

Get a Raise!

time for equal pay

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Introduction

Very many of the members of Kommunal, the Swedish Municipal Workers' Union, work in the care and health care services. Because this sector is dominated by women, not by the degree of difficulty of the work or the competence of individuals, the work is valued lower. This structural discrimination, which is directed at the vocation and not at individuals, is the single greatest reason why women earn less than men. The pay gap between men and women has been about 15 per cent since the 1980s. Development towards equal pay has stagnated. It is therefore high time to take the next stage towards a labour market without structural discrimination against women's professions.

A look at history

"Women's lower pay in relation to men is one of the most constant conformities to law in economic life."

Eli Heckscher, 1912

It is one of Sweden's foremost economists of all time who is quoted above, confirming that the pay gap between women and men is nothing new. During the first half of the 20th century, women could work, but there were clear limitations when it came to pay, working hours and permitted positions. Even as late as 1960, there were two columns in most pay tables - one for women and one for men. The system of separate pay scales for women was discontinued in the 1960s, since it was perceived as discriminatory. In spite of this, the actual pay differences between women and men are still significant.

Women's labour market has historically been made up of trades and professions that can be combined with responsibility for unpaid housework. During the 1960s and 1970s, the public sector expanded and the demand for a workforce in the care sector increased enormously. Jobs that were considered to be suitable for women. The public sector was both an important labour market and a precondition for gainful employment for women.

The development of women's pay began to move in the right direction. From the late 1960s to the early 1980s, the differences in pay were reduced. The main reasons why the pay gap between women and men fell during this period were that female employment levels increased, the level of women's education increased and minimum wage initiatives were introduced. In the 30 years since this development slowed, there has been no improvement to speak of. The diagram on the next page shows women's pay as a percentage of men's over the period 1992 to 2011. Over the last 20 years, the difference in pay between women and men has only fallen by 2 percentage points.

Diagram 1. Women's pay as a percentage of men's pay, 1992-2011

Per cent

Source: SCB's pay structure statistics 2011

Differences in pay today

In 2011, women earned about 86 per cent of what men did. Or SEK 4,400 less a month. Over a year, a man earns on average SEK 52,800 more than a woman. That corresponds to what a family with children spends on food in a year. After ten years, that is enough to buy a weekend cabin. If we consider it reasonable that women should have as high a salary as men, altogether that means they are missing about SEK 70 billion a year. The diagram below shows pay development in SEK for women and men over the last seven years. In cash terms, the pay gap has consistently been around SEK 4,400 a month over this period.

Diagram 2. Average pay for women and men 2005 - 2011

SEK

Women
Men

Source: SCB's pay structure statistics 2011

As can be seen in the diagram below, there are still pay differences between women and men of all ages. Also, if we look at income from employment, it is clear that differences in income increase in the thirties. A very probable explanation for these graphs is that women take a considerably higher share of parental benefits than men and that women often stay at home to care for sick children.

Diagram 3. Comparison of average income from employment for persons aged 20 to 84, living in Sweden in 2011.

SEK

Women
Men

Source: SCB, average income, 2011

A report from Försäkringskassan, the Swedish social security authority, indicates that men took 23.7 per cent of parental benefits in 2011. Earlier surveys also show that the correlation between parental benefit and parental leave is different for women and men. The parental benefit taken by women tends not to correlate with their length of parental leave, while that of men correlates strongly with the length of parental leave taken. In other words, this means that to a large extent women are on parental leave for longer than would be indicated by their parental benefit, while what men take in parental benefit and parental leave corresponds strongly. This means that the figures that Försäkringskassan reports for withdrawal of parental benefit probably underestimate women's real length of absence from work and give an impression that Swedish men and women are more equal than is actually the case.

With regard to parent's insurance, there is a conflict between the desire that parents should have a greater opportunity to share the withdrawal of benefit between them and the desire that women should have the same opportunities as men on the labour market in terms of pay and development opportunities. It is not unreasonable to assume that employers prefer their employees to be at work, not absent. One way of approaching the problem of women withdrawing much more of the parental benefit than men is to create rules for parental insurance that spread the absence risk more equally between

women and men.

The unequal distribution of parental benefit withdrawal between women and men, together with factors such as it is most frequently women who take care of the home, make women's participation in the labour market more difficult and help to ensure that men have greater opportunities to improve their position in the labour market and increase their pay.

Various measurements of pay differences

There are several ways of measuring differences in pay between women and men. Terms frequently used are corrected and uncorrected differences. Uncorrected difference refers to the difference in pay between women and men without taking into account any factors other than gender. According to the Swedish National Mediation Office, the difference in pay is 11.6 per cent.

The difference in pay can also be corrected to take other factors into account. If we take the individual's age and level of education into account, the difference in pay increases to 13.7 per cent. This is partly due to the fact that on average women have higher education and are older than men. If this is not taken into account, the size of the difference is underestimated.

If age, educational level and work-related factors such as sector, industry segment, size of company and scope of duties are taken into account, the difference in pay becomes 8.8 per cent. One reason why the difference is lower here is that men more frequently work in sectors and industry segments that have higher average salaries. When this fact is taken into account, the unexplained difference becomes smaller.

If an adjustment for trade or profession is added into all the other factors above, it becomes clear that it is in fact the trade or profession that explains the greater part of the difference in pay between women and men. The difference in pay that remains when the trade or profession is included in the analysis is 5.3 per cent. This figure is an average for the entire labour market. That the pay difference decreases when trade or profession is added into the analysis indicates that women are over-represented in the low-paid professions, while men are over-represented in professions that have higher pay. Thus of all the factors that have been taken into account, it is the trade or profession that makes the largest single contribution to explaining the difference in pay between men and women.¹

The problem with taking account of the fact that women and men work in different sectors and have different professions is that this ignores what is absolutely the most important reason why women earn less than men. This is that major parts of the female-dominated professional groups today are incorrectly paid in relation to the level of education and responsibility that these professions demand.

Individual and structural discrimination

Paying a woman less than a man for equal or equivalent work without just cause is

prohibited by anti-discrimination legislation. This means that two individuals who work for the same employer are entitled to the same pay, if the demands of their work in terms of education, responsibility and effort required are judged to be equivalent and the employer cannot give any other good reason for a difference. The law only applies to individuals who work in the same workplace.

The foremost tool of anti-discrimination legislation is pay monitoring, which gives local parties in the labour market the possibility of discovering and equalising gender-related differences. Since women earn less than men, even within professional groups, this legislation is important and should be utilised to the greatest possible extent. This type of discrimination is called individual discrimination.

The problem however is that to a great extent, men and women have different employers. When it comes to structural discrimination between different industries, the anti-discrimination legislation creates no opportunities to legally test this discrimination.

The Swedish labour market is clearly divided in terms of gender: segregated. Most sectors are either strongly female-dominated or strongly male-dominated. To a great extent, women work in the public sector: in 2012, 73 per cent of those employed in the public sector were women. In local and county authorities, almost 80 per cent of employees are women, while government agencies have a more equal gender distribution.

Professions that mainly contain women are systematically valued lower than professions that mainly contain men, in spite of the fact that the professions could be judged to be of equal value in terms of the difficulty of the work. If we compare what a woman earns a month as an assistant nurse caring for the elderly with what a man working in industry earns, the difference in pay is about SEK 3,500 a month. This means that there is structural discrimination against female-dominated professions. This discrimination is directed against professions, not individuals. Men in female-dominated professions are also affected.

The diagram below shows that women's work is valued lower than men's work in various working sectors. There is a negative connection between pay level and the proportion of women in the working area. The further to the right in the diagram, the greater the proportion of women and the lower the pay. The horizontal red line in the diagram shows average pay for workers in 2011. The vertical red line corresponds to 50 per cent of women in a sector. All sectors in the lower part of the diagram have average pay that is less than the average for all workers. These sectors are also strongly female dominated. The upper part of the diagram contains sectors that have average pay above the average for all workers. These sectors are strongly male dominated. The agreement areas of the Swedish Municipal Workers' Union are female dominated and have an average pay level approximately SEK 2,000 below the average pay for all workers.

Diagram 4. Pay discrimination of female-dominated industry sectors 2011 Proportion of women by sector and the sector's average pay.

Average pay

Average pay for all workers

Source: Swedish Trade Union Confederation and Swedish Municipal Workers' Union (2011) proportion of women in per cent.

The female-dominated professions are systematically valued lower than the male-dominated. Is it desirable then that the labour market should be less divided by gender? As a long-term goal it is good that the labour market should be less segregated, but measures are also needed to raise the value of female-dominated professions today.

When the Swedish National Mediation Office analyses pay differences between women and men, they find that the most important single explanation is the trade or profession. This is an explanation that until now has been accepted and not linked with discrimination of female-dominated professions. The Swedish Municipal Workers' Union therefore sees a need for the government to review the task of the Swedish National Mediation Office so that the wage structure becomes consistent with breaking down the structural discrimination against female-dominated professions.

The office of the Discrimination Ombudsman has supervisory responsibility for ensuring that employers follow the requirements of anti-discrimination legislation for monitoring pay and actively working towards equality. Since spring 2012, the authority has had a special investigation unit that is intended to build up more effective ways of investigating the equalisation plans and pay monitoring that employers are legally required to perform. During 2012 there was a modest increase in investigations of employers, from 21 to 35, and the Discrimination Ombudsman believes that the ambition is to successively increase this number. It is good that the Discrimination Ombudsman has got the work of investigating employers moving, but this needs to be intensified. The present rules for pay monitoring must also be sharpened up. The Swedish Municipal Workers' Union believes that employers should be legally required to monitor pay every year, and not just every three years as required by the present rules.

Is it important then to assign these tasks to the Swedish National Mediation Office and the Discrimination Ombudsman? After all, women's pay is not determined by these authorities. These tasks are important in order to demonstrate the differences in pay and they are necessary in order to bring about positive change.

Three myths about why women earn less

"The idea of redistribution between the different sectors of the labour market is not about there being extensive discrimination on the grounds of gender."

From the report on Women's Pay, Confederation of Swedish Enterprise 2010

Some people claim that structural discrimination against female-dominated professions does not exist. That pay differences between women and men are due to women's individual characteristics, such as poorer education for example. Nothing could be more wrong.

Women today have a higher level of education than men. Significantly more male

workers have only lower secondary education. In the early 20th century, the proportion with lower secondary education was about 12 per cent for both women and men. Since then the proportion of women with lower-secondary level has fallen to 8 per cent, while the proportion of men with only lower secondary education has stayed about the same. In higher education too, women have widened the gap. The proportion of women with higher education has increased significantly over the last ten years.

The other argument that is often put forward as a reason for pay differences is that the female-dominated professions are not as difficult as the male-dominated ones: that the working tasks involved are not as advanced. It is very difficult to compare different working tasks on the basis of degree of difficulty, but there are methods and tools in the form of work evaluation systems. Work evaluation puts the work or tasks at the centre when determining pay and is therefore an important tool for arriving at a gender-neutral evaluation of different working inputs. It is possible to question, for example, whether an industrial worker has a greater degree of difficulty in his or her work on the basis of knowledge and skills, responsibility, effort and working conditions than an assistant nurse giving medical care to the elderly. There is still a difference of about SEK 3,500 a month in the pay for these two groups.

A third myth is that the market decides what different jobs and professions are worth in a fair and gender-neutral manner. The market is not free of traditional values of the work of women and men. Often references to the market as an explanation of worse pay have nothing to do with the availability of and demand for a certain workforce, but rather a simple reflection of the undervaluation of female-dominated jobs.

Action

In order to address structural discrimination, the Swedish Municipal Workers' Union proposes the following:

1. That a higher value is placed on pay for female-dominated professions, relevant to the knowledge, requirements and responsibility that the work demands.
2. That low-paid / female dominated working areas receive higher wage increases than the average for the labour market.
3. That the government reviews the tasks of the Swedish National Mediation Office so that industry's norm for wage structure becomes consistent with breaking down the structural discrimination against female-dominated professions.
4. That the present rules for pay monitoring are sharpened up. The legislation should require employers to monitor pay every year, and not just every three years as required by the present rules.
5. That the withdrawal of parental insurance should be equalised. A third of the parental benefit days should be earmarked for each parent.
6. To reintroduce the duty of Försäkringskassan, the Swedish social security authority, to work towards a more equal distribution of withdrawal of parental insurance.
7. To introduce the right to full-time work in local and county authorities. Having more people employed full time is financially beneficial for the local and county authorities, while giving employees a wage they can live on.

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