Closing the Gender Pay Gap: What Role for Trade Unions?

ILO ACTRAV Working Paper

by Jill Rubery and Mathew Johnson
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The need to close the global gender pay gap is now more than ever recognized and endorsed by governments, international organizations, trade unions and employers. The goal to close the gender pay gap is set out in the International Labour Organization’s (ILO) Constitution, in the Equal Remuneration Convention (C100), in the Discrimination Convention (C111) and reaffirmed by the 1998 Declaration on Fundamental Principles and Rights at Work, which includes commitments to eliminate both overall and pay discrimination in the workplace. The goal of equal pay is all the more taken up by international organizations and initiatives, such as the 2030 Sustainable Development Goals, the ILO Women at Work Centenary Initiative, UN Women, OECD, European Commission, IMF, or the recently established Equal Pay International Coalition (EPIC). Despite widespread recognition of the importance to address pay inequalities between men and women, progress in closing the gender pay gap has been slow. Therefore specific gender equality policies are required, but these are only likely to be effective if embedded within a general policy environment which is promoting equal treatment and inclusive labour markets. This should also be reflected in trade union strategies aiming at closing the gender pay gap. Gender pay gaps must be seen in the broader context of gender inequality in the labour market and society as a whole, including women’s more limited access to paid employment, under-utilization of skills, the unequal division of tasks within the household, or the over-representation of women in low-paid and vulnerable employment.

Amongst broader gender-based discriminatory factors in the labour market, gender pay discrimination is strongly determined by the overall wage setting systems and accordingly overall wage inequality as well as the position of women within the wage structure. Therefore, the actions that trade unions can take to close the gender pay gap, range from targeting overall gender discrimination, promoting inclusive wage setting, pursuing specific gender pay equality measures, to enhancing women’s representation in decision-making.

This paper provided input to, and is developed complementary to, the ILO ACTRAV policy brief “Closing the Gender Pay Gap: What Role for Trade Unions?” (2019a), which includes the outcomes of a global survey on the role of trade unions in wage setting for gender equality, and addresses key challenges and opportunities for workers’ organizations in achieving effective involvement in wage negotiations on equal pay for work of equal value.

The authors of the paper, Professor Jill Rubery and Mathew Johnson, examine the role trade unions can and are playing at different policy levels in respect of both overall wage and gender-specific wage inequality. Although the paper is developed primary for trade unionists engaged in wage setting and equal pay, it is also highly recommended for researchers, policy makers and other stakeholders, both in a developed and developing country context. The paper is part of a comprehensive ILO approach on the issue of equal pay, and complements work by other units or departments, such as the “Global Wage Report 2018/19: What lies behind gender pay gaps” (2018b), “A quantum leap for gender equality: For a better future of work for all” (2019b) or the Equal Pay International Campaign.

I wish you an insightful read and a lot of success in your trade union work.

Maria Helena André,
Director, ACTRAV
This report considers the current and potential role for trade unions in closing the gender pay gap which has become one of the symbols of progress towards gender equality. Not only have governments, trade unions and employers publicly resolved to close the gender pay gap; the commitment has also been internationally endorsed by various international organizations, including the International Labour Organization (ILO). Notably there has been the recent formation of the Equal Pay International Coalition (EPIC), led by the ILO, UN Women and the OECD, to help progress the commitment towards equal pay for work of equal value within the 2030 Agenda for Sustainable Development (Goal 8.5). These commitments are supported by ILO’s international labour standards (ILS), most directly Convention 100 on Equal Remuneration, and by the ILO 1998 Declaration on Fundamental Principles and Rights at Work that focuses attention on the commitment to eliminate discrimination in the world of work.

Overall however, progress has been limited. The gender pay gap, we will argue, arises both out of the overall wage-setting system and from specific gendered wage-setting practices. Closing the gender pay gap requires actions from multiple stakeholders, including international organizations, governments, employers, trade unions and civil society. The purpose of this paper is to explore the specific role that trade unions can and are playing in respect of both agendas, both separately and in conjunction with other actors. The focus is only on action in relation to wage setting. However, trade unions are also involved in complementary policies and campaigns to promote gender equality through, for example, work-family policies, protective measures against sexual harassment or actions to change gender segregation.

Section two thus reviews the current debates and empirical evidence on the contributions of trade unions to gender equality, first in relation to their impact on overall wage equality and second in relation to specific gender equality measures. The outcome of this review suggests that trade unions and collective wage setting do contribute to reducing overall wage inequality. The evidence on specific gender equality measures is more mixed but nevertheless without campaigns and actions by trade unions there would have been little progress on closing the gender pay gap. More still needs to be done, equality bargaining remains patchy, and the impact on gender equality may be weak, particularly in contexts where overall wage inequality is high.

In section three we suggest a dual framework for action to promote inclusive labour markets and gender equality. The key argument presented here is that gender pay equality is more likely to be achieved within inclusive and egalitarian labour markets. Trade unions and collective regulation are central to both the development of inclusive labour markets and to the pursuit of gender pay equality, for instance through policies to raise pay in female-dominated occupations or sectors, to establish more gender-sensitive job grading or to implement action plans to remedy gender pay gaps revealed by company-level gender pay audits.

An additional element of the framework is to consider how action at international, national, sector and company levels can contribute towards reducing gender pay gaps. Implementing action at each level also requires trade unions to undertake internal actions to promote gender equality within trade union structures and policies.

Section four explores the potential of this approach by taking up the role of trade unions in reducing pay inequalities for women in three contexts. The first case explores measures taken to improve women’s position within global supply chains. Global initiatives are growing in importance as the number of Global Framework Agreements (GFAs) rise and extend into female-dominated sectors but global level action needs support from sectoral and local trade union action to improve sector-level and country-level wage standards in female-dominated sectors and to ensure enforcement of such standards.
The second case looks at action in the public sector where women tend to be disproportionately represented. Here three type of actions are considered: to remedy the long-term undervaluation in some countries of public services work, further exacerbated by recent austerity measures; to develop sector-wide gender-sensitive job evaluation systems or promote gender equality through follow up to gender equality audits; and to insert social clauses in public-sector outsourcing to reduce the use of outsourcing of female-dominated jobs.

The third case looks at extending and raising the wage floor as a strategy for improving the pay of female workers, taking the specific case of domestic workers. Here the focus is on developing a more inclusive labour market by extending and improving pay protections to previously excluded groups. Trade union action at all levels was found again to be important both internationally, in campaigning for the ILO standards and instruments on domestic workers, and nationally, in promoting the legitimacy of legal protections and ensuring their observation in practice. Organizing domestic workers remains a challenge but the increased formalization of domestic work should provide a platform on which unions can build to establish sectoral collective bargaining.

These types of actions to close the gender pay gap may also be interpreted as informing an agenda for trade union renewal and development. A focus on closing the gender pay gap potentially extends trade union interests into new areas, as in the case of domestic workers, provides new perspectives on inequalities, as revealed for example by the unequal value distribution within global supply chains, and challenges often long-established undervaluation of female-dominated occupations within public services. Moreover, a stronger focus on women’s representation within trade unions could bring in new talent and energy into the trade union movement. Concerted multi-level actions to close the gender pay gap is suggested to be an essential part of strategies for trade union renewal in the changing employment landscape.
Acknowledgements

This study has been conducted by Professor Jill Rubery and Mathew Johnson. Professor Rubery is the Director of the Work and Equalities Institute and Mathew Johnson is lecturer in Employment Studies at the Alliance Manchester Business School, University of Manchester. The research was commissioned by the ILO’s Bureau for Workers’ Activities (ACTRAV), which expresses its strong gratitude to the authors for the excellent work and collaboration. ILO ACTRAV also wishes to acknowledge the suggestions of various colleagues in different phases of the research: Evelyn Astor, Patrick Belser, Chidi King, Claire La Hovary, Shauna Olney, Jane Pillinger, Emanuela Pozzan, Verena Schmidt and Rosalia Vasquez-Alvarez. The paper was launched at the International Labour Office in Geneva on the 9th of April 2019. Particular thanks go to Maria Helena André, Director ILO ACTRAV, to make this research possible, to Mamadou Souare and Anita Hertereau for organizing the publication process and to Rafael Peels for the overall coordination.
This report considers the current and potential role for trade unions in closing the gender pay gap which has become one of the symbols of progress towards gender equality. Not only have governments, trade unions and employers publically resolved to close the gender pay gap; the commitment has also been internationally endorsed by the International Labour Organization (ILO), the Organization for Economic Co-operation and Development (OECD), the European Union (EU), and the International Monetary Fund (IMF). Notably there has been the recent formation of the Equal Pay International Coalition (EPIC), led by the ILO, UN Women and the OECD, to help progress the commitment towards equal pay for work of equal value within the 2030 Agenda for Sustainable Development (Goal 8.5). In the framework of EPIC, governments, employers, trade unions and civil society have all pledged to accelerate progress towards eliminating the gender pay gap by 2030. These commitments are supported by ILO’s international labour standards (ILS), most directly Convention 100 on Equal Remuneration, and by the ILO 1998 Declaration on Fundamental Principles and Rights at Work that focuses attention on the commitment to eliminate discrimination in the world of work.

Motivations behind these international and national commitments are not solely based on social justice concerns for women’s rights. There is also recognition that women’s employment brings broader benefits in the form of reducing inequalities (IMF, 2015), supporting families and reducing child poverty (EU, 2013), mitigating the ageing society problem (EU, 2013) and ensuring the utilization of citizens’ capacities and talents (IMF, 2013). Closing the gender pay gap should contribute to most of these issues, provided it is not achieved by downgrading men’s pay. Higher pay for women not only provides fairer rewards, but also allows more choice over the domestic division of labour. It enables women to be more economically independent and may lead to more family income being spent on children’s welfare. Higher rewards may also incentivize women to work more and longer, helping with the ageing problem and guarding against under-utilization of talents and skills.

Yet, despite the development of socio-economic arguments for action to complement the case for social justice, progress has been limited. Now that in developed countries the traditional education gap between women and men has narrowed or been overturned, it is less and less plausible that the gender pay gap is caused by differences in developed talents by gender (see Rubery and Grimshaw, 2015 for a review). In many parts of the world, progress in women’s education is still needed but the experience in developed countries demonstrates that it is not a failsafe solution. Attention therefore needs to turn towards the process of wage setting. However, the continuing gender pay gap is often treated as a specific abnormality, caused by bias and explicit discrimination based on gender, and not as a predictable product of the overall wage system. The gender pay gap, we will argue, arises both out of the overall wage-setting system and from specific gendered wage-setting practices: gender pay discrimination is found in all countries but the size of the penalties incurred varies according to the overall level of wage inequality as well as the position of women within the wage structure (Blau and Kahn, 1992; Rubery and Grimshaw, 2015).

As the establishment of EPIC has made clear, closing the gender pay gap requires actions from multiple stakeholders, including international organizations, governments, employers, trade unions and civil society. The focus of action needs to be on both the overall system of wage setting and on specific gender

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4 – www.equalpayinternationalcoalition.org
equality measures. The purpose of this paper is to explore the specific role that trade unions can and are playing in respect of both agendas, both separately and in conjunction with other actors. The focus is only on action in relation to wage setting. However, trade unions are also involved in complementary policies and campaigns to promote gender equality through, for example, work-family policies, protective measures against sexual harassment or actions to change gender segregation but these will not be considered in detail here. The next section, section two, reviews the current debates and empirical evidence on the contributions of trade unions to gender equality, first in relation to their impact on overall wage equality and second in relation to specific gender equality measures. The outcome of this review suggests that, contrary to the argument that trade unions favour insiders at the expense of outsiders, trade unions and collective wage setting do in fact contribute to reducing overall wage inequality. The evidence on specific gender equality measures is more mixed but without campaigns and actions by trade unions there would have been little progress on closing the gender pay gap. More still needs to be done, equality bargaining remains patchy, and the impact on gender equality appears relatively weak, particularly in contexts where overall wage inequality may be rising.

On the basis of these findings, in section three we suggest a dual framework for action to promote inclusive labour markets and gender equality. The framework makes clear how inclusive labour markets may contribute directly to gender equality and also enhance the effectiveness of gender-specific measures. A third element of the framework is to consider how action at international, national, sector and company levels can contribute towards reducing gender pay gaps. Implementing action at each level also requires trade unions to undertake internal actions to promote gender equality within trade union structures and policies. This framework thus provides a more holistic approach to the potential role for trade unions in closing the gender pay gap. Indeed, the trade union’s role in narrowing wage inequality and extending protection to all groups complements the development of specific gender equality measures and bargaining objectives. This dual perspective demonstrates how pivotal the potential contribution is of trade unions and collective bargaining to reducing the gender pay gap. Achieving this goal requires further promotion of more inclusive wage structures and more action to remove any gender bias within collectively-regulated wages. Section four explores the potential of this more holistic approach by taking up the role of trade unions in reducing pay inequalities for women in three contexts. Section 4.1 explores measures taken to improve women’s position within global supply chains; section 4.2 considers what unions can and have been doing to protect women’s pay in the public sector where women tend to be overrepresented and in some countries markedly underpaid; and section 4.3 explores how the pay of marginalized groups of women such as domestic workers may be protected by trade unions’ actions, sometimes together with civil society, government and employers, to bring this group within the scope of wage protection and raise the level of minimum pay for these workers.
This section reviews the current state of knowledge and evidence in relation to two issues and debates: i) the impact of institutional wage setting (collective bargaining and legal measures such as minimum wages and extension of collective agreements) on inequality, broadly defined; and ii) the impact of institutional wage setting on gender pay equality.

2.1. Institutional wage setting and inequality

A key issue is whether institutional wage setting can be considered to reduce or increase wage and/or income inequality. There are two broad schools of thought on this issue. There are those, labelled by Hayter and Weinberg (2011) as distortionists, who regard trade unions and collective bargaining as distorting an otherwise fair labour market, thereby creating labour market insiders (Lindbeck and Snower, 2002). From this perspective, unions’ negotiation of higher wages than those set by the market only benefits a subset of workers and may even displace more workers, frequently female, to outsider status, resulting in the deterioration of conditions among outsiders and reduced opportunities to become insiders. This view influences international and national policy-making bodies and has been used to legitimize policies to reduce the influence of trade unions and collective bargaining. The second school of thought is labelled institutionalist by Hayter and Weinberg (2011). From this perspective, labour markets without institutional regulation, both legal and collective, are far from egalitarian and the main purpose of institutions that influence wage setting is to increase fairness and reduce potential inequality.

Hayter and Weinberg’s (2011) extensive review of evidence that attempts to measure the impact of collective bargaining on wage inequality concluded that for developed economies “encompassing collective bargaining arrangements (using collective bargaining coverage, union density, centralisation and/or coordination as indicators) are associated with less wage inequality at an aggregate level” (op. cit.: 150). This results mainly from raising the wage floor, thereby reducing inequalities within sectors, although inequalities between sectors may widen. Research on developing countries is more limited and encompassing collective regulation less common but collective regulation is still found to either reduce wage inequality or have limited effects, although inequalities between sectors may widen even if those within sectors are reduced. Importantly, Hayter and Weinberg’s review also found limited evidence to support the expectation in the insider/outsider theory that, although a higher wage floor might appear to reduce wage inequality, it may widen overall income inequality by either increasing unemployment or the share of informal employment. The OECD in 2006 also conceded that countries with coordinated bargaining may perform as well or better than those with low levels of regulation, a conclusion reaffirmed in its 2018 study of the impact of collective regulation (OECD, 2018). These findings did not lead to the disappearance of the insider/outsider discourse. Instead, in the 2006 review, the main problem was said to be the uneven impact of regulation on “vulnerable groups” including women (see Rubery, 2011 for a review).

While the impact of collective and legal regulation is widely studied, there has been more limited investigation of whether labour markets in the absence of regulation would work according to textbook-
perfect competition, with labour of similar quality paid the same throughout the economy. New datasets matching workers to employer and workplace characteristics have recently revealed that employing organizations in fact exercise wide discretion over what to pay their workforces, suggesting that workers receive variable economic rents that depend more on the characteristics of the company than their own productivity. Moreover, the size and distribution of these rewards vary considerably across European countries, reflecting differences in collective wage-setting systems (Rycx and Tojerow, 2004; Gannon et al., 2007; ILO, 2017). A recent study of wage inequality using a matched establishment-employee survey in the United States – a country with limited trade union involvement in wage-setting – found that “most of the increased variance in earnings among individuals is associated with increased variance of average earnings among the establishments where they work. Our findings direct attention to the role of establishment and firm pay setting and labor market adjustments by place of work in the rising tide of inequality” (Barth et al., 2014).

This suggests that, far from earnings in less regulated economies being a reflection of human capital endowments, it is the wage-setting policies of firms that are mainly responsible for rising wage inequalities. Collective bargaining is thus still needed to promote transparent and fair systems of pay determination by establishing “going rates” for categories of labour, the common rule proposed by Webb and Webb (1987), rather than leaving pay decisions to managerial discretion under the guise of the market.

Institutional interventions also include legal minimum wages or the legal extension of wage floors set by collective agreements. To achieve a high coverage of collective regulation, agreements may need to be legally extended to companies not directly party to the agreement (Schulten et al., 2015; Hayter and Visser, 2018). Paradoxically the same policymakers that take the view that trade unions and collective regulation cause wage inequality have sought to reduce the legal extension of collective agreements – particularly under the austerity policies imposed in European countries after the financial crisis. Those workers removed from the ambit of collective regulation are more likely to be employed in small firms, non-union members, in sectors with limited employer organization and belong to more disadvantaged groups (Visser, 2013; Schulten et al., 2015; Hayter and Visser, 2018). The anticipated effect is to turn collective agreements “from public goods with quasi-inclusive regulatory coverage of industrial and occupational workforces to private goods with exclusive coverage amongst those enterprises where unions are still recognised” (Marginson, 2015). In other words, public policy may be creating or exacerbating the insider/outsider effects of collective regulation.

Using legal minimum wages to set a floor for wages could be expected to have a positive effect on equality but economists argue that their impact may be negative, either by causing higher aggregate unemployment or informal employment or by reducing employment chances for low productivity workers, with younger or older people, women, the disabled and the low educated most at risk. These arguments have generated a huge volume of research on both sides. Some consensus has emerged that legal minimum wages do not have significant aggregate employment effects unless set very high, though economists still debate if it has composition effects (see Rubery, 2011). Furthermore, studies have found so-called “lighthouse effects”, namely positive spill-over effects from legal minimum wages onto informal sector workers’ wages even when the minimum wage does not legally apply (Khamis, 2013; Kristensen and Cunningham, 2006; Saget, 2006).

Trade unions have themselves been at times cautious about the role of legal minimum wages, particularly where they fear that legal rights might either weaken incentives to join trade unions or that legal minimum wages may become not a floor but a going rate, effectively determined by the state. However, it is also the case that legal minimum wages have been introduced after campaigning by trade unions. Differences of views are illustrated by the case of South Africa. The Congress of South African Trade Unions (COSATU) in the immediate post-apartheid period wanted to ensure that collective bargaining was fully independent of the state and did not push for a minimum wage. However, as sectoral bargaining in weaker sectors such as textiles and clothing became more difficult (Coleman, 2013), it started to campaign for a national...
minimum wage to provide support for collective regulation. A national minimum wage was finally introduced in January 2019.

In Germany it was also changes in the trade unions’ position on a legal minimum wage that paved the way for a national minimum wage: “It was above all the trade unions that, observing the erosion of the traditional collective bargaining system, were forced to acknowledge that, in many industries, they had long since lost the power to negotiate on equal terms with the employers” (Bosch, 2018:19).

In the German case, in order to protect against the minimum wage becoming a going rate, not only are the social partners strongly involved in setting the minimum wage, but the trade unions also negotiated increased opportunities for the legal extension of collective agreements if deemed in the public interest. This approach is in line with the findings of Grimshaw and colleagues that minimum wages tend to have stronger wage equality effects when combined with collective bargaining to prevent wage compression at the lower end of the wage distribution (Grimshaw, 2013). Table 1 shows the differing potential contributions from legal minimum wages and collective bargaining to reducing low wage work, drawing on Grimshaw (2011).

**Table 1. Impact of legal minimum wages and collective bargaining on low-wage work**

<table>
<thead>
<tr>
<th>WAGE INSTITUTION</th>
<th>RELEVANT FEATURES</th>
<th>POTENTIAL EFFECTS ON LOW PAY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Minimum wage legislation</strong></td>
<td>• Method of uprating&lt;br&gt; • Level relative to average earnings&lt;br&gt; • Coverage and strictness of enforcement&lt;br&gt; • Use of multiple (or single) minimum rates</td>
<td>• Direct increase in basic hourly pay&lt;br&gt; • Increase in weekly earnings, i.e. assuming no cut to hours of work&lt;br&gt; • “Ripple” effects on pay further up the wage distribution to restore pay differentials by skill, seniority, qualification, etc. differentials&lt;br&gt; • Virtuous cycle of higher pay: incentives for skill development, higher productivity and higher pay&lt;br&gt; • Increased labour costs encourage downward employer adjustments to working time, training budget, other non-pay costs</td>
</tr>
<tr>
<td><strong>Collective bargaining</strong></td>
<td>• Strength of coverage&lt;br&gt; • Degree of formal or informal coordination&lt;br&gt; • Degree of centralization of bargaining level&lt;br&gt; • Strength of trade unions&lt;br&gt; • Wage equity principles (including gender equity)</td>
<td>• Multi-employer bargaining can “take wages out of competition”&lt;br&gt; • Inclusive industrial relations systems integrate firms, workforce groups and protect against fragmentation&lt;br&gt; • Strong trade unions and solidaristic wage policy, spreads gains from high-productivity sectors&lt;br&gt; • Multi-employer bargaining may be difficult to sustain/continuously renew if entry of foreign-owned multinational companies reduces commitment to sectoral bargaining at national level&lt;br&gt; • Gender bias in wage-setting institutions may hinder women’s pay progress</td>
</tr>
</tbody>
</table>

Source: adapted from Grimshaw, 2011: table 6

The complementarity between collective and legal interventions suggests that the scope for trade unions to contribute to wage equality strategies is greater if campaigns for the use of legal measures such as minimum wages and the extension of collective agreements are considered alongside collective bargaining. A further argument can be made (Bosch, 2015; Bosch and Lehndorff, 2017) that legal support from an enabling state is needed not only to promote protective but also participative rights, such as the co-determination system in Germany. This approach further emphasizes the potential complementarity between collective bargaining and legal minimum wages.
2.2. Institutional wage setting and gender pay equality

The balance of evidence suggests that both collective bargaining and legal minimum wages reduce wage inequality, but do they also reduce gender pay inequality? As with overall wage inequality, there are differences in views over trade unions’ role in promoting gender equality. Some feminist critics have argued that, historically, trade unions supported and shaped the male breadwinner employment model that not only led to women being regarded as economically dependent but also excluded them from standard employment as this was not organized to allow care work to be combined with wage work (Barrett and McIntosh, 1980; Cockburn, 1991; Wajcman, 2000; Fraser, 2009). However, feminist critics make no presumption that market-determined wages are likely to be gender neutral and are concerned instead with developing more active promotion of women’s interests by trade unions and other organizing groups. Trade unions, in claiming a key role in closing the gender pay gap, must therefore examine collectively-determined wage structures to ensure they do not reinforce gender bias, and take action to protect groups that historically may have been excluded from the reach of collective organization and agreements such as domestic workers (see section 4.3).

Key support for trade unions’ positive role in closing the gender pay gap is provided by Blau and Kahn’s (1992) seminal work that established the central importance of wage structures and the overall level of wage inequality in determining the gender pay gap. Women may be placed below men in the wage structure in all countries but the size of the penalty depends on the overall wage inequality. The penalty for being placed below men is less in low-wage inequality countries than it is in high-wage inequality countries (for studies focusing on the importance of wages structures, see Juhn et. al. (1993), OECD (2002), Kahn (2015)). There is also increasing evidence that higher minimum wages tend to reduce gender pay inequality (Dex et al., 2000; Rubery, 2003; Rubery and Grimshaw, 2011; Van Klaveren and Tijdens, 2012; Grimshaw and Rubery, 2013; NWLC, 2013; Li and Ma, 2015; Kahn, 2015; Bargain et al., 2016; Majchrowska and Strawinski, 2018). Trade unions frequently campaign for higher minimum wages and there is now an international campaign supported by the International Trade Union Confederation (ITUC) and local unions for minimum living wages across Africa, Asia and Latin America for all workers regardless of gender.

Both collective bargaining and legal minimum wages tend to reduce the overall level of wage inequality but their actual impact on the gender pay gap may also vary according to the specific institutional context. Men may often appear to benefit more than women from collectively negotiated wages (Hayter and Weinberg, 2011), while women may suffer more than men under conditions of full deregulation and market or managerial-determined wage setting.

This evidence suggests the need for a nuanced understanding of the role of collective regulation in reducing gender inequality. Peetz and Murray (2017) draw on specific occupational case studies to demonstrate that gender inequality is rarely ever eliminated but takes different forms, dependent on whether or not the occupation or workplace is covered by collective regulation. Collectively-regulated wage structures tend to reduce direct gender pay discrimination compared to individualized pay systems where managerial prerogative prevails but indirect discrimination can still occur, either through, for example, promotion blockages or, in female-dominated occupations, the embedding of undervaluation (Grimshaw and Rubery, 2007) even in collectively-regulated wage structures. Thus, there are risks of gender inequality found under both regulated and less regulated contexts. Nevertheless, remedying undervaluation is more possible in regulated systems as these are more transparent, involve actions for groups not just individuals and, most importantly, have been shaped by trade unions who can be mobilized to bargain for changes in the wage structure. There is limited evidence for spontaneous action by employers, unprompted by trade unions or by legal interventions, to remedy undervaluation.

Overall, available evidence supports the proposition that the impact of collective bargaining on gender equality depends on the type of collective bargaining system; more exclusive, decentralized systems are less likely to have strongly positive effects, particularly as women are less likely to be covered by collective
regulation (see Card et al., 2004 on the UK, the US and Canada). Furthermore, different employment relations systems have different legacies: recent research has found that there are still strong legacies of the male breadwinner model in Germany's collectively-regulated wage structure (Schäfer and Gottschall, 2015), while in Sweden women in lower skilled jobs tend to benefit from the legacy of strong concerns with equality, evident in a relatively high wage floor (Mandel and Shalev, 2006; Mandel and Semyonov, 2009; Mandel, 2012). However, Sweden, along with many Eastern European countries (see section 4.2), has tended to pay relatively low wages to those employed in higher skilled jobs in the public sector, where many of the higher educated women are concentrated in advanced countries (Rubery, 2013; Burchell et al., 2014). These examples all suggest that the most urgent problems to be addressed in each country may vary quite considerably and that different strategies may be needed for women with different labour market characteristics.

Implementing equal pay for work of equal value also depends on collective bargaining groups. It can be easier to achieve when there is one bargaining group covering all workers, including men and women, than when there are a range of bargaining groups. These bargaining groups often represent workers that historically have enjoyed different degrees of trade union power and are likely to be either male- or female-dominated. However, it may sometimes also be difficult and risky for trade unions to accept major changes in wage structures, including those related to equal pay. The study by Joan Acker (1989) of comparable worth implementation in Oregon in the United States, revealed that managers were planning to use initiatives to address the gender pay gap – through, for example, comparable worth job evaluation schemes – to limit trade union rights to shape wage policy in the future on the grounds that the new gender-neutral pay and grading systems must not be distorted by collective interventions. Likewise, in a recent case in Finland, trade unions were reluctant to agree to a government plan to compare gender pay differences in local government across separate bargaining groups due to fears of the impact on future bargaining possibilities so that an integrated grading and pay structure across all job categories could not be realized (see Koskinen-Sandberg, 2016, 2017).

There are also problems concerning who should pay for implementing equal pay for work of equal value. To remedy undervaluation of different types of work there may need to be some redistribution of resources. Trade unions in the “Justice for Janitors” case in the US (Erickson et al., 2002) recognized that the suppliers of cleaning services could not afford to pay out of their low-priced contracts so they targeted the clients of the cleaning companies to persuade them to pay more to the contractors and thus to the workforce. Likewise, when low-paid jobs such as care work are found either in the public sector or in private firms contracted to the public sector, then it is society through taxpayers that need to pay a fairer price for the care services provided. Trade unions in some contexts have been able to negotiate additional equality funds to implement equal pay but where funds are tight it may be the other workers in the bargaining group who may be expected by management to accept downgraded or frozen pay. Similar problems underpinned the difficulties of implementing a single status agreement for local authority workers in the UK in a context of squeezed overall budgets (Deakin et al., 2015; Fredman, 2013). Thus, implementing equal pay for work of equal value is even more difficult in a context where there is limited political will to redistribute towards the low-paid or women in particular.
3. A framework for trade union action in closing the gender pay gap

The framework proposed here explores how trade unions can contribute to closing the gender pay gap through a dual strategy of promoting inclusive labour markets and pursuing specific gender equality policies. This places trade unions at the centre of actions to close the gender pay gap as market-based employment relations lead to neither inclusive nor gender equal labour markets. This dual framework requires the mainstreaming of both inclusivity and equality throughout trade union policies and actions. It is thus not a description of current practices but a statement of potential trade union contributions towards closing the gender pay gap.

3.1. Inclusive labour markets and gender equality: a dual strategy

The framework identifies the interactions between inclusivity and gender equality in two stages. First, table 2 identifies the key characteristics of inclusive versus exclusive wage-setting systems and suggests how more exclusive systems may have negative impacts for gender equality. Exclusive systems can be considered to include those systems i) where wage setting is primarily by managerial prerogative and ii) where trade union and collective bargaining influence is confined to more advantaged and male groups. For the labour market to be inclusive, it matters not only that collective bargaining covers a wide range of groups and sectors but also that inter-sectoral and inter-firm differentials are narrow. Enterprise-based wage inequality was found in the ILO’s 2016/17 global wage report (ILO, 2017) to be a significant issue but one that varies considerably across countries, with lower inequality between enterprises where collective bargaining is more comprehensive, as in the Scandinavian countries of Norway and Sweden. In contrast it is high in Eastern European member states, developing and emerging economies and in the United States where the growing use of outsourcing appears to be a factor (Barth et al., 2014). This effect may be particularly problematic for women as they dominate typical outsourced activities such as cleaning, catering and human resource services. Although there are overall characteristics of inclusive systems, it is important to recognize that different countries may prioritize different aspects so that there are different routes to more inclusivity (ox 1).
Complementary policies and strategies may be needed to deliver an inclusive and relatively equal wage structure. Wage transparency is perhaps the first vital complementary policy to facilitate fair pay comparisons and constrain managerial prerogative in pay setting. Wage setting also needs to have a pro low-wage work orientation, to achieve a minimum wage compatible with living wages, even if this strategy may also need to take into account problems of enforceability (Rani et al., 2013) and avoid too rapid or too large changes to enable a smooth adjustment without job loss. To reduce incentives to outsource work to cheaper suppliers, action may also be needed to promote socially-responsible outsourcing (ILO, 2008). This may be best achieved, as in the “Justice for Janitors” campaign in the United States, by trade unions seeking to persuade clients to pay higher fees for contracted janitorial services rather than focusing on the immediate employer of the service staff (Erickson et al., 2002). Policies to integrate the public sector into general wage-setting practices are also important due to women’s dominance in public services: in practice, this means either setting public-sector wages by collective regulation or through an institutionalized link to average earnings growth to prevent public-sector pay from being used to adjust macroeconomic imbalances (see case study 4.2 below).

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5 – It comes without saying that this should not come at the expense of other types of CBAs.
6 – [http://justiceforjanitors.ca/](http://justiceforjanitors.ca/)
Box 1. Varieties of routes to inclusive labour markets

Different countries and industrial relations systems have taken different routes towards more inclusive labour markets. For example, Nordic countries tend to be less dependent on legal measures due to high trade union membership and high voluntary collective bargaining coverage. Other countries – for example Portugal or France – are more dependent on legal measures, in particular extension mechanisms in Portugal and a high minimum wage in France. Similarly, Latin American countries in the pink tide (Filgueira and Martínez Franzoni, 2017) reduced inequality through raising minimum wages and extending both legal minimum wages and collective bargaining coverage. These different routes may result in different degrees and forms of inclusivity but the transfer across these path-dependent routes to greater inclusivity is not necessarily easy.

However, the promotion of inclusive wage-setting institutions is not in itself sufficient to eliminate embedded discrimination, which requires explicit measures to develop a more gender-equal system of reward. Table 3 provides the second part of our framework by outlining the various specific practices that can be deployed to identify and remedy gender pay discrimination, namely action to raise the wage floor to help revalue many areas of women’s employment, negotiating and implementing a gender-sensitive system of job grading, undertaking gender pay audits and acting on the basis of the audits to take measures to close the gender pay gap. Importantly it also identifies how their impact may be enhanced by more inclusive wage systems and reduced by more exclusive systems. The first strategy involves revaluing female-dominated occupations and segments through, for example, raising minimum wage rates or establishing opportunities for wage progression. In exclusive labour markets, such moves might be undermined by ripple effects to restore differentials between low and high wage workers, thereby potentially reducing the real wage impact on low-paid workers due to wage inflation. Similarly the second strategy, that of developing and implementing non gender-biased job evaluation schemes is more likely to be effective where differentials between grades are not too wide; gender equality law often limits rights to equal pay for work of equal value, not to pay proportional to value, so that large differentials between male-dominated and female-dominated grades may be legal even where differences in the value of the work are marginal. This issue is explained by Fredman (2013) as follows: A [...] problem arises when a woman is doing work which is admittedly of lower value than the men, but her pay is disproportionately low relative to the difference in value. Equal pay legislation only requires that “likes” should be treated “alike”. There is no requirement that men and women be treated appropriately according to their difference. This leaves the law powerless to address the common situation in which a woman is doing work which is admittedly of less value than that of a man, but the difference in pay is disproportionately large relative to the difference in value. A claim lies only in extreme cases, where the woman is doing work of greater value but is paid less (op. cit. 43).

In exclusive labour markets, raising women’s internal pay grading could lead to outsourcing of female jobs to cheaper providers. As individualized pay setting has become more common and job evaluation has fallen out of fashion (only frequently used by six European countries in the private sector according to Veldman (2017)), gender pay initiatives have shifted to the third strategy and gender pay audits (see Veldman 2017 for a review of pay reporting and auditing requirements in Europe) and pay reporting have become more widespread. These pay reports or audits have been argued to be more effective when trade unions are involved in monitoring and scrutiny (Chicha, 2006). Where pay systems are transparent, the causes of gender pay differences can be identified more easily than when pay is individualized and market-based.

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7 – Ontario has at times provided for the possibility of adjustments to undervalued jobs done by women using the principle of proportionality to male earnings in jobs that do not necessarily have exactly the same value. However, overall this approach is rare (Rubery and Koukiadaki, 2016).
Inclusive labour markets in fact provide different forms of support for both low- and high-skilled women. For the low-skilled, inclusive markets provide equality through relatively high common minimum wages. In contrast, in exclusive wage systems there may be strong variations in the wage floors set between strongly-organized male-dominated sectors and weakly-organized female-dominated sectors. Alternatively, there is the risk that both men and women in low-skilled jobs are poorly protected, resulting in more gender equal pay but only due to both groups being low-paid. For the higher-skilled, pay based on job grading rather than individualized pay may limit wage inequalities at the top end of the labour market, which should reduce the gender pay gap among the higher-skilled.

Evidence from an ETUC survey in 2014 (Pillinger, 2014) reveals the strategies used by trade unions to respond to the dual agenda of inclusive labour markets and specific gender equality measures (see table 4 and also ILO (2019) for the results of a global survey on the role of trade unions in wage setting for gender equality). Overall action in relation to pay is stronger with respect to inclusive labour markets, particularly in seeking pay increases for low-paid workers (30% of European confederations and federations that engage in gender equality bargaining) and less strong on specific equality measures with only 21% having agreements dealing with the valuation of women’s work or job evaluation (table 2). Briskin (2014) has also noted that the impact of austerity has made it less likely that trade unions would prioritize specific gender pay actions over what might be considered the wider issues of low pay.

Table 3. Collective agreements to reduce pay inequalities between women and men

<table>
<thead>
<tr>
<th>Reconciliation of work/family life</th>
<th>49%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training and career development</td>
<td>38%</td>
</tr>
<tr>
<td>Pay increases low-paid workers</td>
<td>30%</td>
</tr>
<tr>
<td>Low pay of women in female-dominated sectors</td>
<td>20%</td>
</tr>
<tr>
<td>Transparency in pay systems/job classification</td>
<td>26%</td>
</tr>
<tr>
<td>Pay surveys/pay audit</td>
<td>23%</td>
</tr>
<tr>
<td>Job evaluation/low value of women’s work</td>
<td>21%</td>
</tr>
<tr>
<td>Gender sensitivity in performance pay</td>
<td>4%</td>
</tr>
<tr>
<td>Other</td>
<td>11%</td>
</tr>
</tbody>
</table>

Source: based on Table 4 Pillinger (2014)

Most gender-specific bargaining focused on work-life balance issues and on training and careers. This type of bargaining represents important complementary activities to explicit gender equality pay measures. Thus there is a need for bargaining aimed at ensuring gender-equal access to employment and at supporting working parents, by addressing working time, work-life balance, shared parental care responsibilities, access to childcare services, the motherhood pay gap, etc. These types of actions are not the main focus of this paper but it is worth noting that inclusive wage systems facilitate these complementarity policies. For instance narrower wage inequalities reduce the pay penalties women face if they change jobs to achieve more family-friendly working time. It also makes it more likely that fathers will take up parental leave options as most paid parental leave has an earnings cap, which in exclusive systems often falls well below men’s average earnings.

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8 – The percentage of low-paid women in female-dominated sectors has been adjusted downwards from 26% to 20% to correct an error in the original table.
Table 4. Potential effectiveness of gender equality policies within inclusive versus exclusive labour markets

<table>
<thead>
<tr>
<th>GENDER WAGE POLICIES</th>
<th>INCLUSIVE LABOUR MARKET CONTEXT</th>
<th>EXCLUSIVE LABOUR MARKET CONTEXT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revaluation of female-dominated occupations/sectors</td>
<td>• Upward revaluation achieved through high minimum wage standards across all sectors</td>
<td>• Strong ripple effects to restore pay differentials for stronger groups limits revaluation</td>
</tr>
<tr>
<td>Gender-sensitive job evaluation</td>
<td>• Reduces market pressures on the use of job-graded pay as external pay differentials not as large as under exclusive systems</td>
<td>• Strong market pressures on internal pay scales if external differentials are wide</td>
</tr>
<tr>
<td></td>
<td>• Narrower differentials between job grades/skill levels reduces costs of being graded below male-dominated jobs</td>
<td>• Wider internal differentials between grades increases costs of low grading</td>
</tr>
<tr>
<td>Gender pay audits</td>
<td>• Main source of wage differentials should be differences between job grades not within job grade variance</td>
<td>• Wider differentials between and within genders and these are linked to “market” value not only job grade</td>
</tr>
<tr>
<td></td>
<td>• Pay differentials between externally mobile/non-mobile workers should be lower</td>
<td>• Limited transparency (e.g. focus only on average gender pay gap) reduces effectiveness of monitoring</td>
</tr>
<tr>
<td></td>
<td>• More transparency enables more effective monitoring</td>
<td></td>
</tr>
</tbody>
</table>

3.2. Potential for trade union action at different levels

A third dimension to the framework is the scope for trade union actions at different levels - international, national, sectoral and company - aimed both at inclusivity and gender pay equality (table 5). These different levels of activity may often be complementary and action at the international level may stimulate national or local actions, or local action may lead to national or international initiatives (see 4.1). We focus on actions related to wage setting within formal employment although promotion of formalization may be a prior necessity to bring excluded groups of women within the scope of wage-setting activities (see section 4.3). Continuing the dual approach, we distinguish actions promoting inclusive labour markets from those explicitly promoting gender equality. Actions considered include not only those within trade unions’ standard collective bargaining remit but also those aimed at promoting legal employment standards and campaigns for complementary policies.

At the international level, trade unions are contributing to developing inclusive labour markets in three main ways: through actions to promote new labour standards at a global (ILO) or regional (EU, United States–Mexico–Canada Agreement, etc.) level; through the expanding use of General Framework Agreements (GFAs) with Multinational Enterprises (MNEs); and through campaigns for actions to protect human rights, reduce poverty and ensure access to social and employment protections for all workers. These inclusive labour market actions have parallels in gender equality initiatives, for example inserting gender equality clauses in GFAs, promoting new gender equality labour standards such as the ILO’s domestic workers convention or campaigning for wider gender mainstreaming of policies and programmes.

At the international level, trade unions primarily contribute to the development and monitoring of ILS that address the issue of equal pay (e.g. C100 on equal remuneration), broader non-discrimination (e.g. C111 on non-discrimination) or issues that are particularly relevant for female workers (e.g. C189 on
Domestic Workers). See also ILO (2019a) for a discussion of ILS on the issue of equal pay and the role of trade unions regarding wage setting for gender equality.

Overall, the international record of trade unions is stronger on inclusivity and is currently being strengthened by global wage campaigns and the textile sector’s Action, Collaboration and Transformation (ACT) initiative aimed at setting a wage floor sufficient to meet living costs (see 4.1). The objective is both to influence MNEs’ purchasing and pricing policies at the international level and strengthen sectoral social dialogue in sourcing countries. However, although many GFAs include commitments to ILO Conventions on gender pay equality, challenges have been raised regarding actual implementation and enforcement. Nevertheless, the rise of GFAs and some indications of their increasing spread into female-dominated industries suggest these may be a more important lever in the future for closing the gender pay gap.

Research suggests that international initiatives on global supply chains are more effective when followed up at national, sector and/or local levels (Locke et al., 2007). National level policies with the most impact include extending and coordinating collective agreements around relatively high minima, establishing better or new employment standards related to wages and national campaigns to pay living wages or extend social protection. National initiatives shape the possibilities for gender equality action including mandated gender equality bargaining (see box 2). Trade unions are also engaged in broader gender equality laws including for example: campaigns for the right to take cases on the basis of undervaluation,

not dependent on a male comparator;\textsuperscript{11} policies on gender duty (Hepple, 2014) to promote gender equality in public organizations or all organizations;\textsuperscript{12} the new global campaign supported by trade unions and NGOs on childcare;\textsuperscript{13} work life balance policies;\textsuperscript{14} leave arrangements (see Berg and Piszczech, 2014 on the United States); or social protection for carers and domestic workers.\textsuperscript{15}

\begin{table}[h]
\centering
\begin{tabular}{|l|}
\hline
Box 2. Mandated equality bargaining \\
\hline
Mandating equality bargaining on gender issues may be a necessary step to bring both employers and trade unions to the table but so far this has occurred in only a small number of countries and even in these the impact is highly variable. \\
Equality bargaining has been mandated in France since 2006 but has had much stronger effects since the 2012 introduction of a 1\% payroll fine for non-compliance with a legal obligation to adopt a gender equality plan or to reach a collective agreement on gender equality: the share of large companies including gender equality clauses rose to 80\% in 2015 from 12\% in 2011 (based on Pillinger et al., 2016).
\hline
In contrast, in Belgium despite strong mandated equal pay measures, including mandated bargaining on gender-sensitive job evaluation, so far there has been limited impact (Veldman 2017). For example, no Works Council has appointed a ”gender mediator” to hear individual pay discrimination complaints following 2012 legislation, in part due to the current austerity policy and the infrequent use of job evaluation in Belgium.
\hline
This contrasts with the situation in Sweden which does not have mandatory pay auditing but only a general encouragement of social partners to engage in equality bargaining. However, the impact is greater as most sectoral agreements usually contain rules on gender pay auditing (Veldman, 2017).
\hline
A 2016 Labour Reform in Chile to strengthen collective bargaining has identified new themes (e.g. occupational health and safety, the gender wage gap, elimination of gender discrimination, labour and sexual harassment, and the underrepresentation of women in managerial positions) that could be bargained collectively (Sjöberg, 2017). This initiative is needed as the gender pay gap is among the largest in the world.
\hline
\end{tabular}
\end{table}

The significance of the sectoral level depends upon the industrial relations system. Where minimum wages vary greatly between sectors, one trade union strategy can be to seek to extend sector minimum protections to outsourced workers (see 4.2 below). Trade unions can also play an important role in monitoring legally-binding standards – whether collectively-agreed or legal in origin – including gender equality standards. Gender equality bargaining may be most effective at sector level; sector-wide job grading on the basis of a gender-sensitive grading scheme is less demanding on trade union resources than company by company implementation and should provide opportunities to raise overall pay for undervalued female occupations. Where trade union organization is weak, they may need to consider supporting new forms of organizing workers in female-dominated sectors. With respect to the public sector, it may be particularly important to regulate outsourcing of public-sector jobs to the private sector in countries where private-sector minimum wages are low (see 4.2). The public sector is fertile ground for gender equality initiatives, whether the development of gender-sensitive job grading (due to the wide reach of the grading systems in many countries), implementing a gender duty to promote equality, improving support to working parents or engaging trade unions in scrutiny of gender pay audits.

Similar actions can be undertaken at the company or workplace level but more resources are needed to achieve a comparable macro-effect. However, in some contexts—for example where company bargaining

\begin{itemize}
\item \textsuperscript{11} Trade unions campaigning in Australia to clarify if they can continue to make cases on the basis of undervaluation not male comparators https://www.heraldsun.com.au/news/national/actu-secretary-sally-mcmanus-has-told-sky-news-the-gender-pay-gap-can-be-alleviated-if-historically-
\item \textsuperscript{12} The Canadian Labour Congress has campaigned for a more proactive less litigious approach to equal pay https://www.cbc.ca/news/politics/
\item \textsuperscript{13} http://www.wiego.org/social-protection/workers-organizations-call-quality-public-child-care-services
\item \textsuperscript{14} EPSU’s campaign to get the EU’s work life balance directive passed into law https://www.epsu.org/article/etuc-women-s-committee-meet-
\item \textsuperscript{15} Campaigns for protections including social protection for domestic workers https://www.ituc-csi.org/lMIg/pdf/unwomen_iutc_factsheets.pdf
\end{itemize}
is the norm or favoured over weak sectoral bargaining or where gender pay audits at the company level are mandatory—scrutiny and action at a company or workplace level is essential. Where job structures vary significantly between firms, gender-sensitive job grading may also need to be agreed at the company or workplace level. Access at the company level is also important for monitoring implementation of actions taken at international, national or sectoral levels.

Table 5. Implementing the dual strategy at different levels of action

<table>
<thead>
<tr>
<th>INCLUSIVE ACTIONS</th>
<th>GENDER EQUALITY ACTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INTERNATIONAL</strong></td>
<td></td>
</tr>
<tr>
<td>• GFAs</td>
<td>• Gender clauses in GFAs</td>
</tr>
<tr>
<td>• International standards</td>
<td>• Gender specific equality standards</td>
</tr>
<tr>
<td>• Human rights/global living wage campaigns</td>
<td>• Gender mainstreaming/work-family policy campaigns</td>
</tr>
<tr>
<td><strong>NATIONAL</strong></td>
<td></td>
</tr>
<tr>
<td>• Rights to extend CBAs/coordinated bargaining</td>
<td>• Mandated equality bargaining</td>
</tr>
<tr>
<td>• Improved NMWs and common high minima in CBAs</td>
<td>• Campaigns to facilitate equal pay claims</td>
</tr>
<tr>
<td>• Campaigns to limit high pay/to establish living wages/to extend social protection</td>
<td>• Campaigns for work-life balance and care policies</td>
</tr>
<tr>
<td><strong>SECTORAL</strong></td>
<td></td>
</tr>
<tr>
<td>• Extension of CBA in sector/along supply chain</td>
<td>• Bargaining on sector-wide gender-sensitive job grading</td>
</tr>
<tr>
<td>• Bargaining to improve low wages</td>
<td>• Implementing/improving upon mandated work-life balance and care policies</td>
</tr>
<tr>
<td>• Institutionalized wage setting for all sectors including the public sector</td>
<td>• Organizing excluded women workers</td>
</tr>
<tr>
<td>• Monitoring of legal and collective standards implementation</td>
<td>• Monitoring of legal and collective equality standards implementation</td>
</tr>
<tr>
<td><strong>COMPANY/WORKPLACE</strong></td>
<td></td>
</tr>
<tr>
<td>• Bargaining to improve low wages</td>
<td>• Implementation of company-specific non-gender biased job grading</td>
</tr>
<tr>
<td>• Protection of standards along the supply chain</td>
<td>• Scrutiny of gender pay audits/development of holistic gender policies</td>
</tr>
<tr>
<td>• Monitoring of legal and collective standards implementation</td>
<td>• Monitoring of legal and collective equality standards implementation</td>
</tr>
</tbody>
</table>
This section draws on extant literature and reports to provide examples of how trade unions have been promoting inclusive labour markets and gender equality in ways which may help to close the gender pay gap. We focus our examples on three types of actions: extending protections down the supply chain; guarding against the undervaluation of women’s work in public services; and extending and improving the wage floor for female workers. Examples are primarily drawn from Asia, Europe and Latin America.

4.1. Protecting women along global supply chains

The concentration of women at the very end of global supply chains, where regulations are likely to be weakest and competitive pressures strongest, is contributing to the gender pay gap. Women not only often occupy positions at the bottom of the supply chain pay and employment hierarchy (Barrientos, 2007) but also in global supply chains face the dual jeopardy of undervaluation of their work within the supply chain and discrimination relative to men within the workplace. Coordinated action is needed to improve pay and working conditions in female-dominated supply chain segments which span international systems of regulation and often suffer from a “governance deficit” (Gereffi and Mayer, 2004; Pickles, 2013; ILO, 2016). The spread of GFAs should in principle provide a starting point for trade union action to remedy this situation but not only are GFAs still relatively few in number, they are still disproportionately skewed towards male-dominated industries in Europe rather than developing countries where they would have greatest effect. Furthermore, implementation of GFAs matters as they are only likely to benefit women workers if local legal minimum wage standards are relatively high and if there are local trade unions present that have an understanding of and commitment to gender equality issues. Nevertheless, the rise of GFAs and some indications of their increasing spread into female-dominated industries suggest these may be a more important lever in the future for closing the gender pay gap.

Multi-level trade union actions

Protecting female workers within a supply chain often requires multi-level actions. Pressures to improve working conditions may emerge from new ILS or collective agreements at an international level but these are found to be most effective when supported by the local state and trade unions (Locke et al., 2007). Some campaigns may start at the local level, driven by specific incidences of exploitation, but may need to be developed and enforced at a national or international level. To explore these issues further we examine actions in turn at the international, national and sectoral and local levels.

See https://www.ilo.org/global/about-the-ilo/how-the-ilo-works/departments-and-offices/governance/dialogue/WCMS_651368/lang--en/index.htm for the most recent ILO discussion on the issue in the framework of the tripartite meeting of experts on cross-border social dialogue, including the relevance of international instruments, such as the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration), the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.
GFAs as mechanisms for improving women workers’ pay in global supply chains

In principle GFAs negotiated between multinational corporations and international trade unions or trade union federations (Stevis and Boswell, 2007) should provide a basis for action to improve women’s wages in the supply chain (see box 3). They aim to promote fundamental human rights at work in line with the ILO fundamental Conventions, focusing on establishing systems of worker voice and participation, stable and “mature” labour relations and decent work along global supply chains (Papadakis, 2011). Their “added value” (Hadwiger, 2015) is to incorporate global union federations as legitimate bargaining partners (Hammer, 2005).

Most GFAs make reference to recognizing and implementing fundamental ILO Conventions with respect to gender equality (see box 3). However, the impact of these commitments is likely to be reduced by the fact that more GFAs are signed in European firms and in male-dominated sectors than those sectors typically associated with women (Miller, 2004). Nonetheless, GFAs in the garment sector have been increasing over recent years after the first GFA was signed between ITGLWF and Inditex (a Spanish multinational apparel producer) in 2007 (Miller, 2011). However, the main focus of this GFA was on health and safety, not the wages element of decent work.

Box 3. GFAs and the commitment to gender equality

Four-fifths of GFAs in Hadwiger’s (2015) study make reference to core ILO gender equality Conventions 100 (equal remuneration for work of equal value), and 111 (discrimination employment and occupation). Several GFAs make explicit reference to gender equality and commit to preventing harassment and discrimination against women. For example, the 2015 H&M GFA with IndustriALL and Industrifacket Metall states that “With this Agreement the Parties emphasize their commitment to strive for equality between woman and men at work and gender equality when it comes to recruitment, career development, training and equal pay for equal work.”

Similarly, Carrefour has a long-standing social dialogue agreement with UNI Global Union at an international level, as well as in its 35 countries of operation aimed at promoting equality and non-discrimination in Human Resources (HR) practices and responsible business throughout its supply chain. The 2015 agreement makes an explicit commitment to: “diversity and equal opportunities in the workplace through joint initiatives, particularly in relation to the gender mix and non-discrimination”.

The 2001 Chiquita IFA with IUF and COLSIBA sets out minimum standards for (the mainly women) workers in banana plantations across Latin America, committing specifically to tackling harassment, discrimination and violence towards women in the workplace. A Women’s Committee established in 2011 is aimed mainly at promoting safe workplaces and improving women’s opportunities through personal and professional development. However, lack of enforcement down the supply chain has apparently undermined efforts to upgrade standards (Hadwiger, 2015).

GFAs can be effectively expanded or replicated to bring new brands and companies within their scope. For example, the Inditex agreement with IndustriALL has been extended to include H&M, Tschibo and Asos. This last agreement also links Asos’s gender empowerment programme with IndustriALL’s worker rights training.

In general, GFAs focus on establishing basic labour “rights” such as formalized employment contracts, protection for union representatives, and complaints procedures rather than collective bargaining over wages and working time per se (Hammer, 2005). Indeed, they have been criticized for only exerting a superficial influence on labour standards across long and complex supply chains (Fichter and Stevis, 2013; Gunawardana, 2007; Nadvi et al., 2004; Papadakis, 2011). So far, beyond the relatively limited impact on wages, there is also modest evidence of specific gender equality actions, despite incorporation of relevant ILO Conventions in GFAs, although their presence may still have a positive crystallising effect on gender equality awareness within firms and along their supply chains.
National labour standards and GFAs

Both corporate codes of conduct and GFAs often make reference to “fair wages” which may be defined as compliance with sectoral bargained minimum rates or national or regional legal minimum wages. This means that wages paid under GFAs depend on local mechanisms for minimum wage fixing and uprating (Grimshaw and Munoz de Bustillo, 2016). Minimum wages are often set at a low level, and even when upgraded through sectoral collective bargaining, the negotiated rates in female-dominated sectors are often low and only applicable to the “formal” economy outside export processing zones (EPZs). Rewards for women’s skills and experience may also not be realized as employers have incentives to under-grade workers (Grimshaw and Munoz de Bustillo, 2016) but addressing such undervaluation is not normally a topic for GFAs.

In this context, living wage campaigns and initiatives have become increasingly important. These typically bring together trade unions and NGOs to highlight low wages and poverty and agree on Purchasing Power Parity (PPP) adjusted living wage rates across countries compatible with a basic but decent standard of living that should not significantly damage production viability (Bhattacharjee and Roy, 2012). There is a need to raise the wage floor in most developing countries but the gap varies: for example compared to the PPP-adjusted living wage floor for Asia, the Malaysian statutory minimum wage stands at 54% compared to 11% in Bangladesh (Asia Pacific Forum on Women, Law and Development, 2016). Living wage campaigns have successfully highlighted the problem of low wages for specific groups. For example, the Malawi Tea 2020 Coalition convened by Oxfam involving a range of stakeholders has negotiated the first-ever collective bargaining agreement between the tea industry and the Plantation Union (PAWU) aimed at eventually establishing living wages. The minimum wage under the first agreement will be only 57% of the living wage, representing a reduction in the gap of 20% but leaving a long way to go. Another innovative coalition led by IndustriALL, the ACT programme, brings together both national and local stakeholders to press for industry-wide wage-setting agreements with the dual aims of establishing living wages and extending coverage across whole regions and industries. So far, some major retailers such as Asos, H&M and Inditex have signed up and in 2014, IndustriALL leveraged its relationship with core brands to successfully press for a minimum wage increase in Cambodia of $128 per month (op. cit.).

Developing local organizing and bargaining capacity around gender equality

In many countries, actions to improve women’s pay hinge on union capacity to both set and monitor the content of GFAs, and to effectively utilize social dialogue channels and grievance and dispute resolution mechanisms. Unless local negotiators can engage with employers along the supply chain (Stevis and Boswell, 2007) it is unlikely that the GFAs’ provisions will be observed in practice, particularly in female-dominated and low paying industries (Hayter, 2015). Bottom-up mobilization and union capacity building within the workplace is key: for example, the Sri Lanka women in textiles project aimed to build solidarity and associational power through workplace organizing on the basis that “like recruits like” (Gunawardana, 2007). This meant supporting women stewards within the workplace and prioritizing negotiations on issues of relevance to female workers. Progress also depends upon women’s representation throughout internal union structures and various international trade unions are making commitments to enhancing women’s leadership roles within the unions at all levels.

Mobilization may also mean working with groups outside the formal union system. Research suggests that the struggles of female textile home workers in Mumbai to organize within existing male-dominated union structures led to them forming a new trade union (Kachra Vahatuk Shramik Sangh-KVSS) that recognized the specific issues facing women workers in precarious employment (Serrano and Xhafa, 2007).
In Vietnam the Viet Labor group brought together disparate groups of workers through information sharing and various community networks while also putting pressure on firms and local public bodies to ensure observation of worker rights (Kaine and Josserand, 2018). Such collaborations may be necessary especially within female-dominated industries, although tensions can arise over both the legitimacy of NGOs as worker representatives and over code of conduct implementation (Egels-Zanden and Hyllman, 2006; Miller 2011), particularly if a multiplicity of codes threatens to dilute the overall aims of improving pay and conditions (Pearson and Seyfang, 2001).

Conclusions

The emergence of global supply chains requires coordinated actions across different levels of trade unions to improve the position of women who tend to be concentrated at the bottom of the supply chain ladder. There is some sign of improvement in the coverage of GFAs both overall and with respect to female-dominated sectors which indicates that global initiatives will take on increasing importance. However, action at the global level is insufficient as it requires support by actions to improve the relative and absolute levels of minimum wages in female-dominated sectors within a country and sector and by local trade union organizing to ensure enforcement of any global or national or sectoral agreements on wages. The 2013 Rana Plaza disaster in Bangladesh provides an example where trade unions were engaged at multiple levels, international, national and local to address the hazardous working conditions in clothes production for multinational brands (Reinecke and Donaghey, 2015). The “Accord for Fire and Building Safety in Bangladesh” aimed both to enforce compliance with existing health and safety rules and (with mixed results) to instil principles of industrial democracy by engaging workers in processes of co-determination.19 This type of model, though applied to health and safety, could also potentially provide support for raising women’s pay. In another example of multi-level action, protests against low wages and harsh living and working conditions by tea plantation workers in India led to a major fact finding mission coordinated by the international trade union IUF to establish the severity of human rights and labour standards violations in tea plantations and to elevate these issues to the level of national and international governance (Global Network for the Right to Food and Nutrition, 2016). This need for trade unions to be active and working across all levels underscores the need for education and training at all levels of trade union structures on issues of how to remedy gender pay inequality.

4.2. Measures to address gender pay equality in the public sector

Action on pay for public services is important for closing the gender pay gap as women’s share of the public sector normally exceeds their share of private-sector employment. In developed countries women often constitute the majority of those either directly employed by the public sector or providing public services employed by private or not for profit organizations but still normally funded either by taxes or by collectively-organized insurance. Women with tertiary education are particularly overrepresented with the public sector, accounting for over half of all employed women with higher degrees in many European countries (Rubery, 2013). Pay in the public sector is therefore critical for determining how far women’s investments in education are likely to reduce the gender pay gap.

The public sector is often associated with providing better terms and conditions of employment than the private sector and implementing more gender equality measures that may also have wide impact due to the number of employees covered by one grading and payment system within the public sector. However, in some countries public-sector workers or some groups of these workers may in fact be poorly paid

and not all public sectors have embraced gender equality measures (Rubery, 2013). Trade union action in the public sector can therefore be critical for the gender pay gap in three ways: first, through taking action to improve relative pay in the public sector, particularly in countries where public service work has been undervalued historically or where public-sector wages have declined markedly under austerity; second, by addressing gender bias in internal pay differentials through job evaluation or pay audits; third, by extending public-sector protections to suppliers in the private sector.

### Improving relative pay in the public sector

Comparatively little information is available on the valuation of wage work in the public sector. Where trade unions campaign on gender pay inequalities, for example European Public Service Union (EPSU) and Public Services International (PSI), the focus is on the gender pay gap within the public sector and not the contribution of the value of public-sector work to the overall gender wage gap. Bernaciak and Kahancová (2017) (see also Eurofound, 2017) provide examples of recent campaigns to address issues of undervaluation, drawn primarily from Eastern European countries (for example Slovakia (Kahancová, 2017), Poland (Mrozowicki and Maciejewska, 2017), and Hungary (Szabo, 2017)) where the phenomenon has its origins in attitudes both to service work and to women's work in the former socialist regimes (Lane, 1983; Brainerd, 2000; Pollert, 2003; Pillinger, 2004; Rubery, 2013). OECD data on three key professions – doctors, nurse and teachers – confirm that Eastern European countries tend to have above-average female representation in these sectors and relatively low pay (OECD, 2013). For example, doctors’ remuneration in Slovakia, Poland and Hungary is amongst the lowest in OECD countries but with amongst the highest female representation among the medical workforce, with women forming the majority in all three cases (57.5% to 54.5%). Nursing as an occupation is overwhelmingly feminized in all EU countries (women to men ratio of 9.5 to 1 in the EU as a whole) and also relatively low-paid with 20 out of 24 OECD countries paying below the average for tertiary educated workers. However, Hungary, Slovakia and Poland are among the lowest paying OECD countries for nurses (OECD, 2013) measured by comparison to earnings for all tertiary educated workers.

Many of the reported campaigns involved non-standard forms of collective action, for example mass resignations or hunger strikes, backed up by street protests, often orchestrated by new organizations in conjunction with or separately from traditional trade unions. The key issue is pay levels for the public sector compared to the private sector. However, results have been limited with the doctors’ strikes somewhat more successful than nurses in raising pay. Much therefore still needs to be done to remedy undervaluation of women’s work in healthcare services (see also ILO 2018a on the care sector). This wave of protests has, however, drawn attention to the issue of undervaluation and established a potential agenda for trade unions to pursue to raise the relative pay and status of these professions. What is striking, however, is that these struggles have not, for the most part, been labelled as gender pay issues, despite the high feminization of public services in these countries. Only the campaign by the new healthcare union, Independent Trade Union of Healthcare (FESZ), in Hungary for nurses’ pay made an explicit link (Szabo, 2017).

### Addressing internal pay differentials

A second area for trade union involvement is in actions to address internal pay differentials. The public sector was at the forefront of implementing gender-sensitive job evaluation in the 1980s and 1990s, particularly in the United States and the UK. Job evaluation is still much more frequently used in public than private sectors (22 EU countries use job evaluation frequently in the public sector compared to only six that make frequent use in the private sector (Veldman, 2017)). There have been some significant
successes in implementing service-wide gender-sensitive job evaluation (for instance in the UK’s National Health Service, see box 4). However, interest in job evaluation has waned as remuneration practices have changed. While trade unions have campaigned for gender-sensitive job grading, they have not always been willing to create single pay spines when they fear this may weaken their bargaining power (see case of Finland in box 4). Furthermore, problems may arise when new resources are not made available in the public sector to enable equal pay to be implemented (see the case of the UK in box 4). More recently, the focus has turned to gender audits or policies such as the gender duty as introduced in the UK for public-sector organizations. When public-sector employers strive to be “good” employers, there is more scope for trade unions to be involved in scrutinizing gender audits and developing action plans (Chicha, 2006) (see box 4).

**Box 4. The public sector and trade unions’ actions to address gender inequality in internal pay differentials**

In the **UK**, public-sector unions have been at the forefront of actions to implement equal pay for work of equal value by negotiating single pay spines covering all or most categories of employees within a service. Among the most ambitious and successful negotiations has been “agenda for change” for the National Health Service – the largest employer in Europe – covering over one million workers in all workforce groups except doctors, replacing over 20 collective agreements. Trade union campaigns for equal pay for particular groups led to employer acceptance of the need for a single pay spine and bargaining system. An agreed single status pay structure has also been negotiated for Local Authority workers but here the implementation has been more problematic largely due to squeezed resources. The consequence has been that “no win no fee” lawyers have engaged some women in compensation claims against both employers and unions for failing to bargain for full back pay (Deakin et al., 2015) and settlements for some workers are only now being reached over twenty years after the pay spine was first negotiated.

Trade unions in local government in **Finland** agreed to a review of pay differentials to implement equal pay for work of equal value. However, it has been difficult to reach agreement to compare jobs across the three different and strongly gendered bargaining groups so that in practice there was limited comparison between male- and female-dominated jobs (Koskinen-Sandberg, 2016, 2017).

In 2015 the Government of **Chile** and the ANEF (National Association of Public Employees) signed a protocol and initiated a social dialogue process aimed at closing the gender pay gap in the public sector. A parity committee was set up and after finding an average gender pay gap of 10.4% (Bentancor et al., 2015) the committee decided to adopt the ILO’s gender-neutral job evaluation methodology (Chicha, 2008). A pilot project, completed in 2017 and supported by the ILO, found a statistically significant difference in favour of men among those holding the same professional position. Social partners played a strategically important role in the process of valuing occupations and validating wage gaps between men and women. The government now has the challenge of extending this methodology across all public institutions.

**Quebec and Sweden** are generally regarded as having the strongest requirements for undertaking, monitoring and remedying gender pay reporting or audits. In both cases these processes involve the trade unions and include the public and private sectors (unlike for example in Austria and Belgium where only the private sector must comply (Veldman, 2017)). In Sweden, the unions are directly involved in the analysis of gender pay issues and the formulation of action plans. In Quebec the action plan in principle should be incorporated into collective agreements.

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Promoting responsible procurement

The third type of action trade unions can take is to promote responsible procurement to extend good or decent work conditions, including gender equality standards, down the public-sector supply chain and/or to persuade employers to forego plans to outsource when the aim is solely to cut employment standards (Grimshaw et al., 2016a). Within Europe, public-sector trade unions have been at the forefront of campaigning for legislation and policies enabling socially responsible procurement. The public-sector union EPSU and The Council of European Municipalities and Regions made a joint Declaration on this issue in 2011 and is renegotiating this code. In a specific example of action, the UK Public Service Union UNISON has developed an ethical care charter for local authorities commissioning social care; local authorities are asked to agree to outsource work only to those following minimum employment rights including paying a living wage and not using zero-hour contracts (Grimshaw et al., 2016b).

Conclusions

The importance of public services in women’s employment in developed economies means that the gender pay gap is unlikely to close if public-service work is undervalued or the wages of public-sector workers are eroded relative to private-sector workers, while current patterns of gender segregation prevail. Trade union actions to help close the gender pay gap need to be multifaceted, involving actions to remedy undervaluation and protect against erosion of real and relative wages due to public expenditure constraints. The public sector, with trade union assistance, can also be a test bed for good practices on gender pay, whether through new gender-sensitive job evaluation systems or through more developed gender pay audits and gender action plans. Finally trade unions need to guard against improvements in the public sector triggering an acceleration of outsourcing to the private sector where equality may be less embedded.

4.3. Extending and raising the wage floor: the case of domestic workers

Minimum wages can bring about significant gains for low-paid workers who are typically women. However, the scope for minimum wages to promote inclusion and reduce the gender pay gap not only depends on the minimum wage level and mechanisms for uprating but also on gaps in coverage and enforcement which can leave the most vulnerable workers, such as domestic workers and those in the informal economy, at risk of exploitation and extreme low pay. In such circumstances, targeted action by trade unions and NGOs are important to ensure all workers benefit from inclusive minimum wage protections.

The challenges facing domestic workers

The ILO estimates that there are over 70 million domestic workers worldwide, accounting for around 18% of all care workers and including over 50 million women (ILO, 2018a). These workers undertake a broad range of cleaning, cooking and caring duties within the household of their employer (Hobden, 2015a). The incidence of domestic work varies widely and is higher in countries with higher levels of wage inequality (ILO, 2018a). In Latin America, domestic work accounts for nearly 15% of women’s employment (Lexartza et al., 2016) and migrant workers and those from ethnic minority groups are also over-represented (op. cit.). Most are in informal employment (around 80% in Latin America (Lexartza et al., 2016)), and consequently may be excluded from legal protections such as minimum wages. Even when included, their rights may not be properly enforced, with migrant domestic workers often unaware
of their legal entitlements in the host country (Hobden, 2015a). Domestic work may also not be seen as "real" work, nor the home regarded as a workplace (Hobden, 2015b).

Domestic workers suffer from very low wages in all countries although the ratio to average earnings varies (Oelz and Rani, 2015). In most Latin American countries, the wage gap is around 50% compared to median earnings, and many do not qualify for social protection (Lexartza et al., 2016). The dispersed and often isolated position of domestic workers within private households and the lack of "employer coordination" create challenges for union organizing and establishing collective bargaining (Hobden, 2015a). In addition, joining a union or demanding higher wages may be considered an affront to long-standing "family" relationships between domestic workers and their employers.

**Tackling low pay and exclusion through legal protections**

The historical legal regulation of wages and working conditions in many Latin American countries disadvantaged domestic workers by either setting lower specific standards, or by exempting them entirely from the scope of labour law. However, more recently a number of countries sought to harmonize legal rules for different employment types and groups of workers. The ILO’s (2011a) Domestic Workers Convention C189 and Recommendation R201 draws together a number of core labour rights under the banner of "decent work for domestic workers", such as freedom of association, the elimination of child labour, and protection from harassment and discrimination, provide a major catalyst for strengthening both legal protections and voluntary collective agreements for domestic workers within many Latin American countries. For example, Colombia and Costa Rica introduced limits on the length of the working
day for domestic workers, along with provisions for minimum rest periods and annual leave entitlements. Many countries have also taken steps to “formalize” the employment relationship by requiring a written (rather than verbal) contract and requiring workers to register for social security contributions.

According to Oelz (2014), the ILO standard for Domestic Workers was an outcome of sustained national and international campaigning. In submissions to the “Decent work for domestic workers” discussion at the International Labour Conference’s (ILC) 100th session, trade unions stressed the need for a strong set of principles and instruments that would harmonize standards for domestic workers rather than allowing widespread exemptions on key issues such as health and safety (ILO, 2011b).

Unions have played a clear role in both bringing about legislative change within countries and leveraging legal rules to engage in further processes of social dialogue. The main domestic workers’ associations in Peru have been engaged in a sustained campaign to persuade the government to ratify ILO Convention 189 (Human Rights Watch, 2013), and the unions in Brazil have long pressed for the recognition of domestic workers’ rights in both labour law and through mechanisms of social dialogue (box 5).

### Box 5. The role of unions in the development of labour law in Brazil

Despite large numbers of domestic workers in Brazil and the country’s long history of union organizing, until relatively recently domestic workers enjoyed very few legal protections (Gomes and Banerjee, 2017). Sustained campaigning efforts were needed to force a change of direction, starting with the right to organize and the gradual recognition of domestic workers’ unions by the state. Recent legislation has sought to harmonize employment rights between domestic workers and other groups, while also tackling specific issues facing domestic workers. For example, in 2013 legislation guaranteed domestic workers national and religious holidays, increasing paid holiday periods from 20 to 30 days per year (Serrano and Xhafa, 2016), introduced a maximum working day of eight hours and a maximum working week of 44 hours, and increased the basic minimum wage with overtime and night premiums. The new laws provide access to unemployment insurance and sick leave and offer tax incentives to employers to provide formal employment contracts, all significantly strengthening domestic workers’ employment status (op. cit.). Furthermore, this enhanced “legitimation” of domestic workers through the new legislation appears to have contributed to a growth in formally-recognized unions (Gomes and Banerjee, 2017). However, gaps remain. “Daily” domestic workers are still considered self-employed and excluded from legal protection and some worry that stronger legal protections have further displaced collective regulation (op cit.). Unions are therefore keen to build on the new legal rules to develop collective agreements to cover a wide range of pay issues and working conditions and ensure strong representation of a diverse and fragmented workforce. Women have taken senior roles within domestic workers’ unions which strengthens the explicit recognition of gender issues in bargaining and campaigning (Ledwith and Munakarnwe, 2015).

ILO Convention 189 stipulates that domestic workers should enjoy minimum wage coverage equivalent to that for other workers. Most Latin America countries have a statutory minimum wage for domestic workers with El Salvador, Honduras and Peru the only exceptions (Peru has yet to ratify Convention 189). However, Costa Rica and Paraguay have a lower minimum wage for domestic workers (Lexartza et al., 2016), a practice found in other developing and emerging economies, including the new 2019 minimum wage in South Africa, where domestic workers will only be eligible for 75% of the full minimum wage. Here this lower legal minimum wage is justified by policymakers as limiting potential dis-employment effects. As is the case with Brazil, the unions need to build on these new legal protections to strengthen their bargaining position and press for a full minimum wage for domestic workers.

A key component of minimum wage protections for domestic workers is the regulation of working time. Live-in domestic workers may receive a monthly minimum wage based on a full-time working week (usually 40 hours) but the actual working hours may extend beyond 40 and there is also the issue of
whether “standby” periods are included in working time calculations. Furthermore, Colombia, Costa Rica, Guatemala, Honduras, Mexico, Nicaragua and Uruguay all permit “payment in kind” (usually food and accommodation) up to between 20% and 60% of total pay, a practice which potentially undermines the value and legitimacy of minimum wages, although if employers require domestic workers to live-in they cannot be charged for accommodation (and some countries explicitly prohibit employers from “profiting” from excess charging). Overall payment in kind reduces domestic workers’ social security and pension contributions, limits their ability to provide for their own family, and can increase workers’ dependency on their employer.

## Collective organization and bargaining for domestic workers

Despite the structural challenges of organizing domestic workers (including in Brazil legal barriers to organizing until the late 1980s, (Serrano and Xhafa, 2016)), the efforts to build capacity among both unions and employers have gathered momentum in recent years. The International Domestic Workers’ Federation (IDWF), an affiliate of the IUF was formed in 2013 and already has more than 50 affiliates in more than 40 countries. As a result of decades of organizing efforts, countries such as Uruguay, Brazil, Bolivia and South Africa have seen steady growth among unions of domestic workers (Hobden, 2015b). Recruitment activities within countries often build on highly localised social and community networks operating within shared non-work spaces such as shops, community centres, and bus stops. Social networks are particularly crucial for organizing migrant domestic workers who may identify with other workers sharing nationality, ethnicity or language (Hobden, 2015a). Unions may also take legal challenges on behalf of individual or groups of domestic workers which not only demonstrates the value of trade
unions, but can help foster notions of collectivism in the struggle for better working conditions in the workplace. In Peru, members of the trade union “Sindicato de Trabajadoras y Trabajadores del Hogar de la Región Lima” (SINTTRAHOL) can draw on the assistance of lawyers from their labour confederation, the “Confederación General de Trabajadores del Perú” (CGTP), when they take legal action. SINTTRAHOL leaders may also represent a union member in court if they are unable to get time off for the hearing (ILO, 2012).

In some contexts, domestic workers opt to form cooperatives or associations, particularly where unions may not be trusted to effectively represent their interests (Hobden, 2015c). Nevertheless, domestic workers have gradually overcome resistance and apathy within trade unions towards domestic workers’ interests (particularly on the global stage, (Boris and Fish, 2014)). For example, individual domestic workers have taken guaranteed seats within union decision-making structures, and collectively have drawn strength from their affiliation with international unions or national trade union confederations (some of whom have provided training and guidance on negotiation) to raise the professional profile of domestic work (Hobden, 2015c).

Collective organization is often needed to extend basic legal minimum rights to domestic workers. In some contexts, there has been further development of voluntary collective bargaining for domestic workers where issues of regular uprating of wages, wage premiums for unsocial working hours and overtime and specific domestic worker issues such as irregular hours and “payment in kind” arrangements can be addressed. However, new wage-setting institutions may need to be established or existing institutions modified. In Argentina, a new national tripartite agreement over minimum wage rates for domestic workers was signed in 2015 formally bringing these workers under the scope of sectoral wage-setting institutions (Hobden, 2015b). In Uruguay, rural workers and domestic workers were traditionally excluded from domestic wage councils but a new wage council for domestic workers brought together employers who were loosely coordinated under the umbrella of private “homemakers” and the domestic workers union, to negotiate over wages, working conditions and benefits. Successive negotiations have delivered wage gains and increases in social security registrations, along with improvements in grievance and dispute handling mechanisms (op. cit.).

Whatever the regulatory coverage in principle, compliance and enforcement are still key issues, with labour inspectors struggling to cover the huge number of individual “workplaces”. Domestic workers are thus more at risk of non-compliance with legal or collectively-agreed minimum standards, as well as late payment and illegal deductions (for occurrences such as accidental damage). Unions have turned their attention to enforcement issues in recent years, in many cases using the requirement to register employment contracts for social security purposes as a means to access domestic workers within the workplace (Lexartza et al., 2016). Although this is resource intensive, this kind of individual organizing builds union capacity, as well as strengthening the legitimacy of legal rules and collectively agreed standards.

Conclusions

Given the high concentration of women in domestic work, tackling poor pay and conditions for domestic workers clearly has a potential positive effect on the position of women. The ILO Convention and Recommendation on Domestic Workers was an important crystallising force for closing gaps in labour law within many countries but the influence of the trade unions in pressing for this new ILO global standard should not be underestimated. Unions have been active in promoting the legitimacy of legal protections and ensuring their observation in practice. This increased formalization of domestic work should provide a platform on which unions can build to establish sectoral collective bargaining. Challenges remain in respect of organizing domestic workers but the emerging connection between community organizing and global solidarity indicates a positive way forward in building bargaining power for the future.
5. Conclusions

The key argument presented here is that gender pay equality is more likely to be achieved within inclusive and egalitarian labour markets. Trade unions and collective regulation are central to both the development of inclusive labour markets and to the pursuit of gender pay equality. By focusing on this dual function of collective representation, the vital input of trade unions to closing the gender pay gap is emphasized.

A review of the research evidence found support for the argument that collective regulation reduces overall wage inequality. Markets, contrary to economic textbook accounts, are much less likely to deliver fair and equal pay even for workers with similar characteristics. The lower overall wage inequality also reduces the penalties faced by women if they find themselves in the lower rungs of the pay hierarchy.

Campaigns to raise the minimum wage to a living wage for all workers, to extend trade union organizing to include disadvantaged groups, to extend the legal applicability of collective bargaining agreements and to narrow the range of collectively-negotiated minimum wages by raising them all to a high level are all practices that contribute to raising women’s relative and absolute pay levels. Trade unions are active in all these areas even if the campaigns are not always badged by trade unions as actions to close the gender pay gap. More overall equality enhances the effectiveness of specific measures to close the gender pay gap. The principle of equal pay for work of equal value presupposes an internally fair and consistent pay structure but where there is wide wage inequality between firms and sectors there are likely to be pressures that make such a fair pay structure difficult to maintain. For example, employers are likely to be attracted by opportunities to outsource jobs to lower-paying sectors, a practice that often affects female-dominated jobs. On the other hand, employers recruiting staff from other firms or sectors may be under pressure to meet demands to match external pay rates that may lie above the negotiated internal wage structure. This means that it is easier to maintain a fair and egalitarian pay system at the firm level if the wider labour market is also inclusive and egalitarian.

Trade unions and collective regulation are also the main mechanisms through which specific actions are taken to close the gender pay gap, whether through policies to raise pay in female-dominated occupations or sectors, to establish more gender-sensitive job grading or to implement action plans to remedy gender pay gaps revealed by company-level gender pay audits. Trade unions are also active in campaigning for or negotiating other supporting measures for gender equality, in particular in relation to working parents, though these complementary policies are not the main focus of this particular review.

However, there is still scope for trade unions to do more, even if constraints on action often emanate from the policies and strategies of employers. The pursuit of equal pay for work of equal value through the development of gender-sensitive job grading has occurred in a relatively limited number of countries in part due to the limited use of job evaluation by private-sector employers and trends in some countries towards more individualized pay. There is some evidence that mandated equality bargaining might help, particularly when accompanied by financial incentives for employers to participate. There is also evidence that employers may make use of equality issues to pursue their own agenda with respect to changing pay setting systems, for example by arguing that job evaluation reduces the need for trade union involvement in wage setting. Austerity and economic recession also reduce the scope for equality bargaining if employers or the state are unwilling to fund the pay rises necessary to bring about equal pay.
Thus, trade unions can point to the importance of collectively-determined, regulated and transparent wage-setting systems for providing the type of wage-setting environment in which gender pay equality can be enhanced. At the same time, more efforts need to be made to remove any gender inequality embedded within existing collectively-bargained wage structures and to take action at all levels of union structures, at international, national, sectoral and local levels to close the gender pay gap through the dual strategy of promoting inclusive and gender equal wage structures. These actions are essential complements but require both the representation of women at all levels in trade union hierarchies and the development of training and awareness of gender equality issues at all levels.

To illustrate the importance of this dual strategy towards inclusive and gender equal wage structures, we examined three specific examples where trade unions’ promotion of inclusive labour markets and gender equality may contribute significantly to closing the gender pay gap. The first took the case of women in global supply chains who tend to be located at the bottom of the supply chain ladder. Coordinated actions are needed across different levels of trade unions to improve the position of women. Global initiatives are growing in importance as the number of Global Framework Agreements rise and extend into female-dominated sectors but global level action needs support from sectoral and local trade union action to improve sector-level and country-level wage standards in female-dominated sectors and to ensure enforcement of such standards.

The second case looked at action in the public sector where women tend to be disproportionately represented, particularly if public services such as health and education are included. Here three type of actions were considered: to remedy the long-term undervaluation in some countries of public services work, further exacerbated by recent austerity measures; to develop sector-wide gender-sensitive job evaluation systems or promote gender equality through follow up to gender equality audits; and to insert social clauses in public-sector outsourcing to reduce the use of outsourcing of female-dominated jobs to the lower-paying private sector.

The third case looked at extending and raising the wage floor as a strategy for improving the pay of female workers, taking the specific case of domestic workers. Here the focus was on developing a more inclusive labour market by extending and improving pay protections to previously excluded groups. Trade union action at all levels was found again to be important both internationally, in campaigning for the ILO standards and instruments on domestic workers, and nationally, in promoting the legitimacy of legal protections and ensuring their observation in practice. Organizing domestic workers remains a challenge but the increased formalization of domestic work should provide a platform on which unions can build to establish sectoral collective bargaining.

These types of actions to close the gender pay gap may also be interpreted as providing an agenda for trade union renewal and development. A focus on closing the gender pay gap potentially extends trade union interests into new areas, as in the case of domestic workers, provides new perspectives on inequalities, as revealed for example by the unequal value distribution within global supply chains, and challenges often long-established undervaluation of female-dominated occupations within public services. Moreover, a stronger focus on women’s representation within trade unions should bring in new talent and energy into the trade union movement. Concerted multi-level actions to close the gender pay gap are thus not in any sense an optional extra but an essential part of strategies for trade union renewal in the changing employment landscape.
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