



Scottish Women's Convention

Transforming the lives of women in Scotland

Every
Woman
Should
Read This

You can't afford not to!

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Foreword

It has been more than 30 years since the Equal Pay Act and there have been many advances for women in society and at work. More women in employment occupy a greater number of senior positions. Girls are outperforming boys at school and their aspirations are high. Despite these developments, the pay and opportunity gap for women remains.

Pay inequality exists and it is deeply and profoundly damaging to women, to children and to families. It is also damaging to men and to Scotland's economy. When we undervalue so-called 'women's work' and pay those who care for our children less than those who remove our rubbish, we are condemning women to a lifetime of poverty. Research reveals that for many women the pay gap causes them to work in, live in and die in poverty.

The difference in men's and women's pay in Scotland is an average of £429 per month. This is money women need to spend on their homes and their children. Working women in the public and private sectors are bearing the brunt of the outdated assumption that if women can do a job it can't be very difficult and therefore, can't be worth a high rate of pay. The SWC is committed to changing that perception.

The SWC would like to see a legal requirement for all employers to conduct equal pay audits and have made this point very strongly to the UK Government, the Scottish Executive and the Women and Work Commission. Sadly the Women and Work Commission did not share our views and missed a golden opportunity to recommend mandatory equal pay audits for all.

The SWC will continue to campaign for meaningful change for women in the workplace and wider society. This Equal Pay Guide was commissioned by the SWC for women because it was felt that there was a need for a practical guide containing essential information in a format that was clear and concise. It also contains contact details of organisations that provide advice and guidance on issues around pay.



Agnes Tolmie, Chairperson, SWC

Equal Pay for Women in Scotland

Did you know that women have the right to receive the same pay as men for doing work which is the same or similar? This right is not only contained in UK employment law but was also declared a basic human right under the UN Declaration on Human Rights.

"The principle of equal pay between women and men is enshrined in the UN Declaration of Human Rights. Decades later, however, the significant pay gap between women and men remains a reality in countries throughout the world, rich and poor. Women and girls are often concentrated in low paid, low value sectors of the economy and bear most responsibility for the essential, but unpaid, work which helps economies flourish, like caring. This has financial implications for women throughout their lives, from leaving school to retirement. Oxfam believes that the fundamental human right of women to receive equal pay should be upheld and supports the publication of a Guide to empower women to challenge injustice."



Barbara Stocking, Director, Oxfam GB

In Scotland today there is still a large pay gap between women and men:

- In full time work, women earn £172.80 for every £200 earned by men¹ (on average)
- In part-time work, women earn £130 for every £200 earned by men² (on average)
- This can translate to a loss of over £330,000 in a woman's working life - all because she is a woman.³

So women work very hard throughout their lives but still suffer poverty because of pay inequality.

Women with disabilities and women from black and ethnic minority communities can suffer discrimination on two counts with regards to pay - (1) because they are a woman and (2) because of their disability / ethnicity . The pay gap for these groups of women can be almost double.

***You might be shocked by these figures.
You might not think they include you***

The pay gap seriously affects the money that women earn throughout their lives - from the cradle to the grave.

'And I give you this pledge as we celebrate 30 years of equal pay legislation, it is now the right time to ensure that in future no woman will have - as in the past- to wait years for their right to equal pay to be realised.'

Gordon Brown, Chancellor - September 2000

¹ASHE Report - Nov 2006 (based on average hourly earnings between full-time working men & full-time working women). Current pay gap = 13.6%

²ASHE Report - Nov 2006 (based on average hourly earnings between full-time working men & part-time working women). Current pay gap = 35%

³EOC press release - Nov 2006 (www.eoc.org.uk)

What do we mean by 'pay'?

Pay covers all contractual terms and conditions and is likely to include:

- Basic hourly / weekly / annual rate of pay
- Shift allowance
- Bonus payments
- Performance related pay (PRP)
- Sick pay
- Holiday pay
- Occupational pension rights

When looking at the gender pay gap each of the above elements should be considered individually.



"Amicus believes that the work that women do tends to be undervalued and this is exacerbated by the veil of secrecy which surrounds the pay and remuneration systems used by many employers. Amicus also believes that pay audits within the public, private and voluntary organisations will help address the fundamental issue of the pay gap between men and women's earnings."

Siobhan Endean
Head of Equalities, Amicus

Why is there a pay gap?

A leading report⁴ says that there are three main reasons for the gender pay gap.

1. Women can be grouped together in low paid jobs with little chance of promotion. Most of these jobs can be found in the 5 'C's:

- cleaning
- catering
- caring
- clerical
- customer service

The skills which women have are often undervalued. Why pay a woman a good rate of pay for cleaning or cooking when she 'just knows' how to do it? Just think about a cook (woman) and a chef (man) or a cleaner (woman) and a refuse collector (man). When you actually look at the work being done by the woman and the man it is very similar. But you will find that women are often paid a lot less, and given less respect, for doing the job. This is because it is considered 'women's work'. No other reason.

2. There is also discrimination in pay systems. It's hard to believe that women and men are paid different rates of pay for doing the same job: but they do. Differences in pay mostly happen where jobs are of a similar nature or where the work is of a similar 'value' (*this will be discussed in more detail later*). Do you get the same 'perks' or bonuses as a male colleague? Have you challenged this?

⁴Just Pay Report - www.eoc.org.uk/PDF/just_pay_summary.pdf

3. Women are the main carers within a family. Caring involves not only childcare. It includes looking after older people, disabled people and sick people.

Caring is again viewed as 'women's work'. But this work is unpaid and provides a valuable service to the community, society and the economy of the country. So why should caring be seen as a barrier to women progressing in the workplace?

Conclusion

In Scotland the majority of part-time, low paid work is done by women. Part-time work is 'low status' (at the bottom of the organisation), with very little chance of promotion. Studies show that part-time workers are more productive than full-time workers. Yet many feel they have to prove themselves in the workplace. Why is this?

Assumptions about part-time working and the value of women's work mean that women are working below their potential. The more that society undermines the contribution, which women make in the workplace, the more women will believe this to be true.

The penalty for this is hard work for little financial reward. But there are also longer-term penalties for women doing part-time, low status work.

No chance of training / promotion opportunities means being stuck in the same low paid job for years, often a life-time. The consequences of this affects a woman throughout her working life and into retirement.

Low pay often means being in a 'poverty trap' - working long and hard, stuck in 'a rut', no extra money and no way out. Women also have less of a chance to save for a pension and often rely on welfare benefits when they retire - 'pensioner poverty' in retirement.

Because of caring commitments, women who return to work after having children often return to lower grade, lower paid jobs. This affects their earnings and also their promotion chances throughout the rest of their working lives.

These things happen only because you are a woman and immediately affect YOUR take home pay



"Women have waited too long for equal pay. This guide should be read by every young woman before she begins working life."

stuc

Patricia McLaren
STUC Women's Committee

Have a think about these issues
Any of them affect you?
Read on!

From the Cradle...

Let's look at when pay first starts. What about pocket money?

- What do girls get pocket money for?
- What do boys get pocket money for?

'Prepare your daughter for working life - give her less pocket money than your son' ?

A study⁶ looking at graduate pay concluded that women earn on average 15% less than male students even when they have studied the same subjects, achieved the same class of degree or entered the same industry or occupation.

"I think this guide is essential reading for all women and in particular young women like myself who are just entering the workplace and who are under the impression that women are receiving equal pay".



Rebecca is a student

Now let's think about you:

- Do you work?
- How much do you get paid?
- Do you think it is fair?

Women work long and hard for very little reward. In-work benefits, like Working Families Tax Credit, are paid to 'top up' pay. But why should that be? Should women not be paid the rate for the job rather than relying on benefits?

⁵EOC campaign

⁶www.eoc.org.uk - valuing women campaign

Children suffer through lack of household income, with child poverty in the United Kingdom remaining worse than in most other European countries⁷.

...to the Grave

Having struggled financially throughout their working lives, things don't get any easier in retirement.

- Does your employer have a pension scheme?
- Do you have your own pension policy?

Because of the type of work that women do and the gap in lifetime earnings, women have lower pension provision.

Do you know that what you earn throughout your working life affects what pension you will get when you retire?

Working in low paid, part-time work means that women have little chance of paying into a pension scheme. With little chance of promotion and earning a decent wage, many women cannot afford to contribute to any kind of saving scheme for the future. Therefore women struggle financially in retirement too.



"In a sense it is a sad reflection on our society that the information and advice, made available in this booklet, is still required, some thirty years after the Equal Pay Act became law. Since then a whole generation of women have passed through the workplace, many of whom still suffer from inequality in pay. I wish this guide had been available during my career"

Helen is retired

⁷www.jrf.org.uk - What will it take to end child poverty

Women in Scotland today make up almost 50% of the workforce. Who would do the work if women didn't? Who would accept the low pay, low status jobs without question?

- Women have the **right** to be paid the same as men.
- Women have the **right** to training and promotion opportunities the same as men.
- Women have the **right** to financial security throughout their working lives and into retirement, the same as men.

The Scottish Women's Convention believes that the gender pay gap and its causes, results in increased poverty for women throughout their working lives and into retirement - from the cradle to the grave

The Law Equal Pay

In 1975 the Equal Pay Act was introduced to help tackle the gaps in pay between men and women. Over the past 30 years, amendments have been made to tighten the legislation and help those who suffer pay discrimination.

The Equal Pay Act

- Covers employees and most workers (including those normally considered self-employed)
- Applies regardless of length of service, hours worked, employed on a permanent or temporary contract.

The Equal Pay Act also describes the way in which an equal pay claim can be raised. You must -

- have a colleague of the opposite sex that you can compare your job to (a comparator) **and**
- be working for the same employer as your comparator

The legislation then tells what work can be compared

- *Like Work* - work which is the same or similar
- *Work rated as Equivalent* - your job is graded the same as a man in a different job using a job evaluation system
- *Work of Equal Value* - work that requires the same skill, knowledge and effort as your comparator.

Flexible Working

The Law still puts the burden on women to be the main carer. The right to ask for flexible working hours is available to all parents with children under the age of 6.

But how many fathers use this right? Mothers are the main carers. They work in low paid, low status jobs. So, it is seen as being financially better for them to be more flexible.

Maternity Pay / Leave

Over the past 10 years, maternity leave and pay has been increased and highlighted as a positive step by the government. Did you know that Statutory Maternity Pay is only £108.85 per week? That equals £3.11 per hour for a 35 hour working week (£2 per hour **LESS** than the National Minimum Wage!). This is the value which is put on women's work by government and society.

Although the rights to maternity leave have increased, and will increase again in April 2007, how many mothers can financially afford to take up to 1 year off work on such a small income? Until Statutory Maternity Pay is linked to earnings, women will remain undervalued in this essential role.

This happens only because you are a woman!

Women are financially penalised for having children. The law also means that women are still seen as the main carers for young children. Until there is some shift in the value which women contribute to bringing up children, very little will change in the workplace.

Gender Duty

Over the past few months there has been a lot of press coverage in Scotland about the implementation of equal pay settlements within local authorities. In April 2007, a new Gender Equality Duty comes into force in Scotland, meaning that all public authorities will have a statutory duty to ensure that there is no unlawful discrimination or harassment and that there is promotion of equality of opportunity for men and women.

Where Do You Work?

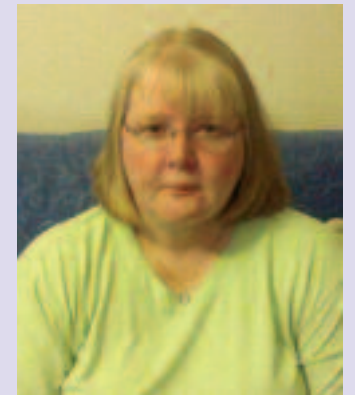
Public Sector

Most Scottish local authorities have been conducting pay reviews in partnership with relevant unions, in order to meet the requirements of the Gender Equality Duty.

Just because there has been a lot of discussion around the public sector with regards to pay equality does not mean it is a problem with this sector only. The private and voluntary sector should also be looking at pay systems even though the Duty does not cover them.

"I didn't know that I had an equal pay claim until I went to my union meeting. Now that I know, I refused to sign the compromise agreement as it did not make up for being paid less than I should have been getting for ten years. My claim is still to be settled."

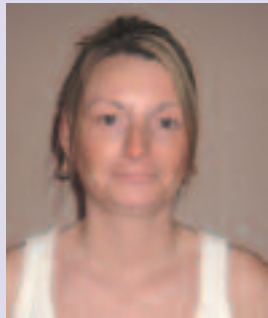
Jackie is a home help



Private Sector

There is no law or duty, which says that all employers have to conduct a pay audit. Many employers in the private sector refuse to do pay audits. This means that women will continue to be undervalued and underpaid.

One of the biggest private sector employers in Scotland is the finance sector. Banks, building societies, insurance agencies and financial institutions employ thousands of Scottish workers. The pay gap in this sector is almost 40% - the highest of any sector.



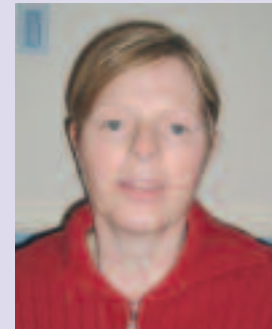
"As a lone parent with two teenage children a huge difference has been made to my life since I began to receive equal pay. For the first time I took my children abroad on holiday. It would not have been possible to do that on my previous wages."

Debbie is a care worker

Voluntary Sector

The voluntary sector in Scotland employs 100,000 paid workers and over 600,000 regular volunteers. This sector is large and complex. Its scope, size and function is varied and can be difficult to explain. The range of organisations varies from direct service delivery employing several hundred people to small organisations with fewer than ten staff, but all are active in every area of policy interest.

The majority of voluntary sector organisations currently follow Scottish Joint Council set salary scales and although there is no requirement in the Duty on them, some are looking to undertake job evaluation processes in order to move towards 'locally agreed' pay scales.



"I was shocked to find that the bin men were earning more than me. I care for ill people, some terminally ill, in their own homes. My claim for equal pay was settled and I now earn over 30% more than I did before. I feel better about my job and myself."

Vi is a home care worker



"Thompsons Solicitors are very pleased to sponsor this Equal Pay Guide to ensure that all women are aware of their rights but perhaps even more importantly to increase pressure on employers to implement and uphold the law in relation to equal pay. Voluntary action has had limited effect in the past 30 years, despite the best efforts of trade unions and campaigning bodies the gender pay gap remains unacceptable. We support the demand for mandatory pay audits."

Carol Fox, Head of Equality,
Thompsons Solicitors, Scotland

Working Together

Get together as a group and discuss what you want to do about the situation. It may be that you do nothing - but having read this booklet and learning more about the consequences for women suffering from unequal pay, you may want to do more.

Speak to other women in the same type of work as yourself.

Set up a local women's group where you will be able to work with others in a similar situation. This will raise awareness of the issues around equal pay. It will also give you, and others, confidence to challenge pay equalities in the workplace.

You may want to approach your employer informally, either verbally or in writing. This will gently let your employer know that you are aware of the legislation and your rights and gives them a chance to look at their pay practices. On the following page is a sample letter of how to approach your employer.

Challenging Pay Discrimination in the Workplace

It can be difficult and stressful to challenge on your own. You may feel isolated and don't know where to turn. If you think there is unequal pay in your workplace, speak to colleagues (men as well as women) and gather as much information as possible.

Find out what other people are earning for doing similar work to you. Do they get a bonus, shift allowance, additional training? Are the women in your organisation all clustered in one type of job and the men in another? Is there a difference in the pay for these jobs?

"Equal pay is not a 'woman's issue' - it is about justice and fairness and should be given the highest priority by employers, unions and politicians."

Eddie Reilly, Scottish Regional Secretary,
PCS Trades Union

Sample letter to approach employer

Dear (name of employer)

Re Pay Discrepancies

I have recently been made aware of the issues around equal pay discrepancies in the workplace and have concerns regarding my own situation.

I work as a and my duties include It appears that there are male colleagues who work as but their duties / skills / experience seem to be similar to my own but there is a difference in our pay regarding hourly rate / shift allowance / bonus payment.

Could you tell me if an equal pay audit has been carried out in the organisation and if not when the organisation intends to do one? I believe this is the best way of highlighting pay discrepancies and there are a number of organisations available to help with the audit process including trade unions.

I realise that you will not have expected this correspondence and will have to look in to the matter. I look forward to hearing from you within the next fourteen days.

Yours sincerely

Your name

Trade Unions

If you are a member of a trade union, speak to your representative and ask for support in approaching your employer. Find out if a job evaluation has been conducted over the past few years. The union will have been involved in the process of comparing jobs and should be able to give you some information.

If a job evaluation has not been carried out trade union reps should be able to offer assistance to employers who want to conduct an audit. Trade union reps are being trained in equal pay audit procedures. An equal pay audit will highlight pay inequalities and will help an employer to get rid of discrepancies.

If you are not a member of a trade union but would like to be, please see useful contacts at the back of the booklet.

“The STUC will continue to support our unions in negotiating for equal pay, building capacity amongst trade union activists to challenge the pay gap, and campaigning for effective legislation to close the gender pay gap.”

Mary Senior
Assistant Secretary, STUC

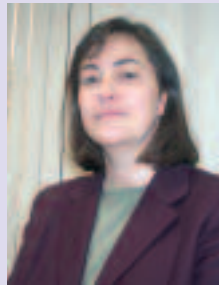
Job Evaluation

A job evaluation looks at the tasks which are being done in different jobs within an organisation and grades them according to all aspects of the job - effort, knowledge, skills etc.

Equal Pay Review

The process an employer uses when looking at the pay structures within an organisation. Using the information gathered for the job evaluation, the employer then looks at the jobs being done by women and men and compares the pay for these jobs. If a pay review is done correctly, pay discrepancies will be highlighted and corrected.

"It is unacceptable that in the 21st century we still have a large gap between average pay of women and men. Women's contribution has been undervalued for too long and it is high time that women are paid the same as men not just where they do the same job, but also where the skill, effort and responsibility of their jobs is the same as men's. This booklet gives valuable advice which I very much hope will encourage women to challenge these pay injustices."



Muriel Robison, Director of Legal Affairs, EOC

Equal Pay Questionnaire⁸

You may have heard of this in relation to equal pay claims. The questionnaire is produced by the Women & Equality Unit and is used as a 'tool' to gather information from an employer regarding pay equality. The employer has to reply to the questionnaire within 8 weeks and the questionnaire may be used in tribunal hearings.

Conclusion

There has been a lot of work done in Scotland over the past few years to highlight the causes and effects of unequal pay. But there are still pay discrepancies in many workplaces. Until women's work is valued by employers and government, women will continue to live, work and retire in poverty. We all have a role to play in challenging this.

By working together, it will not take another 30 years to see gender pay equality in Scotland's workplaces.

⁸www.womenandequalityunit.gov.uk/pay/update_question.htm

Useful Contacts

There are a number of organisations that are able to give advice, information and support to women looking for help with equal pay information.

ACAS (Advisory, Conciliation and Arbitration Service)

Helpline Tel: 08457 47 47 47 Website: www.acas.org.uk

Information on equal pay and employment rights

Close the Gap

Tel: 0141 337 8131 Website: www.closesthegap.org.uk

Information on equal pay

Employment Tribunal Service

Helpline: 0845 795 9775

Website: www.employmenttribunals.gov.uk

Information on employment tribunal service and how to complete claim forms

EOC (Equal Opportunities Commission)

Helpline Tel: 08457 601 5901 Website: www.eoc.org.uk

Information on equal pay and discrimination

Scottish Association of Law Centres (SALC)

Website: www.govanlc.com/salc

Information on local law centres in Scotland

Scottish Low Pay Unit

Tel: 0141 337 6819 Website: www.slpunit.org.uk

Information on equal pay and employment rights

Scottish Trades Union Congress

Tel: 0141 337 8100 Website: www.stuc.org.uk

Information on trade unions in Scotland and how to join

Women and Equality Unit

Website: www.womenandequalityunit.gov.uk

Search for equal pay questionnaire. Able to download from the website or request a copy.



If you require this publication in an alternative format and /
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Convention on 0131 557 8950.

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