

## **EGGE – EC’s Expert Group on Gender and Employment**

### **National Reports on the Unadjusted and Adjusted Gender Pay Gap**

#### **Ireland**

**Copyright Disclaimer:** This report was produced as part of the work of the European Commission’s Expert Group on Gender and Employment (EGGE) and was funded by the European Commission. The European Commission has granted permission for this report to be published in this website. The opinions and views expressed in this report remain the responsibility of the authors and authors alone, and should not be taken to be representative of the views of the European Commission.

# **Irish Report**

# **Gender Pay Gap in Ireland**

Ursula Barry

Women's Education Research and Resource Centre  
University College Dublin

September 2002

## Introduction

Setting priorities at European Union (EU) level for employment policies and practices based on annual Employment Action Plans in each Member State has been the objective of European Employment Strategy since 1997. Action Plans cover four main policy pillars: employability, adaptability, entrepreneurship and equal opportunities. Increasing the employment rate has been the core aim of this strategy through the reduction of registered unemployment and the activation of potential labour supply. At the same time issues concerning the quality and sustainability of employment as well as access to training, educational and employment opportunities on a lifelong basis have been covered by the strategy. The need to develop strategies aimed at sectors of the population differing particularly on gender grounds, and more recently on grounds of age, race, ethnic background and disability have been included over recent years.

Some new developments have taken place under each of the four pillars as part of the process of review of the EU Employment Strategy which takes place annually. Over the last three years the Equal Opportunities Pillar of the European Employment Strategy has gradually begun to place a stronger emphasis on gender pay issues. The first Employment Guidelines were produced in 1998 without any reference to the gender wage gap. In 1999, the attainment of equal pay was specified in Employment Guideline 20 as an objective to be pursued by Member States. This approach was taken further in the results of the Stockholm European Council in 2001 which identified the gender pay gap as a priority and suggested the need for setting targets to address the pay gap. A review of job classification structures and pay systems was also put forward and the importance of increased awareness-raising on the gender pay gap was stressed. Parallel developments in Ireland saw the gender pay gap identified as an issue in the current National Wage Agreement, Programme for Prosperity and Fairness (PPF) 2000-2002, following the support of research committed under the previous Agreement Partnership 2000. While it is not evident at this point that resources will be committed to effectively tackling the gender pay gap, this new focus has meant that more data, research and analysis has become available over the last few years, much of it for the first time in Ireland.

This Report analyses the gender pay gap in Ireland drawing on recent statistical data on pay trends and existing research material focusing on gender and pay. It looks at trends in pay in Ireland with particular emphases on gender patterns, low pay and the factors affecting the levels of pay among different groups of workers. Age, educational attainment, occupation and work experience are all explored in an analysis of the way in which pay is determined among different sectors of the population. Pay systems and pay structures are also examined in order to establish their role in setting pay levels across the economy. Current pay policies and new initiatives are analysed particularly where they impact on the gender pay gap and on low pay in the Irish economy.

This Report forms part of a series on the gender pay gap in each of the Member States of the European Union carried out by researchers of the Gender and Employment Network attached to the Equality Office of the European Commission.

## Section 1 Trends in the Gender Pay Gap in Ireland

Recent trends in pay within the Irish economy are presented in this section of the Report. Traditionally data on pay in Ireland has been extremely limited. Ireland has no regular survey of the structure of earnings providing detailed pay data by sector and occupation as is the case in most other European Union (EU) countries. The only source of regular economy-wide statistics on hourly earnings of men and women is limited to the manufacturing sector and is compiled by the Central Statistics Office (CSO). However, given that 80% of women work outside the manufacturing sector, this data provides little insight into women's pay or the gender pay gap. Data from the Living in Ireland Survey, the Irish element of the European Community Household Panel (ECHP) has become the main source of detailed data on the gender pay gap using household units and individual household members to establish a picture of male and female earnings linked to occupation, sector, age, experience and hours of work.

### 1.1 Trends in the Gender Pay Gap

The Irish economy has shown a wide and persistent gender wage gap over the last fifteen years although there has been some narrowing of the gap between men's and women's earnings since the late eighties. Central Statistics Office data for the manufacturing sector shows a reduction of the gender wage gap since 1988 when women were earning on average just over two-thirds of men's hourly earnings. The female to male wage ratio stood at 67.6% in 1988, rose to 72.7% in 1994, to 74.4% in 1998 and rose further to 75.9% in 2001. Despite this narrowing of the wage gap over a period of time during which equality legislation had been in place for over a decade, the wage gap has remained wide in manufacturing, at 24% in 2001. The high rates of economic growth which occurred in the late nineties through to the present day only brought with it a marginal reduction in the gender pay gap of 1.5 percentage points between 1998 and 2001.

**Table 1 Average Hourly Earnings for Women and Men in Manufacturing Industry for Selected Years**

Year	Female	Male	Total	Female/Male Ratio
1988	4.85	7.15	6.29	67.6%
1994	6.53	9.10	8.14	72.7%
1998	7.60	10.21	9.27	74.4%
2001	9.43	12.41	11.4	75.9%

Source : Central Statistics Office

The most recent published study of pay and the gender pay gap in particular was published in 2000 by Oak Tree Press for the Economic and Social Research Institute (ESRI), (authors A. Barrett, T.Callan (ed), A. Doris, D. O' Neill, H. Russell, O. Sweetman, J. McBride) entitled 'How Unequal – Men and Women in the Irish Labour Market'. This study was undertaken following a commitment under Partnership 2000, the National Agreement between the social partners. The study itself was monitored by a committee representing the social partners and relevant government departments. The study draws on data from the 1987, 1994, 1997 and 2000 Living in Ireland Surveys, the Irish element of the European Community Household Panel.

The following data is taken from a Report by Helen Russell and Brenda Gannon of the ESRI on Equal Opportunities between Women and Men and published on the Department of Enterprise and Employment Website ([www.entemp.ie](http://www.entemp.ie) 2002). Using data from the Living in Ireland Surveys, it draws on and updates the statistical trends presented in the Barrett et al Report and represents the most recent analysis of trends in the gender pay gap in Ireland. The following few pages of this Report relies heavily on their work. Data for all employees based on Economic and Social Research Institute (ESRI) survey data reveals a higher female to male wage ratio covering the period 1987-1997, rising from 80.1% in 1987 to 82.8% in 1994, to 85.0% in 1997 and to 85.3% in 2000. It is clear from this data that the gender wage gap narrowed very gradually but significantly by five percentage points over the decade 1987 to 1997 but has remained almost static over the years 1997-2000. It was in 1997 that the European Employment Strategy was first put in place.

**Table 2          Gender Pay Gap, 1987 - 2000, Living in Ireland Surveys**

Year	F/M Ratio %	Wage Gap %	Mean Hourly Wage 2000	
			Male £	Female £
1987	80.1	19.9	4.27	3.59
1994	82.8	17.2	7.71	6.38
1997	85.0	15.0	8.88	7.55
2000	85.3	14.7	10.29	8.77

Source : Russell and Gannon, 2002

1987 figures taken from Callen and Wren. Figures for 1994 and 1997 vary slightly from Barrett et al due to use of individual rather than household weighting.

Examining the detail of women's and men's wages provides a clearer picture of the gender differences of the structure of women's and men's pay. Analysing the distribution of women's and men's wages, Russell and Gannon conclude that women's wages tend to be clustered around the average level while men's wages show much greater variation. By looking at the size of the earnings gap at different parts of the earning distribution spectrum a clearer picture emerges of how the gender wage gap operates at different levels of earnings. The following table from Russell and Gannon provides this data :

**Table 3 Mean Hourly Earnings in Each Decile, 1997 and 2000.**

	1997			2000		
	Men	Women	F/M Ratio	Men	Women	F/M Ratio
1 Low	2.54	2.53	99.4%	3.70	3.48	94.1%
2	4.17	3.54	84.8%	5.46	4.76	87.3%
3	5.16	4.17	80.9%	6.47	5.41	83.6%
4	6.03	4.87	80.7%	7.32	6.06	82.7%
5	6.87	5.57	81.0%	8.23	6.83	83.3%
6	7.76	6.43	82.9%	9.42	7.69	81.6%
7	9.01	7.49	83.1%	10.69	8.73	81.7%
8	10.08	9.20	85.25	12.44	10.48	84.2%
9	13.96	11.95	85.6%	15.30	13.63	89.3%
10 High	22.47	19.73	87.8%	23.73	20.77	87.5%

Source : Russell and Gannon 2002.

This data indicates that the gender wage gap is at its narrowest among those earning the lowest hourly wages and is also narrow among those earning the highest hourly wage rates. The greatest gender wage gap occurs in the middle of the hourly wage range where the majority of women workers are concentrated. Another pattern to emerge from this table is a narrowing of the gender wage gap to a significant degree between 1997 and 2000 in the middle of the earnings range, where the gap was around 19% in 1997 narrowing to around 17% in 2000. Although this gap has narrowed, it remains extremely wide. At the very lowest end of the scale where women's hourly earnings have more closely tracked men's hourly earnings, a widening of the gap is evident. The low paid are predominantly women of different ages, low paid men on the other hand constitute a minority of the low paid and tend to be young. In effect, among the low paid women and men's hourly earnings are similar.

Women earn less than men across all earnings categories. The widest gap between women's and men's earnings occurs in the middle of the earnings scale, where most workers are concentrated. Among the lowest paid and to an extent the highest paid earnings categories, the gender pay gap narrows. Young men on low pay earn similar amounts to women of different ages who make up the majority of the low paid. But even among the low paid the gender pay gap is widening, with women earning only 94% of men's hourly earnings in 2000 compared to 99% in 1997. Those women who have, through educational qualifications, work experience and other factors, managed to enter the higher paid earnings categories continue to earn significantly less than men, averaging between 10 and 12% and little change is evident over the 1997-2000 period.

## 1.2 Part-time and Full-time workers

Women make up the vast majority, about 75% of all part-time workers in Ireland. In this context it is important to examine the way in which the gender pay gap operates among full and part-time workers. Russell and Gannon provide the most up-to-date data on the wage gap among part- and full-time workers :

**Table 4 Male/Female Wage Differentials by Full/Part-time Working Hours**

	1994 Ratio %	1997 Ratio %	2000 Ratio `%	Hourly Wage 00 Mean		Hourly Wage 00 Median	
				Male £	Female £	Male £	Female £
Full-time	85.5	86.3	86.8	10.15	8.81	8.88	7.22
Part-time	59.1	65.2	67.3	12.94	8.71	7.58	6.16

Source : Russell and Gannon 2002.

Part-time < 30 hours per week except teachers < 24 hours per week.

It is clear from this table that the gender pay gap among part-time workers is significantly greater than among full-time workers. That gap has narrowed between 1994 and 2000 but it still remains very wide. A key factor here is the high hourly wage rate to male part-time workers. Women tend to be concentrated in the lower paid areas of part-time employment resulting in a deepening and reinforcement of the gender pay gap.

### 1.3 Factors affecting Gender Pay Gap

A number of different factors have influenced the way in which the gender pay gap operates in practice for example age, work experience, educational attainment and occupation. These factors can also affect women and differently depending on their different labour market situations. Russell and Gannon 2002 examine a number of these factors in turn using the Living in Ireland Surveys data to give a detailed picture of how labour market characteristics influence the gender wage gap.

A definite pattern is evident when data on the gender wage gap is broken down on an age group basis. The gender wage gap widens in the older age groups except in the oldest 55-64 age group where labour force participation, particularly among women, is very low. Interruptions in the labour market experience of women who tend to have significant periods of absence from paid employment leading to disadvantage on the labour market is reflected in the wider pay gap among most of the older age categories. The gap is particularly wide in the 45-54 age group, at a level of 26.7% in 2000. The wage gap has been static or increasing in the younger age groups and narrowing in the middle and older age groups (although from a wide base) across the time period 1994 to 2000.

**Table 5 Male and Female Wage Differentials by Age Group**

Age Category	1994	1997	2000	Mean Hourly Wage 2000	
	Ratio	Ratio	Ratio	Male	Female
17-24	107.3%	107.0%	96.3%	£6.79	£6.54
25-34	96.8%	90.8%	90.3%	£9.75	£8.80
35-44	81.8%	91.5%	87.4%	£10.88	£9.51
45-54	70.7%	72.6%	73.3%	£13.29	£9.75
55-64	77.7%	74.3%	80.1%	£12.41	£9.94

Source : Russell and Gannon 2002.

Educational attainment is another factor which affects women's position on the labour market and consequently their relative earning situation. However, data shows that substantial gender wage gaps are evident even where women's educational qualifications are high and little change has taken place in this pattern over the last eight years. It is also very clear from the data that the gender wage gap is the highest among women and men with the lowest educational attainment levels and lowest at the highest educational attainment level. Different factors may come into play here. For example, women with higher educational attainment linked to higher levels of earnings are more likely to have a stronger attachment to the labour market, resulting in fewer periods and shorter periods of absence from paid employment.

**Table 6 Male/Female Wage Differentials by Educational Qualifications**

	1994	1997	2000	Mean Hourly Wage 2000	
	Ratio	Ratio	Ratio	Male	Female
No secondary qual	65.6%	68.3%	69.5%	£7.72	£5.37
Junior/Group cert	73.3%	75.5%	75.0%	£8.41	£6.30
Leaving Cert/Dipl	80.5%	81.9%	82.3%	£10.03	£8.26
Degree	84.9%	90.6%	84.9%	£16.40	£13.93

Source : Russell and Gannon 2002

Work experience has often been assumed to be the key factor in determining the gender pay gap. A striking pattern which emerges from an examination of the data on the gender wage gap and work experience is the dramatic shift in the relative pay position of women with low levels of work experience compared to their male equivalents. The relative wage position of women with under five years labour market experience has gone from positive to strongly negative in the short time period 1994 to 2000.



**Table 7 Male/Female Wage Differentials by Length of Work Experience**

Work Experience	1994	1997	2000	Mean Hourly Wage 2000	
	Ratio	Ratio	Ratio	Male	Female
Under 5 yrs	109.2%	111.2%	91.1%	£7.29	£6.64
5-10yrs	92.0%	90.6%	87.9%	\$9.27	£8.15
10-15 yrs	85.6%	78.9%	80.3%	£10.74	£8.62
15-25 yrs	89.7%	95.0%	92.9%	£10.93	£10.16
Over 25 yrs	92.8%	102.7%	102.8%	£12.13	£12.47

Source : Russell and Gannon 2002

Having looked at the gender wage gap in the context of labour market characteristics such as age, educational qualifications and work experience, it is also important to explore the gender pay gap in the context of the sectoral and occupational breakdown of women workers. This provides an insight into the way in which the gender wage gap varies between occupational and sectoral groupings within the Irish economy. In fact there is huge variation in the level of the gap across occupations and sectors, some revealing a combination of both low pay and a large gender pay gap while others have a large pay gap even where earnings are above or at average level.

Just four sectors account for the vast majority of Irish women workers. The biggest employer of women workers is health, education and public services (35%), followed by financial and business services (17%), retail and wholesale (14%) and manufacturing (13%) sectors. Two-thirds of women workers are concentrated in just three occupational groups, clerical (25%) services (21%) and professional (19%) occupations.

Examining the gender wage gap by occupational breakdown it is evident that the gap is the widest in the occupations at the upper end of the occupational hierarchy. It is also evident that the wage gap is widest in service occupations, and in particular in the private service employment, major employers of women workers. Women in managerial and senior administrative occupations earn over 30% on average less than men in the same occupational categories compared to a gap of 7.5% in professional occupational categories.

**Table 8 Male/Female Wage Differentials by Broad Occupational Group**

	1994	1997	2000	Mean Hourly Wage 2000	
	Ratio	Ratio	Ratio	Male	Female
Managerial/ Senior Official	61.0%	66.5%	69.7%	£14.67	£10.22
Professionals Tech & Assoc	82.6%	94.0%	92.5%	£15.82	£14.63
Professions	92.1%	92.4%	82.7%	£11.71	£9.68
Clerical Services &	87.0%	94.7%	89.0%	£8.39	£7.46
Sales Workers	61.5%	63.9%	64.4%	£8.85	£5.70
Agricultural Workers	-----	-----	-----	£6.20	(£6.73)
Craft Workers	-----	-----	-----	£8.20	(£6.92)
Plant and Mach/ ine Operators	74.3%	81.5%	84.0%	£7.98	£6.70
Elementary	89.9%	87.3%	74.2%	£7.10	£5.27
All	82.3%	85.0%	85.3%	£10.29	£8.77

Source : Russell and Gannon 2002. Some categories are too few in number to include in table.

Looking at the trends in the gender wage gap within the various occupational categories it is evident that some significant changes have taken place between 1994 and 2000. In the managerial and senior official category where the gap was particularly wide, it has narrowed from 61% to 69.7% over the 1994-2000 period. Other important categories, such as services and sales workers have shown some narrowing but a continued high gender wage gap. Women services and sales workers earned only 64.4% of male earnings in 2000, a rise from 61.5% in 1994.

Data on the sectoral composition of the workforce also show considerable changes over the eight year time period. The gender wage gap averaged around the 75% level - women earning on average about three-quarters of men's earnings. Within the public sector, the gender pay gap is significantly narrower than in the private sector. There has been a closing of the gap between women's and men's earnings in the public sector from 93% to 95% over the 1994-2000 period, leaving only a 5% difference. The gap has narrowed in most parts of the private sector also, with some exceptions where it has widened significantly, for example in the hotels and restaurants sector where women's earnings averaged at 76% of men's earnings in 1994 and have fallen to just 62% in 2000. This is a significant negative shift in the gender wage gap within this sector which has experienced rapid expansion (in a period of economic growth across the economy as a whole) and is an important employer of women workers in all age groups and regions.

**Table 9 Male/Female Wage Differentials in Broad Sectors**

	1994	1997	2000	Mean Hourly Wage 2000	
	Ratio	Ratio	Ratio	Male	Female
Agric & Mining	-----	-----	-----	(£6.95)	(£5.88)
Manufacturing	74.5%	79.1%	78.7%	£9.31	£7.33
Construct & Util	-----	-----	79.2%	£9.38	£7.43
Retail & Wholes	75.9%	69.6%	78.2%	£8.24	£6.44
Hotels & Restaur	75.8%	85.9%	61.7%	£8.31	£5.12
Transport & Comm	70.8%	80.1%	73.2%	£10.54	£7.72
Financial & Busin	66.1%	79.7%	74.1%	£12.31	£9.12
Health, Educ & Pub	81.0%	82.5%	85.3%	£13.69	£11.67
Other Comm & Pers	70.2%	79.8%	75.5%	£7.80	£5.89
Private Sector	76.9%	80.0%	78.0%	£9.35	£7.29
Public Sector	93.7%	92.6%	95.2%	£12.39	£12.31

Source : Russell and Gannon 2002. Some categories are too few in number to include in table.

## 1.4 Trends in Low Pay

Women are disproportionately represented among the low paid in the Irish economy. Over the last decade while Irish women have strongly increased their labour force participation rate and consequently their representation in paid employment, they have also become increasingly concentrated among the low paid. This concentration is particularly evident within the retail sector, the hotel and restaurant sector and within clerical employment generally. As a result the gender pay gap has been reinforced by a broader structural inequality affecting the position of Irish women on the labour market.

The recent period of strong economic growth in Ireland since the mid 1990s has seen a very significant expansion of the labour force, driven primarily by an increase in women's employment and also by an unprecedented increase in net migration. Most of this growth in employment has occurred in the services sector and has comprised growth in both part-time and full-time employment. Retail, tourism, personal and business services have been the key sectors of services growth. Part-time employment plays a key role in the services sector generally. It continues to be hugely dominated by women and is a key area of concentration of low pay.

The introduction of the Minimum Wage in Ireland in April 2001 was expected to have a positive impact on those concentrated in the lowest paid jobs in the economy. Since its introduction the impact of the minimum wage has been the focus of important research study. Brian Nolan, Donal O' Neill and James William of the ESRI published their latest

assessment of the impact of the minimum wage on Irish firms in May 2002, based on surveys of a group of firms carried out both prior to and following the introduction of the Minimum Wage legislation. Young workers and women workers account for the majority of those in low paid jobs. Low pay is also particularly prevalent among part-time workers, three quarters of which are women. Women generally are at much greater risk of being low paid than men. However, the risk of low pay rises sharply among men who are part-time workers (closer to the risk of low pay among women part-timers). The study revealed that the pay of 6% of employees on average in the firms surveyed was increased as a direct result of the introduction of the Minimum Wage. This level increased to almost 20% in firms with a high proportion of low paid workers (Nolan, O'Neill, William 2002).

A gender breakdown of the firms surveyed reveals that 19.4% of women full-time workers earned £5.50 per hour or less compared to 9.8% of men full-time workers in 2001. Among part-time workers, a slightly higher proportion of men earned under £5.50 per hour in 2001 than women. 53.2% of women part-timers earned £5.50 or less per hour compared to 55.8% of men part-timers. Part-time working however, is a much more prevalent situation for women, accounting for 34% of women workers and only 5% of men workers (Russell and Gannon 2002).

*"the risk of being in the lowest pay category is 2.7% for males compared with a figure of 7.3% for females. This means that a female's probability (in aggregate across all females) of being in the lowest pay group is 2.7 times that of her male counterpart. "*  
(Nolan et al 2002)

**Table 10 Comparison of percentages of Males and Females in each broad basic Pay Scale in the 1999 and 2001 Survey**

		Basic Hourly Pay Scale				
		£4.50 or less	£4.51-5.50	5.51-£6.50	£6.50+	Total
<b>Full-Time</b>						
		%	%	%	%	
Male	1999	10.3	12.4	17.8	59.5%	100%
	2001	1.6	8.2	14.1	76%	100%
Female	1999	19.8	20.9	17.4	41.9%	100%
	2001	3.6	15.8	21.5	59.1%	100%
<b>Part-Time</b>						
Male	1999	59.2	18.8	11.3	10.7	100
	2001	14.1	41.7	17.8	26.4	100
Female	1999	67.7	17.2	9.8	5.3	100
	2001	19.1	34.1	16.3	30.5	100
<b>All Persons</b>						

Male	1999	15.0	13.0	17.2	54.8	100
	2001	2.7	11.0	14.4	71.9	100
Female	1999	30.5	20.1	22.0	41.9	100
	2001	7.3	20.2	20.3	52.2	100

Source : Nolan et al 2002.

## 1.5 Wage Inequality

Deepening wage inequality has become a feature of the Irish economy over its period of strong economic growth of the last decade. This widening wage inequality is a result both of the growth in the scale of low paid employment but also of an increase in the wage levels at the higher end of the wage spectrum. Barrett, Fitzgerald and Nolan (2000) analyse earnings inequality in the Irish economy over the decade 1987 to 1997. They demonstrate a substantial widening in earnings dispersion in terms of hourly wages among all employees. The percentage of all employees earning below two thirds of the median rose from 20% in 1987 to 23% in 1994 and to 22% in 1997, making Ireland a country with one of the highest levels of low pay among OECD countries, similar to the UK. To provide a picture of the level of earnings dispersion among all employees, hourly earnings of the top and bottom decile and quartiles of all employees are shown as a proportion of median hourly earnings for the years 1987, 1994 and 1997. What this data shows is that the earnings of those within the top quartile and decile of earnings have become significantly greater than the median i.e. the gap between those on higher earnings and average earnings has widened. At the lower end of the earnings scale change has been less marked. Among the lowest decile of earnings the gap has remained almost stable, at less than half of the median. Among those in the lowest quartile, the gap has widened as their earnings proportion of the average has fallen from 73% to 69%.

**Table 11 Distribution of Hourly Earnings in 1987, 1994 and 1997 for all Employees**

As proportion of median	1987	1994	1997
Hourly earnings			
Bottom decile	0.47	0.47	0.48
Bottom quartile	0.73	0.68	0.69
Top quartile	1.37	1.50	1.53
Top decile	1.96	2.24	2.33
Top decile/bottom decile	4.16	4.77	4.81

Source : Barrett, Fitzgerald and Nolan (2000)

Among women and men the trends in income inequality have been quite different. At both ends of the scale male earnings have shown a marked increase in inequality, due to an increase in the proportion of both high and low earnings over the average. As the top

decile of earnings category rose significantly above the median, male workers have benefited. Gender disaggregated data on income inequality in the Irish economy is extremely limited. However, given the fact that women are under represented among the higher paid and over represented among the lower paid, widening income inequality means that women are concentrated in those parts of the earnings spectrum falling below the average. As wage inequality deepens across the Irish economy, the gap between the lowest and the highest earnings widens, with women concentrated into the lower end of an increasingly unequal earnings structure.

Data from the United Nations Human Development Report 2001 ranks Ireland eighteenth in the 'gender related development index' based on a measure of 0.908. In its table of inequality in income or consumption Ireland is placed in the 'high human development' category (data from Ireland is based on 1987 survey year) and emerges with one of the highest levels of income inequality within this category. The following details of inequality measures are also included :

<b>Ireland (1987)</b>		<b>Share of income or consumption</b>	
Poorest 10%	Poorest 20%	Richest 20%	Richest 10%
2.5	6.7	42.9	27.4
Richest 10%	Richest 20%	Gini Index	
to poorest 10%	to poorest 20%		
11.0	6.4	35.9	

#### UN Human Development Report 2001

The Gini index measures inequality over the entire distribution of income and consumption. A value of 0 represents perfect equality and a value of 100 perfect inequality.

A similar picture emerges from EUROSTAT data for 1996 analysed in 'The Social Situation of Europe 2001'. The top quintile of the population receives 42% of total income while the bottom quintile receives only 8% of the total according to this data. 20% of women and 17% of men are estimated to have equivalised income below 60% of median equivalised income. EUROSTAT data on personal net income from work shows marked differences between the situation of women and men in Ireland and also across the Member States:

#### Personal Net Income from Work (indexed, total =100) 1996

Males	Ireland	EU	Females	Ireland	EU
16-24	42	43	16-24	32	33
25-49	146	126	25-49	89	86
50-64	133	127	50-64	68	76

Source : EUROSTAT 2001.

Income inequality has increased in Ireland over the most recent period of rapid economic growth. The gap between higher and lower income groups has widened. Women, who are concentrated among the lower paid, tend to be negatively affected by this increased income inequality. Specific up-to-date gender disaggregated data is not readily available on income in Ireland making it difficult to monitor changes taking place on an immediate short-term basis.

## Section 2 Measurement of Gender Pay Gap

The ESRI Report 'How Unequal' (Barrett et al) is the main source of data measuring the gender pay gap in Ireland. As detailed above, this Report is based on an analysis of the Living in Ireland Survey data, covering 1987, 1994, 1997 and 2001 and restricted to data compiled from around four thousand households. As such Ireland lacks comprehensive up-to-date data on the gender pay gap, a serious problem given that the labour market has undergone significant expansion and change during the period of high economic growth since 1997. However, the data from the Living in Ireland survey does provide some important insights into the way in which the gender pay gap operates at an economy wide level in Ireland.

The Living in Ireland Survey uses the Electoral Register as a sampling frame. The sample is reweighted using Labour Force Survey data and taking into account the number of adults in the household, urban versus rural location, and the age and occupation of the 'household head'. Household questionnaires together with detailed individual questionnaires to those aged fifteen and over (not in full-time education) are completed. Survey questions cover labour market situation as well as earnings and income, labour market experience, education, occupation and industry. Questions on usual gross pay and usual hours worked are combined to calculate a figure for usual hourly earnings. These hourly earnings are then used to measure the male/female wage differential. Selecting a number of key factors such as age, educational attainment and work experience the gender pay gap is calculated for different sub sectors of women and men workers. This provides a more detailed picture of how the gender wage gap operates among different groups of workers.

### 2.1 Adjusted Pay Gap

In order to take into account the different labour market situations and experiences of women and men, the gender wage gap is adjusted to reflect these differences and in order to focus on the specific effect of each factor. This also is intended to allow an estimation of the proportion of the wage gap which cannot be attributed to such factors as work experience or educational qualifications.

The ESRI Report 'How Unequal' (Barrett et al 2000) measures the adjusted pay gap in Ireland with the stated aim to "*decompose the difference in a way that will allow us to identify more precisely the sources of difference between the wages of women and men*". The main conclusion of this study is that a significant part of the gender wage gap is attributable to differences in the length of work experience and absences from the labour market between women and men. The Report further concludes that its 1997 data reveals a 5% aspect of the gender wage gap which cannot be attributed to different labour force characteristics i.e. by controlling for the effect of educational attainment and work experience. Looking back over their previous studies carried out in 1994 and 1987, the Report concludes that the adjusted pay gap narrowed significantly, from 15% in 1987 to



5% in 1994 and has remained static through to 1997. The Report also drew the important conclusion that men are more likely than women to benefit from a range of non-pay elements of remuneration or 'fringe benefits' attached to employment, such as pensions, subsidised health schemes, housing benefits or leisure facilities. Such elements can in practice amount to a wider gender wage gap than is evident from the directly quantified data. A key question posed in this Report is the need to understand why the fall off in the measured 'discrimination index' between 1987 and 1997 was not being paralleled by a similar reduction in the gender wage gap. A key factor here is the way in which women workers have become increasingly crowded into low paid employment resulting in an entrenched gender wage gap.

*" Why, if the 'discrimination index' was falling by about ten percentage points, did the observed gender gap not fall by the same amount ? In part, this reflects changes in labour market structure over the period, with a substantial increase in overall wage inequality. As women have tended to be over-represented among the low paid, the shift in the wage structure towards greater vertical inequality has worked to women's disadvantage. Despite this women's wages have progressed relative to men's but this gain has been achieved while women were 'swimming against the tide' in terms of the increase in overall wage inequality. "* (Barrett et al 2000)

## 2.2 Measurement

The method of measurement of the Adjusted Pay Gap within the ESRI Report uses a modified version of a standard approach to measuring the 'discrimination index' or what the Report prefers to term the 'wage adjustment index'. Their approach is based on a refinement of the Oaxaca/Blinder method of wage difference decomposition used in Wright and Ermisch (1991). The emphasis in this approach is to calculate not just the effect of time spent out of the labour market but also the impact of penalties (i.e. negative rewards) attributed to such absences.

## 2.3 Source of data

The 'Living in Ireland' Survey, the Irish element of the European Community Household Panel, is the basis for the data used in the measurement of the adjusted and unadjusted gender pay gap in Ireland. This survey deals with household income and position on the labour market through detailed questionnaires completed by a reference adult in each household and individual questionnaires completed by each adult over seventeen years of age. Over three thousand six hundred households and seven eight thousand individuals were included in the survey in 2000.

Detailed data on attachment to the labour market, income, earnings, educational attainment, work experience and occupation are derived from the survey. Those categorised as employees, both full- and part-time, are then used in the analysis of earnings. Gross pay in the last pay period (including extras such as overtime) is compiled from employees responses, taking into account the frequency of employment and the

usual hours worked. This data is then used to calculate gross hourly wages for each respondent. Regular overtime is included but irregular payments are excluded in order to provide a measurement of individuals gross hourly earnings, including both men and women, and both part-time and full-time workers.

## 2.4 Policy Recommendations

Key policy recommendations put forward in the ESRI Report (Barrett et al 2000) cover a number of different themes. Provision of comprehensive childcare services taking into account the interests of children and different individual choices in relation to labour force participation is identified as the key to equality of opportunity on the labour market. A strengthened legislative framework for equality, regulation of low pay through the minimum wage system, reviewed systems of wage bargaining between the social partners, enhanced entitlement to leave and specific measures for those returning to work after a period of full-time work in the home are other policy areas highlighted in this Report. In addition, the importance of family friendly policies in the workplace and of measures to address vertical gender segregation on the labour market are emphasised. Barrett et al also focus on the need for a systematic system of monitoring and enforcement of equal opportunities encompassing comprehensive statistics based on a large regular household survey covering detailed labour market information including earnings and hours of work. National data should be accompanied they argue by sectoral data based on a common reporting system, firm level data covering recruitment, promotion and work organisation under the direction of the Equality Authority and case study monitoring under the Office of Equality Investigations.

Russell and Gannon (2002) draw similar conclusions using updated Living in Ireland Survey data.

*" The study found that a significant part of average wage gap was due to differences in years of experience and years out of the labour market. The current findings show that years of work experience and years out of the labour market remain an important influence on the gender pay gap in Ireland. This suggests that policies under the employment strategy to 'reconcile family and working life' are likely to be important in reducing the gender wage gap. Policies such as parental leave schemes, maternity leave, childcare provision, are likely to increase continuity in women's working lives and therefore reduce the gap due to time out of the labour market. Similarly, efforts to assist the reintegration of those who have been working full-time in the home are likely to have an impact on this element of the wage gap. "* Russell and Gannon 2002.

They make the point that despite the fact that women's labour force participation rate rose substantially in Ireland over the period 1997 to 2000, the gender wage gap only marginally changed, resulting in a narrowing of the gap by less than half a per cent. The specific labour market characteristics of the women who have entered or rejoined the labour market over recent years is considered as a possible reason why the wage gap has remained scarcely unaltered. Women and men with fewer years work experience and longer periods of absence from paid employment have accounted for a substantial

proportion of those reentering employment, resulting in a wider gender gap in the number of years out of employment (from 4.7 to 6.2 years) and a slightly narrower gap in years of work experience (from 5.7 to 5.1 years).

*"These changes may have had a dampening effect on any reduction in the wage gap, a further indicator of this is the observation that the gender pay gap has widened among those with under five years experience which would include labour market entrants."*  
Russell and Gannon 2002.

Some new policy changes which have taken place over the last few years and which are considered to have a potentially positive impact on the narrowing of the gender pay gap are considered in the conclusion to this Report. The introduction of parental leave is thought to be of limited benefit due to the fact that it is unpaid and likely to be restricted mainly to higher income households. Increased paid maternity leave entitlement (from fourteen to eighteen weeks) as well as significant additional funding allocation to childcare provision under the National Development Plan (NDP) are both viewed as likely to benefit women's earnings relative to men's over future years when their contribution to women's continuity on the labour market will likely be realised. The impact of new enhanced equality legislation is difficult to assess they comment, while pointing out that the lack of reference to job evaluation and classification systems within this legislation is likely to mean that in practice it will have limited impact. Occupational segregation is another factor considered by Russell and Gannon and they conclude that Ireland's high level of persistent occupational and sectoral segregation may enhance the gender pay gap and limit the impact of equality legislation. Looking at the National Minimum Wage they comment that because of the level at which it was introduced and issues concerning its enforceability, its impact on the gender wage gap has so far been marginal.

## **Section 3 National Factors Influencing Gender Pay Gap**

### **3.1 System of Wage Setting**

Wage setting is largely set in Ireland through the National Agreements covering economic and social issues over usually a three year period. Successive Agreements have governed the setting of wage and salary increases across the economy since the early 1980s. For the most part these Agreements set annual rates of wage increase together with provisions for locally or company negotiated productivity deals. Existing wage relativities are protected and even reinforced through this process.

In a departure from this established approach to wage regulation, a process known as benchmarking was established in July 2000 following the establishment of the Public Service Benchmarking Body (PSBB). This process involved a detailed review of the relative position of public sector versus private sector pay levels, with a view to dealing with the pay claims of 230,000 public servants. To a large extent, this process was aimed at staving off the rising number of pay claims and industrial action occurring primarily in the health and educational services and threatening in a range of other areas of public sector employment. It was based on the assumption that public sector pay rates had fallen behind pay rates in the private sector during the recent period of high economic growth. The terms of reference of the PSBB was agreed between public service employers and the public service committee of the Irish Congress of Trade Unions (ICTU) and the body itself was established under a commitment made under the current National Agreement, the Programme for Prosperity and Fairness (PPF). Not all public sector unions agreed to cooperate. One of the three major teaching unions, the Association of Secondary Teachers of Ireland (ASTI) representing second level teachers stayed outside the benchmarking process arguing that the form of productivity style assessment drawn from the private sector could not be applied to educational services.

The Benchmarking Report was published in June 2002 and recommended a series of pay increases across a wide range of public sector occupations averaging at 9%. The range of recommended pay increases varied substantially across the different occupational grades, including for example a 25% increase in pay to ambulance personnel, a 13% increase in teachers pay and an 8.5% increase to clerical officers in the civil service. In most occupational groups, management and administrative grades received recommendations for higher percentages than those in lower grades. For example lower ranked civil servants such as clerical and service officer grades received significantly lower (8.5%) recommendations than senior grades, such as Assistant Principal (13.8%) and Principal Officer grades (11.7%) Among nursing occupations, similar differences in recommendations are evident : recommended increase for director of nursing grade is 16% while that for staff nurses is 8%. (Public Sector Benchmarking Body 2000)

At the present time, trade unions are consulting and balloting with members on the acceptance of these recommendations and the Irish Congress of Trades Unions (ICTU) is

negotiating centrally with government on the timing of the payment of these recommended increases. While the ICTU is looking for immediate payment of the increases together with a back payment to January 2002, the government is negotiating for a comprehensive acceptance of the recommendations and a staged payment over a three year period. The outcome of these negotiations is expected over the coming two months, in particular before the budget of December 2002 and in advance of the securing of a new national agreement to come into place in January 2003. If the public sector trade unions accept the recommendations from Benchmarking, they are then precluded from seeking further exceptional pay claims over and above the partnership agreements, prohibiting follow-on claims from employees within either the public service or the private sector.

The benchmarking process, by focusing on the public sector, has potentially positive pay implications for a significant number of women workers who are strongly represented within public sector employment. Women account for nearly 50% of public sector workers compared to 42% of the workforce as a whole. Specific occupations, such as nursing, teaching and clerical workers in the civil service are predominantly made up of women workers and consequently the recommendations for these occupations are of particular relevance to women. The Benchmarking Report itself makes no acknowledgement of gender issues in its analysis of pay differentials between public and private sector employment. Its approach is effectively 'gender blind' treating each occupational category as gender neutral and focusing only on public/private differentials. None of the data on public sector employment contained in this Report are gender disaggregated. The chapter profiling the characteristics of public service employment looks at age, educational attainment and occupational profile but no reference is made to gender (Public Service Benchmarking Body 2002).

Women are strongly represented in public sector employment and also in certain parts of the private services sector. As a result, relative pay structures between public and private sector employment cannot in themselves address gender pay differences. In this context, while benchmarking represents an important new initiative in analysing pay structures in Ireland, it fails to address the historical and current gender pay gap and is unlikely to result in any narrowing of the gender pay gap. Where public/private comparisons have been carried out they include comparisons between women workers in both and no specific gender analysis has been incorporated into the benchmarking analytical framework. Neither job classification nor job evaluation systems were scrutinised as part of this process and the gender aspects of such system were not acknowledged. This is unfortunate as there is unlikely to be a further comprehensive analysis of pay structures in the short or medium term future..

## 3.2 Regulation of Low Pay

A National Minimum Wage Commission was established by the Irish government prior to the introduction of the National Minimum Wage in 2000, a commitment made under the national wage agreement at the time. This Commission commissioned research on the

extent of low pay in Ireland and the likely impact of a minimum wage. This research was published in 1997. It demonstrated pervasive low pay across the Irish economy affecting 11% of employees using a low threshold, 23% using a medium threshold and 30% using a high threshold. Over half of the low paid were women. Employees under twenty five years faced a very high risk of being low paid and in this younger age group women and men were similarly at risk. However in the other age categories, women were far more likely to be low paid. Part-time workers were seen to be particularly vulnerable to being low paid and low levels of educational attainment also increase the risk of being low paid (Nolan 1987).

The key piece of legislation in Ireland for the regulation of low pay is the Minimum Wage Act which came into force in April 2000 and sets a floor hourly minimum rate across the economy. Changes to the level of the National Minimum Wage are at the discretion of the Minister for Enterprise, Trade and Employment following 'appropriate consultation'. A study of the impact of the introduction of the minimum wage was commissioned by the Department of Enterprise, Trade and Employment and carried out by the Economic and Social Research Institute (ESRI) in late 2000 and early 2001. The published study by Brian Nolan, Donal O' Neill and James Williams 'The Impact of the Minimum Wage on Irish Firms' ESRI 2002 provides the most recent assessment of this system of regulation of low pay in Ireland. The study itself involved a follow up survey of firms who had originally been surveyed prior to the introduction of the minimum wage. The minimum wage was introduced at a level of 5.59 euros per hour for experienced adult workers in April 2001 and was subsequently raised to 5.97 euros in July 2001 and is due to increase to 6.35 euros per hour in October 2002.

About 5% of employees were said to have received an increase in pay as a direct result of the introduction of the minimum wage and about thirteen per cent of firms said that they had to increase the pay of other employees in order to restore differentials. The large majority 80% of firms said that wage trends in the Irish labour market would have pushed wage rates up anyway. Most firms did not have any employees at or below the minimum wage rate. Those sectors where minimum rates were still common were clothing, textiles, retailing and hotels/bars and restaurants. Women workers, young workers (both female and male) and part-time workers were those most at risk of being at minimum wage levels. 7.3% of women compared to 2.7% of men were paid at or below the minimum at the time of the study. Figures for young workers, both male and female were particularly stark with up to 50% of under eighteen year olds on or below the minimum.

The largest sectors employing women workers at or below the minimum were retailing (12.7%) and hotel/restaurant/bar (17.5%)(Nolan et al 2002). The proportion of part-time women workers at or below the minimum was particularly high in retail (22.9%), wholesale (26.3%), hotel/restaurant/bar (29.2%) and banking/business services (11.4). In some sectors large percentages of women workers were earning just above the minimum, for example 58.9% of part-time women workers in the hotel/restaurant/bar sector were earning just above the minimum level. High percentages of minimum wages among were largely part-time male workers in the textile and clothing, retail and wholesale sectors.

Tax changes have also been introduced over recent years which have benefited low paid workers, in particular the raising of the entry point to the tax system from 183 euros per week to a level of 209 euros per week. This means that 90% of those on the minimum wage are now outside the tax system. However, commitments to take all of those on the minimum wage outside the tax system have not been implemented and a significant minority (10%) of those on the minimum continue to be subject to taxation. Another taxation change of benefit to lower paid workers has been the introduction of a health levy threshold of around €14,500 below which the 2% health levy is not payable.

### 3.3 Regulation of Part-time Workers Pay

As is evident from the above there is a strong overlap between part-time employment and low paid employment particularly among women workers in Ireland. The Protection of Employees Part-time Work Act 2001 came into effect in December 2001 and is the most recent legislative change intended to enhance the employment conditions of part-time workers by ensuring that part-time workers have pro-rata entitlements to pay and other employment benefits such as holidays, sick pay and pensions. This legislation followed from the implementation of the EU Framework Agreement on Part-time Work. Part-time workers are overwhelmingly female (73%) in Ireland and these new protections have the potential to strengthen the employment position of large numbers of Irish women workers. It is too early yet to assess the impact of the legislation and to identify whether the terms of the legislation are being fully and appropriately enforced.

### 3.4 Changes in Leave Entitlements

The most important change in leave entitlements has been the lengthening of paid maternity leave entitlements from fourteen to eighteen weeks consecutive paid leave (together with an entitlement to an additional eight consecutive weeks unpaid leave) introduced in 2001 by way of an Amendment to the Maternity Protection Act 1994. An Amendment to the Adoptive Leave Act 1995 entitles an adoptive mother or sole male adopter to fourteen weeks consecutive paid leave and eight weeks consecutive unpaid leave. These Acts implement the main elements of the EU Pregnant Workers Directive.

Entitlement to parental leave under the Parental Leave Act 1998 was introduced in December 1998 allowing for both partners to fourteen weeks unpaid parental leave from work to look after young children. This Act implements the EU Parental Leave Directive. Parental leave must be taken before a child is five years of age and with the agreement of employers may be taken as a continuous block of fourteen weeks or in a broken format. This legislation also allows for three days unpaid 'force majeure' leave for urgent family reasons owing to injury or illness of an immediate family member. 'Force majeure' leave consists of three days leave in any period of twelve consecutive months or five days in any period of thirty six consecutive months.

One further important development has been the introduction of the Carer's Leave Act 2001 which came into effect in July 2001. This Act allows an employee to take temporary unpaid leave from employment to enable him/her to personally provide full-time care for a person in need of such care. This leave is subject to a maximum of sixty five weeks in respect of any one care recipient. The minimum statutory entitlement is thirteen weeks. Employment rights are generally protected during absences on Carer's Leave. For care reasons in relation to children applies to children under twelve years of age and in relation to older children or other adults applies to the temporary care of ill or disabled relatives without of employment status. While on Carer's Leave an employee may attend an educational or training course or take up voluntary or community work for up to ten hours per week or subject to income limits engage in limited employment or self-employment for up to ten hours per week. Carer's Leave is unpaid. There is however, a parallel State payment of Carer's Benefit operated by the Department of Social, Community and Family Affairs payable for a maximum of sixty five weeks. Eligibility entitlements specify that a claimant must be engaged in full-time care and the person being cared for must be seriously incapacitated requiring full-time care.

While legal entitlements to leave are extremely low in Ireland on an economy wide basis, specific sectors provide for significantly enhanced leave entitlements under negotiated agreements operating at sectoral level. The public sector is the primary area in which enhanced leave entitlements, together with flexible working arrangements are prevalent. Career breaks, term time working, job sharing, better sick leave and holiday entitlements are all features of the public sector and women are the overwhelming participants in such schemes.

### 3.5 Economic Outlook in Low Pay Sectors

The key sector of low pay in the Irish economy is in private services, such as retailing, personal services and tourism. To a large extent these sectors of economic activity are dependent on the level of measured economic activity in the wider economy. After a period of extremely high rates of economic growth, averaging at 10% per annum, the Irish economy is currently experiencing a downturn in its high growth. Forecasts for this year predict growth rates of between 3 and 4%, significantly lower than the last four years, yet nonetheless high relative to other EU countries. However, linked to the decline in the rate of GNP growth, there has been a mounting level of job losses and a growth in the unemployment level. In this context, it is likely that downward pressure at the lower wage end of the labour market will continue, thus holding significant numbers trapped in low pay. It is also likely that if the decline in economic activity continues then job losses will occur among low paid workers, many of whom are in temporary or seasonal positions.

Forecasts for women's employment predict further substantial growth up to 2015 of almost 41% (around 250,000 additional women in paid employment) compared to a 15% growth in male employment over the same period (around 150,000 additional male paid employees). Most of this growth is forecast to occur among women workers in services and sales occupations and managers and professional occupations. (FAS/ESRI Manpower



Studies 2002). Services and sales occupations comprise a high proportion of low paid employment, and this forecast rise implies a continuation and/or increase in the significant level of low pay among women workers.

### 3.6 Other Factors Impacting on Gender Pay Gap

Other factors influencing the gender wage gap in Ireland are the historical discrimination and disadvantage experienced by women on the labour market due to their primary caring role in Irish society. This means that women's labour market experience tends to be discontinuous and that women are likely to be disadvantaged in the occupational hierarchies across the economy. High levels of both sectoral and occupational segregation within the Irish economy result in a crowding of women into a small number of occupational groups and economic sectors. Low pay is prevalent in those areas of the economy where women are concentrated. As well as constituting the majority of the low paid, women are also the large majority of part-time workers, who are at high risk of being low paid. Pay systems and systems of pay bargaining have not addressed the issues of gender discrimination in the way in which job classification, job evaluation and pay structures operate.

Recent taxation reforms have had the effect of moving the Irish system of taxation towards greater individualisation. An important result of this process has been the encouragement of increased labour force participation among married women. Traditionally high marginal tax rates for married women discouraged married women from accessing employment. Double tax bands and allowances were available to a married couple whether or not both spouses were in paid employment. In effect married women paid tax at the top rate while their husbands tended to avail of all the standard tax bands and allowances available to the couple. Individual standard rate tax bands were introduced in the 2002 and 2001 Budgets changing the tax position of married couple, and the employment incentive for married women in particular. Following huge controversy over the position of women full-time in the home, a new tax allowance for a full-time spouse in the home was introduced.

With increasing numbers of women (including married women and women in the middle and older age groups) developing stronger, more continuous attachment to the labour force there is likely to be some positive impact towards a closing of the gender wage gap. However, countervailing influences resulting from deepening wage inequality and the crowding of increasing proportions of women into the lowest paid job areas are likely to ensure that the gender wage gap will continue to be extremely significant and persistent in Ireland.

## **Section 4 National Policies towards Gender Pay Gap**

The key national forum within which the gender pay gap has begun to be addressed in Ireland in recent years is the National Agreement process which involves both the traditional social partners (trade unions, employers organisations, farmers organisations and representatives of government departments) and the new social partners (representatives of community and voluntary sectors including women, unemployed, disabled and others). Following the Research Report produced by the ESRI a Consultative Group was established under the current National Agreement Programme for Prosperity and Fairness 2000-2002 (PPF). This Group has been given the responsibility to address the issues raised by the research and to report to government by the end of 2002. This Group is also overseeing sectoral studies covering information technology (IT), electrical and electronic, retail, food and local government being carried out in partnership with Finland, Sweden and Northern Ireland funded under the EU Gender Equality Programme 2001-5.

At this stage, however, this process is at a very early stage and is limited to research, data collection and analysis. This has ensured that more information, understanding and awareness of the gender pay gap is developing in Ireland but it has yet to be translated in to a programme of action or to a set of specific policy initiative. Most of the debate around pay in Ireland focuses on pay issues in specific job and occupational categories, such as low paid professional (nurses and teachers), low paid jobs in private services such as retailing, tourism, hotel and catering or low paid public sector jobs such as clerical workers. While these are all female dominated areas of employment, the gender dimension rarely enters the debate. Setting of pay increases through the system of national centralised bargaining means that the political system is strongly focused on achieving three year agreements with the social partners in order to establish stable industrial relations. Pressures on this system have been mounting over the last two years following a period of sustained economic growth, together with rising inflation rates and deepening wage inequality. Discontent among public sector workers has seen a series of yet unresolved disputes in the health and education sectors as well as among other public sector workers.

At a broader policy level, there are a number of initiatives with the stated aim of achieving an/or monitoring the gender impact of economic policies. Under the National Development Plan which details economic and social expenditure for the period 2000-2006, a policy of gender mainstreaming, particularly in relation to education and training, has been adopted. Equal Opportunities has been adopted as a horizontal principle in the Plan and Gender Impact Assessment Guidelines are to be applied to each of the measures adopted under it. The Employment and Human Resources Development Operational Programme of the National Development Plan has gender equality as a stated objective. A Social Inclusion and Equal Opportunities Monitoring Committee has been established to monitor equal opportunities over the lifetime of the Plan. Pay issues generally lie outside the concern of the National Development Plan, and while specific measures in

relation to employment, education or regional development are likely to impact on women's paid employment and also on the gender pay gap these impacts are not identified or addressed.

The most significant area to which substantial new resources have been applied are under the Childcare Measure of the Regional Development Programme involving expenditure of 436.8 million euro in childcare provision and supports. These supports include both capital and staff support grants are targeted at geographical areas and social sectors of economic and social disadvantage. Other measures include support for 'family friendly' policies at the level of the enterprise through the establishment of a National Framework Committee for the Development of Family Friendly Initiatives at the Level of the Enterprise. This Committee is chaired by the Department of Enterprise, Trade and Employment but is organised mainly around trade union and employer organisations and is based on the encouragement of voluntary agreement to strengthen selected policy initiatives. A second committee focusing on the development of equal opportunities at the level of the enterprise has also been established. Other important policy developments include the adoption of a new Gender Equality Policy for the civil services containing specific targets on women's representation at senior levels as well as commitments to equality audits in local authorities.

Some specific initiatives have also been taken that have definite gender equality objectives. Under the Equality for Women Initiative, funded by the Department of Justice, Equality and Law Reform, a number of projects focusing on gender equality on the labour market and the gender pay gap have been funded, under a budget of 29 million euros. The largest of these is the Gender and Pay Project of the Irish Congress of Trade Unions, under which the trade union congress is being funded to carry out activities addressing the gender pay gap under a number of themes, including awareness of the gender pay gap, job evaluation skills and resources, training of trade union officials and vocational training. Other projects include an audit of factors influencing promotion for women in Radio Telefis Eireann (national broadcasting authority) and a career development package to assist disadvantaged women to access skilled, professional and better paid employment. To a large extent these are pilot once-off projects which in order to have longer term impact will need to have their findings and outcomes applied on a wider scale to ensure effectiveness. This budget is also being used to fund the Equality Authority to carry out gender equality reviews in a number of employments.

Specific national representative organisations have been involved in debate and policy development in relation to low pay, equal pay and the gender pay gap. The Irish Congress of Trade Unions (ICTU) has had a strong commitment to equal pay over many years. The active use of equality legislation to enhance the position of different groups of workers using this legislation has largely been driven by trade unions. A key element of ICTU policy at present is to achieve legislative change to allow 'class actions' to be taken under equality legislation. In addition, ICTU are looking for a higher level minimum wage and more resources towards the provision of childcare services.

There is little debate on the gender pay gap in Ireland. The last few years has seen an increase in publications analysing the pay gap, largely as a result of the emphasis placed on it under the European Employment Strategy. However, national policy towards the gender pay gap in Ireland has only recently begun to develop. At this stage, it is at the point of data collection and analysis and is unlikely to result in significant policy change in the short or medium term. Debate and policy development on pay levels and pay structures take place without any focus on the gender pay gap. There has been some emphasis on low pay and policy measures to address low pay are important to women workers who are the majority of the low paid. Centralised bargaining systems (involving government, trade unions and employers) however continue to operate without any policy towards the gender pay gap. Recent reviews of private and public sector pay levels paid no attention to the gender pay gap. The gender pay gap is both wide and persistent in Ireland. The lack of a systematic, comprehensive policy approach is likely to mean that it will remain that way.

## Bibliography

Barrett, A., Callan, T (ed), Doris, A., O'Neill, D., Russell, H., Sweetman, O., McBride, J.(2000) : How Unequal - Men and Women in the Irish Labour Market. Economic and Social Research Institute.

Barrett, A. Fitzgerald, J., and Nolan, B. (2000) : *Earnings Inequality, Returns to Education and Low Pay in Boom to Bust ? The Irish Experience of Growth and Inequality.* (eds) Brian Nolan, Philip O' Connell and Christopher Whelan. Economic and Social Research Institute.

Barry, Ursula (2002) : Gender and the Irish Employment Action Plan 2002. Women's Education Research and Resource Centre, UCD.

Barry, Ursula (2001) : Gender and the Irish Employment Action Plan 1997-2001. Women's Education Research and Resource Centre, UCD.

Barry, Ursula (2000) : Gender and the Irish Employment Action Plan 2000 Women's Education Research and Resource Centre, UCD.

Barry, Ursula (1999) : Gender and the Irish Employment Action Plan. Women's Education Research and Resource Centre, UCD.

Central Statistics Office : Quarterly National Household Survey, Labour Force Survey, Industrial Series, Survey of earnings in financial business, banks and credit sector.

Department of Enterprise, Trade and Employment (2002) : Ireland's Employment Action Plan. April 2002. Department of Enterprise, Trade and Employment.

Department of Justice, Equality and Law Reform (2001) : Report of the Working Group on the Review and Improvement of Maternity Protection Legislation. Dept. of Justice, Equality and Law Reform.

Department of Justice, Equality and Law Reform (2002) : Report of the Working Group on the Review of the Parental Leave Act. Dept. of Justice, Equality and Law Reform.

EUROSTAT (2002) : The Social Situation in the European Union. EUROSTAT.

EUROSTAT (2002) : Statistics in Focus Series. Women's Earnings in the EU, At the Margins of the Labour Market - Women and Men in Temporary Jobs in Europe. Earnings of Men and Women in the EU

FAS/ESRI (2002) : Occupational Employment Forecasts 2015. FAS/ESRI Manpower Forecasting Studies. Report No. 10. Economic and Social Research Institute.

Hughes, Gerry (2002) : Employment and Occupational Segregation in Impact Evaluation of European Employment Strategy in Ireland. Section 4.2 Department of Enterprise, Trade and Employment Website. [www.ent.ie](http://www.ent.ie)

Irish Congress of Trade Unions (1999) : Fourth Equality Programme. Delivering Gender Equality 1999-2004. Irish Congress of Trade Unions.

Irish Congress of Trade Unions (2002) : The Equal Pay Agenda. Irish Congress of Trade Unions.

Irish Congress of Trade Unions (2002) : Identifying Members Childcare Needs. Irish Congress of Trade Unions.

Irish Congress of Trade Unions (2002) : Gender and Pay Project. Brochure. Irish Congress of Trade Unions.

Nolan, Brian (1997) : Low Pay in Ireland. Economic and Social Research Institute.

Nolan, Brian, O'Neill, Donal, Williams, James (2002) : The Impact of the Minimum Wage on Irish Firms. Economic and Social Research Institute.

Public Service Benchmarking Body (2002) : Report of the Public Sector Benchmarking Body. PSBB.

Russell, Helen (2002) : *Gender Gaps in Employment and Participation Rates in Impact Evaluation of European Employment Strategy in Ireland*. Section 4.3 Department of Enterprise, Trade and Employment Website. [www.ent.ie](http://www.ent.ie)

Russell, Helen and Gannon, Brenda (2002) : *Equal Opportunities between Men and Women in Impact Evaluation of European Employment Strategy in Ireland*. Section 4.1 Department of Enterprise, Trade and Employment Website. [www.ent.ie](http://www.ent.ie)

United Nations (2001) : Human Development Report. United Nations.

Date sent: Tue, 03 Sep 2002 16:03:42 +0100  
From: Catherine Conlon <catherine.conlon@ucd.ie>  
**Subject:** **(Fwd) Re: Analysis of Gender in labour force**  
To: ursula.barry@ucd.ie  
Send reply to: catherine.conlon@ucd.ie  
Priority: normal

Hello Ursula

Data from Deirdre on breakdown of occupations and sectors attached. She gave us whole numbers rather than %s. You will see two files for occupation because the classification changes after 97 do not make them comparable with LFS categories. Her

email message is attached at the end of this one.

#### PUBLIC PRIVATE BREAKDOWN

Deirdre says this is not available for 1998 and 2001.

It was available from the LFS which carried a question asking people to specify which sector they were in. This was not included in the QNHS (!) until very recently so this data is not available from there. She tried to get figures on women in the public sector from another section but they don't break down by gender. She is checking around but believes she will not be able to provide this.

#### HOURLY EARNINGS IN MANUFACTURING

As I mentioned Niall O'Rahilly was to send on details about this data-set. He did saying that an updated Industrial Earnings and Hours Worked series was introduced from December 1999 with retrospection to September 1995. This series uses the NACE Rev 1 classification which had already been introduced for the Census of Industrial Production. The new series is as the website.

He adjusted the figures given to us to make the years prior to the change comparable with those since. To detail this he advised inserting the following footnote:

"An updated Industrial Earnings and Hours Worked series was introduced from December 1999 with retrospection to September 1995. This series uses the NACE Rev 1 classification. Long run comparability back to 1987 is approximately maintained by increasing the average hourly earnings figure in the former series by the 1996 differential."

That should be all Ursula but get back to me if you have any further questions for Deirdre or any other requests for data.

Catherine

----- Forwarded message follows -----

Date sent: Tue, 03 Sep 2002 12:51:34 +0100  
From: [Deirdre.Harte@cso.ie](mailto:Deirdre.Harte@cso.ie)  
Subject: Re: Analysis of Gender in labour force  
To: [catherine.conlon@ucd.ie](mailto:catherine.conlon@ucd.ie)

Catherine,

Please find attached data on occupations and economic sectors. I have given you the actual numbers rather than the percentages as I think that you can work out the required percentages from these.

Please contact me if there is any problem with this.

(See attached file: Economic sectors (1988-2001).xls)(See attached [file](#):

Occupations (Q2 1998, 2001).xls)(See attached file: Occupations (1988, 1994).xls)

Regards,

Deirdre.

----- End of forwarded message -----

-----  
Catherine Conlon  
Research Co-ordinator  
WERRC  
UCD  
Belfield  
Dublin 4  
Tel: + 353-1-716 8550  
Fax: + 353-1-716 1195





