficiaries of the project, in the negotiation of arrangements on GPG-related issues.

The partnership with the ETUC shall enable the research to transfer its findings to a wider level, so to contribute to the future actions of the European social partners.



WHAT IS THE GOAL OF THE PROJECT «CLOSE THE DEAL, FILL THE GAP»?

The main goal of the project is to assess the interaction and interdependencies between two different EU policy targets: the involvement of the social partners in the reduction of the GPG, on the one hand, the prompting of higher level of de-centralisation in the bargaining process and of an increase of the percentage of pay linked to productivity, on the other hand. What is the role to play for the social partners in this context? What are the problems to solve, the possible gender bias to bear in mind, and the issues to tackle in collective bargaining in order to close the GPG?

ITINERARY OF THE PROJECT

1. Reconstruction of and comparison between the relevant national legal and economic frameworks and models of industrial relations
2. Selection and analysis of case studies from a legal, economic and sociological perspective



Reporting case studies findings, London, January 2016



Elaborating the guidelines, Katowice, May 2016; Discussing the guidelines with the ETUC, Brussels, June 2016

3. Elaboration of guidelines for the social partners for the tackling of the GPG in collective bargaining.
4. Dissemination of the research findings: Final Conferences at the EESC in Brussels and at the Italian Parliament in Rome, in November 2016.

#NOFILTER: 7 ISSUES TO DEAL WITH TO FILL THE GAP IN COLLECTIVE BARGAINING

1. LACK OF AWARENESS AND INFORMATION

Trade unions, employers and employers' organisations need to raise their awareness on the GPG. Not only is it often considered as a «women only» issue, moreover, there is limited awareness of the several possible aspects than can directly or indirectly relate to it. Therefore, while negotiation teams need to ensure an equal representation of women, this is not enough: stereotyped and indirectly discriminatory regulatory schemes must be identified, acknowledged and eradicated in collective bargaining. Besides, this topic implies a reflection on innovation, change and productivity in new forms of work organisation that has an all-encompassing impact on employers and employees.

2. STEREOTYPING

Collective agreements can often perpetuate a gendered conception of work-life balance targets and arrangements. This occurs when: i) parental leave is (re)named as «optional maternity leave», which is legally incorrect and unconsciously reveals the hidden assumption that work-life balance measures are meant to be used by women to balance work and family burdens and not to promote a perspective of equal roles and sharing of care between the parents; ii) there is no equal attention to the rights of working fathers, with specific reference to paternity leave or other rights provided to them. If work-life balance arrangements do not lead to an equal sharing of family burdens, this reinforces traditional 'breadwinner' models where women work part time, refuse overtime or avoid occupations or promotion at work that demands longer working hours. Gender stereotyping causes both horizontal and vertical segregation as well as a time gap resulting in pay and pension gaps. This chain reaction is exacerbated if collective agreements choose work attendance as the sole or one of the criteria for the awarding of performance-related pay elements. This worsening is exponentially increased if reductions of tax rates and/or of social security contributions are applied to such pay elements in order to incentivize a rise in the percentage of pay linked to productivity, in accordance with the EU policy guidelines.

3. AMBIGUITY AND LACK OF REGULATION

Ambiguity in regulation is often the result of compromise in collective bargaining. However, ambiguity or gaps in the regulation of aspects that can potentially affect the GPG should be avoided, to prevent the introduction of informal/unwritten practices to the detriment of women.

4. GENDER BIAS IN THE SETTING OF PAY AND IN THE AWARDING OF PERFORMANCE/PRODUCTIVITY-RELATED PAY ELEMENTS

The research highlighted that in Italy and Poland the vast majority of company agreements use work attendance as the sole or one of the criteria for the awarding of productivity bonuses. Besides, it was observed that this occurs independently of the sector concerned or of whether it is a male-dominated sector or not.

The national social partners involved in the project explained that the employees themselves often request the criterion of work attendance as they reckon it is capable of measuring their performance impartially and objectively.

However, the use of the criterion of work attendance can imply an indirect discriminatory effect to the detriment of women, due to the gender time gap deriving from the uneven distribution of family burdens.

Including some types of leave, such as maternity leave and parental leave, in the measurement of work attendance can be a corrective measure capable of reducing the discriminatory impact resulting from the use of such criterion.

However, when taking this corrective action, social partners need to bear in mind that: 1. a proper reflection on the extent to which sick leave needs to be included in work attendance should be considered depending on the specific characteristics of the national regulatory framework (Are women granted an anticipated/extended maternity leave in the case of risks in pregnancy? Are parents granted leave connected with childcare in the case of a child's sickness? Is it paid or unpaid leave?). 2. In order to foster an even distribution of family burdens, any paternity-related leave should also be taken into consideration in these corrective measures.

Besides, the economic analysis of the case studies demonstrated that the gender pay gap also derives from the individual negotiation or awarding of bonuses, given by the company on a discretionary basis, with a lack of transparency with no room for the social partners to control and take action on them.

Besides, the analysis of case studies revealed that, even when the company agreement regulates productivity bonuses, companies may use separate – and not negotiated – systems of productivity remuneration for the highest positions in the company hierarchy, based on a subjective assessment of the employee's expertise and capability of achievement specific targets. Confronting the secrecy around discretionary payment is a challenge for the social partners, yet discretionary pay accounts for a significant proportion of the pay gap in certain sectors, and is intensified at higher levels of the hierarchy. Collective agreements should include transparent criteria on which individual productivity will be evaluated and bonuses will be paid, and push for equality audits with respect to bonuses.

In this regard, a previous evaluation of job requirements could also help in determining the criteria useful for evaluating workers' performance and workers' productivity on a transparent and more objective basis. This draws attention to the key importance of an analytical job evaluation carried out on a gender-neutral basis.

As shown by the British system, job evaluation is a key instrument for implementing the concept of «work of equal value», and it is therefore important for enabling a comparison between different jobs in context of intra-occupational gender-based horizontal segregation, to the purposes of the principle of pay equality, as regulated by art. 157 TFEU and by dir. 2006/54/CE. As a second step of a process built on an analytical job evaluation, performance and productivity evaluations can be conducted on a gender-neutral basis as well, improving transparency and ensuring the awarding of productivity bonuses is clear of the indirect discriminatory effect deriving from the use of the criterion of work attendance. Key questions arise when identifying which level of collective bargaining should take action in this field of regulation. The UK model provides a good example for company-level decentralised systems, whereas the Belgian model can provide an example of good practice for member states characterised by a nationally centred system of collective bargaining (as well as a good example of legislative support of the social partners' action on this topic, see Loi 22 April 2012, «Loi visant à lutter contre l'écart salarial entre hommes et femmes»).

In Italy, despite being introduced in 1991 and currently stated by Art. 46 Delegated Decree 198/2006, mandatory reporting on men and women employment conditions for public-owned and private companies with 100+ employees has proved to be ineffective to the purpose of detecting an actual GPG: as the wage data that companies are required to present are too aggregated, any assessment on the GPG and its causes can hardly be carried out.

While there are no legal requirements for employers to publish reports on gender pay equality in Poland, the UK is discussing draft legislation on this topic that can provide a useful example also for the other member states, Italy included. In fact, the UK draft regulations require companies (with 250+ employees) to publish detailed information on pay. Specifically, a relevant employer must publish: the difference in mean pay between male and female; the difference in median pay; the difference in mean bonus pay; the proportion of male and female relevant employees who received bonus pay during the period of 12 months preceding the relevant date; and the numbers of male and female relevant employees employed by the relevant employer. Each calculation needs to be based on the specific measurement methods stated by these regulations.

5. VERTICAL SEGREGATION

The case studies economic analysis highlighted a reverse/negative GPG in low-pay job positions and an exponential increase of the GPG in high-pay positions. A closer investigation explained such reverse GPG as deriving from the fact that in low-pay positions women had almost twice as much length of service as men, with consequent twice as much length-of-service compensation as men. On the contrary, as the presence of women in medium/high-pay positions became less and less frequent, this resulted in an increase of the GPG, particularly remarkable at the top of the company hierarchy.

6. TRANSPARENCY

Transparency in pay is one of the key aspects in the fight against the GPG. On the one hand, employees should be able to understand payments schemes, compensation strategies and practices, so to be able to compare their salaries and to understand possible differences. On the other hand, companies' transparency could be supported by public policies requiring GPG mandatory reports and granting specific benefits (such as tax reductions, or additional points in public procurement procedures) for companies that meet certain targets. Social partners could ensure such transparency is granted also along the supply-chain of the company by negotiating «social clauses» in company agreements making the respect of certain transparency standards (or of certain low GPG rates), as defined in the above-mentioned guidelines on reporting, a condition of sub-contracting.

7. THE USE OF PROACTIVE AND REFLEXIVE FORMS OF LEGISLATION

The law, specifically reflexive legislation, should be used as a proactive lever to further negotiation, to 'mainstream' pay equality into organisations, thereby potentially reducing the amount of pay discrimination and subsequent legal cases. Specific duties required in the public sector could play a pivot role to this purpose.

In the meantime, social partners should lobby the government for improvements in the regulatory framework and for making the law effective in reducing the GPG. In this regard, they should call for the government to deal with the topic from a lifetime perspective, thus comprising the issue of the gender pension gap deriving from the intertwining of all the gender bias hereby considered, i.e. the time gap, vertical and horizontal segregation, and the pay gap.

