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CSW58 10.–21.3.2014

Minister for Gender Equality Affairs Mr. Paavo Arhinmäki

ILO -Side Event “Equal Pay” 12.3. klo 13.00, ONE UN Millenium Hotel

Ladies and Gentlemen,

Equal pay for equal work is a human right. Many countries and organizations, like the ILO and UN agencies have worked for equal pay for decades. It was interesting to note, that for example the ILO already in the 1950's adapted measures to strengthen means and ways to achieve equal pay.

Sometimes it has been both men and women addressing against equal pay, from different point of view. However, we are still quite far from equal pay between genders in reality. We do have statistics and studies which show clearly the gaps in realizing equal pay. Equal pay is also a wider question related to education, labor market experience, hours worked and type of job. However, we cannot and should not try to explain the reasons that maintain unequal pay but work all together towards equal pay in practice.

The gender pay gap is a complex issue caused by a number of interrelated factors. In certain cases women and men are not paid the same wages although they carry out the same work of equal value. This may be the result of direct discrimination, where women and men are treated differently. It may also be due to a policy or practice that result without intention to unequal treatment. Both of these are prohibited under Finnish and also EU law.

One reason for unequal pay can be different jobs and different sectors. For example women make up 80 percent of health care sector workers. Sectors where women are clear majority have lower wages than those dominated by men. In addition women often work in sectors and occupations where jobs are compatible with their family responsibilities. As a result, women are more likely to work part time, be employed in low-pay jobs and not take on management positions.

Women and men are often also affected by different workplace practices, such as access to career development and training. Often the discrimination arises because of historical and cultural factors that impact on how wages are set. This, so called glass ceiling prevents women from reaching highest paid positions.

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Women's skills and competences are also often undervalued, especially in occupations where they are in majority. When women are the majority in a small number of occupations they receive lower wages. Women's skills are also many times underestimated.

Women are also still globally underrepresented in politics and in the economy. Only one third of scientists and engineers in Europe are women. And even in those sectors dominated by women, they are underrepresented in senior positions, in particular at the top level.

I would also argue that gender roles and traditions shape the roles in society from a very early age. This may influence also for the choice of the educational path taken at already early age. These decisions are affected by traditional values and assumptions about working patterns.

Women need to balance more than men work and family responsibilities. Women work shorter hours and often part-time in order to combine family responsibilities and work. Women spend more time in carrying out domestic and care work. Still few men take parental leave or work part-time.

Ladies and gentlemen,

It might sound provoking, but what would be the benefits of closing the gender pay gap? Firstly, it would create fairer and more equal society and it would bring benefits to both the economy and the society. Closing the gender pay gap can also help to reduce levels of poverty, not only during the working life but also in retirement.

To close the gender pay gap would also supply for quality jobs and help companies to get best talented people for the jobs. It is also showed, that during financial and economic crises women's participation in the economy and their contribution to family financed has increased. This is why it is important to keep the issue of gender equality, non-discrimination and closing the pay gap alive, as it contributes to achieving employment growth, competitiveness and also economic recovery.

Ladies and gentlemen,

In order to hear and learn from you, I should like to share some experiences on my own country. Finland is very committed to promoting decent work for women and men. The Finnish Equality Act

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prohibits pay discrimination on the basis of sex or gender. The Act mostly deals with differences in pay between people working for the same employer. So in principle we are having equal pay for same work. In practice we have had gender pay gap in Finland for almost 20 years. The situation has remained the same. During the last couple of years some improvements can be stated and the average gender pay gap has been narrowed by two percentages. In 2013, women's monthly regular income was 83 percent of men's monthly regular income cross all the sectors in the job market. This equals approximately 600 euros per month.

According to the Finnish Equality Act, employers may be found guilty of discrimination if they apply pay or other terms and conditions of employment in such a way that results in one or more employees finding themselves in a less favorable position than one or more other employees of the opposite sex while performing the same work or work of equal value for the same employer. This provision can be found in Section 8(1)(3) of the Finnish Equality Act.

The average difference between men's and women's pay in Finland is around 20 percent. This figure is based on the average monthly earnings of men and women for regular working hours. The difference in pay is not the same as pay discrimination under equality legislation. The objective of our equal pay policy is to reduce the 20-percent difference in pay to 15 percent by 2015.

The difference grows bigger if part-time and overtime work is taken into consideration: women work more often part-time compared to men and men work overtime more often than women. The pay gap is narrower in the public sector jobs than in the private sector: In the state sector women's income is 85.6 percent of men's regular income in 2013. In the same year, in the public municipality sector jobs women's pay was 85.4, and in the private sector 83.7 percent of men's regular income.

The gender pay gap grows steadily along with the ageing of employees. Older women suffer from a bigger gender pay gap compared to younger women. Gender income gap is life-long. On average men receive significantly higher pensions than women due to the fact that the pensions depend on your income.

The gender-based segregation of occupations explains part of the gender pay gap. Wages and salaries in female-dominated sectors and jobs are lower than of those in male-dominated. Also bonuses explain the gap: men receive bigger bonus payments than women.

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In order to narrow the average gender pay gap requires narrowing the differences in pay between sectors, which has proved to be a challenging task. Women's pay has not developed at the same pace as the demands of jobs. In Finland, women's education level is higher than men's.

Nevertheless, this has not reduced the pay gap in the same proportion.

Women's labour market participation is internationally high: 68 percent in 2012. There are more women in the workforce than men. Women tend to have as long or longer careers as men. Still, women have atypical fixed-term employment contract more often than men. The general perception of men as breadwinners and women as caregivers is not supported by taxation, as a separate assessment of spouses does apply. The stereotypical/traditional roles though are reflected in the strong gender segregation in the labour market and in decisions couples make with regard to family leaves. Almost half of all employed women work in public services, and mostly in welfare and care services and education. Male-dominated sectors include industry and construction, as well as technology.

I hope that the 58th session of the CSW will give us new tools and inspiration to continue in this extremely important work and look forward to continued tripartite collaboration and joint work with ILO.

Thank you.