

EGGE – EC’s Expert Group on Gender and Employment

National Reports on the Unadjusted and Adjusted Gender Pay Gap

France

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(UN)ADJUSTED GENDER PAY GAP

FRENCH EXPERT REPORT

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1 – SUMMARY OF MEASURES OF THE UNADJUSTED GENDER PAY GAP

1.1 Review of pay trends over time (e.g. 1980 to present)

In France, the **overall** pay gap is estimated at about 25% today (according to data presented in the last 2001 National Action Plan).

When one looks at the long-term, from the 1950s onwards, it is possible to be somewhat optimistic, regarding the development of this gap, as the following table shows (c.f. also graph1 in the appendix). Thus, in the 1960s, women's full-time average pay rose from 64% of average male pay to 82% in 1996 (i.e. the gap dropped by a half from 36% to 18%). But this gap only concerns full-time work – there are no long-term data including part-time work...

These data are based on *DADS* (annual declarations of pay by employers), which is one of the main sources of study of pay with a long series. They provide comparable data going back to the 1950s. The main limit of this source is, however, that it only covers **full-time pay in the private and semi-public sectors**.

Long-term trends of the average annual net¹ pay gap Full time pay – private and semi-public sectors

Year	Gap (%)
1951	35,1
1960	35,7
1970	33,3
1980	27,7
1981	27,3
1982	26,9
1983	26,2
1984	25,8
1985	25,7
1986	25,7
1987	25,9
1988	25,5
1989	25,1
1990	24,9
1991	24,6
1992	24
1993*	21,6
1994	19,5
1995	18,7
1996	19
1997	18,6
1998	18,4
1999	18,6

Source: *DADS, Séries longues sur les salaires, INSEE, 2000*

¹ After deduction of social contributions, but before income tax.

The gap has become smaller over time, notably since 1968 – above all, because differences in jobs have also diminished: it tends to be easier for women to have access to more qualified and better paid jobs – until the end of the 1960s, they accounted for less than 10% of executives, whereas now they account for 25% of them.

Trends in the structure of qualifications, by gender

	19 52		19 67		19 82		19 98	
	M	W	M	W	M	W	M	W
Higher-level professionals	4	1,3	4,8	1,1	9,8	3,2		
Middle-level professionals	7,7	2,4	9,7	5,8	14,6	15,6		
Office employees	15	38,3	11,7	43,6	11	40,4	11,6	46,7
Manual workers	70,6	52,4	72	43,2	61,5	27,9	46,7	15,1
Service employees	2,7	1,8	6,3	3,1	12,9			
Managers and heads of companies							16,9	9,4
Intermediate occupations							22	26,2
Apprentices, work experience							2,8	2,6
Total	100	100	100	100	100	100	100	100
Distribution by gender	74	26	72	28	65	35	64,1	35,9

Full-time employees in the private and semi-public sectors

Source: *DADS, Séries longues sur les salaires, INSEE, 2000*

Graphs in the appendix show that, overall, women are more concentrated around the minimum wage (*SMIC*), but that in 10 years, the curves have shifted to the right, notably for women.

Over the long term, a reduction in the pay gap can, thus, be observed as far as full-time employees are concerned.

In France, there are several statistical sources on pay. We will consider three main kinds: surveys of employees, such as the Employment Survey (*Enquête emploi*) or the Community Household Panel (Eurostat); surveys of companies, such as the survey of pay structure, used by Eurostat; administrative data, such as *DADS*.

Results vary depending on whether one takes into account: monthly or hourly income, pay of full-time work and not part-time, the existence of bonuses, the public sector or only the private sector, companies of more than 10 employees or all companies, age (e.g., under 45 year olds in the survey of Young People and Careers, on which econometric studies have been carried out)...

From the above data, differences can be observed as a result of the range of sources and the complex nature of the notion of pay itself.

Indeed, if one takes monthly pay as the reference point, as in the following table, the effect of part-time work is included, which has been particularly great recently, especially as 82% are women.

Pay gap: gross monthly income in Euros, by gender

	1997	1998	1999
Men	2 244,05€	2 282,16€	2 312,65€
Women	1 785,18€	1 820,24€	1 853,78€
Gap	25,7%	25,4%	24,8%

Source: *DADS*, *INSEE*, establishments with more than 10 employees, quoted in the 2001 NAP

The following data, which made it possible to analyse in detail factors that explain pay inequality, are from a different source (Employment survey). It appears that, amongst all employees, the gap dropped from 24.9% in 1991 to 24.2% in 1998 (i.e., 0,8% difference with the first survey that was quoted (*DADS*)). Moreover and very importantly, **it would appear that part-time work pays a decisive role in this gap**, since if one only takes full-time work, the gaps are only 15.8% (1991) and 11.8% (1998).

	1991	1998
Average women's pay as a % of average men's pay		
All employees	75,1	75,8
Full-time employees	84,2	88,2
Pay gap (women in relation to men, %), <i>ceteris paribus</i>		
All employees	-23,0	-23,9
All full-time employees	-13,6	-12,4
All employees when adjusting for unequal access to employment	-10,4	-11,4
All full-time employees when adjusting for unequal access to full-time employment	-6,4	-6,9

Source: *Enquête emploi*, *INSEE*, calculated by Ponthieux, Meurs, 1999.

1.2 Part-time pay gap

The pay gap of part-time work has not been systematically measured over the long-term. Through my research, I have, however, been able to find a reference to non full-time pay, which includes: part-time employees, defined (until the year 2000) as those who work less than 4/5th of full-time contractual hours, “intermittent” contract workers (irregular hours, notably in services and show business), homeworkers. Until the beginning of 1992, one could, however, distinguish part-time work from other non full-time statuses, but such data are fragile. Moreover, until 1999, it is a matter of average annual pay, so there are no data on the hourly pay gap. These differences also include the effect of reduced working time of men and women, which explains much of the observed gap. Thus, in 1999, the hourly gap for non full-time work was 15.3%, compared with more than 20% in previous years as far as monthly data are concerned.

Average annual net pay of non full-time employees in France

Year	Men	Women	Gap (%)
1987 all types	43242	26972	37,6
part-time	47031	33600	28,6
1988 all types	44886	33540	25,3
part-time	47771	34530	27,7
1989 all types	43640	35150	19,5
part-time	49553	36425	26,5
1991 all types	48570	38307	21,1
part-time	57134	40157	29,7
1992 all types	51580	39644	23,1
part-time	59083	41732	29,4
1995 all types	62888	49574	21,2
1999 all types (hourly pay)	58,89	49,86	15,3

Source: DADS, *Séries longues sur les salaires*, Insee, ed. 2000

1.3 Employees on low pay

When low and very low pay are defined as being less than two thirds of median pay (low pay being between half and 2/3 of median pay and very low pay as being less than half median pay), one can observe in France a rapid increase of this phenomenon recently: from 11% in 1983 to 15% now. The share of women in this category is huge (almost 79%), as the following tables show.

Share of full-time and part-time low and very low pay (%)

Year	Very low	Low	Total
1983	5	6,4	11,4
1984	5,5	6,5	12
1985	6,2	5,8	12
1986	6,9	6,4	13,3
1987	7,1	6	13,1
1988	7,2	6	13,2
1989	7,3	6,1	13,4
1990	8,1	5,2	13,3
1991	8	5,8	13,8
1992	8,3	6,6	14,9
1993	9,6	5,2	13,3
1994	10,3	5	15,3
1995	10,2	5,1	15,3
1996	10,1	5,4	15,5
1997	10,1	5	15,1

Source: *Enquête emploi*, Concialdi, Ponthieux, 1997

Share of women and part-time women amongst those on low and very low pay

	1990	1991	1992	1993	1994	1995	1996	1997
% of women	78,4	77,6	76,9	78	78,9	78,5	77,9	78,8
% of part-time women	47,6	46,8	51,4	52,4	53,8	52,1	54,5	56,5
Incl. involuntary part-time	44,7	43,1	45,2	46,2	48,3	48,8	49,3	50

Source: *Enquête emploi*, Concialdi, Ponthieux, 1997

However, if one looks only at those on full-time low and very low pay, one can observe that they represent “only” about 10% and they are mainly on low rather than very low pay. Amongst full-time employees, the share of women on low or very low pay is also higher than their share in economic activity: in 1994, women made up 59.2% of those on low and very low pay; since then, 71.4% (unfortunately we do not have gendered data for every year).

Share of low and very low full-time pay (%)

Year	Very low	Low	Total
1983	0,8	7,1	7,9
1984	0,8	7	7,8
1985	0,8	7,3	8,1
1986	0,8	7,3	8,1
1987	0,8	6,6	7,4
1988	0,9	7,8	8,7
1989	1	8,2	9,2
1990	1,1	7,5	8,6
1991	1,1	8,1	9,2
1992	1,1	5,9	7
1993	1,1	9,2	10,3
1994	1,4	8,8	10,2
1995	1,3	8,3	9,6
1996	1,1	8,9	10
1997	1,1	8,9	10

Source: *Enquête emploi*, Concialdi, Ponthieux, 1997

1.4 Distribution of net pay

We will now examine pay inequality by comparing the ratio of the highest decile to the lowest decile for all employees and by gender. We can observe that the general range of pay has diminished compared with the 1960s, but in a limited way since the 1980s (0.2 point reduction). This reduction affected men more than women, for whom the range of pay was significantly smaller at the beginning. This is explained by a dual phenomenon: there are more women amongst those on low pay and when they climb the pay scale, they reach their ceiling more quickly than men.

Distribution of all net pay

Year	D9/D1 Total	D9/D1 men	D9/D1 women
1960	3,82	3,8	3
1970	3,66	3,7	3
1980	3,25	3,38	2,73
1981	3,22	3,38	2,75
1982	3,19	3,39	2,77
1983	3,13	3,34	2,69
1984	3,09	3,31	2,63
1985	3,12	3,34	2,63
1986	3,16	3,38	2,70
1987	3,18	3,39	2,73
1988	3,23	3,44	2,78
1989	3,27	3,48	2,82
1990	3,26	3,46	2,86
1991	3,26	3,44	2,89
1992	3,23	3,41	2,93
1993	3,21	3,42	2,88
1994	3,08	3,32	2,68
1995	3,08	3,31	2,67
1996	3,09	3,32	2,70
1997	3,06	3,29	2,69
1998	3,05	3,28	2,66

Source: DADS, *Séries longues sur les salaires*, Insee, ed. 2000

II REVIEW OF NATIONAL STUDIES THAT ESTIMATE AN ADJUSTED GENDER PAY GAP

Various recent econometric studies concern France - Meurs, Ponthieux, 1999 and 2000 and Lemièrre *et al.*, 1999 - which we will present here.

II.1. A measure of discrimination between men and women, D. Meurs, S. Ponthieux, 2000

On the basis of 1997 INSEE data, this study estimates the overall (full-time and part-time) pay gap between men and women to be 27%. Amongst all these employees, differences in weekly hours play an essential role: they explain two fifths of the pay gap; other structural differences (kind of job occupied, sectors and individual characteristics) explain another two fifths; the remaining fifth is the “unexplained” part of the model.

When the study only concerns full-time employees, the total gap is only 11%. In this case, structural variables play the same explanatory role (two fifths), but hours obviously only play a small role (hardly a tenth of the gap). For this reason, the unexplained gap is 50%...

The source, which is used, is the March 1997 complementary survey on “Young People and Careers”. It covers individuals who are under 45 years old, on the basis of an extract of the Employment Survey. The incontestable interest of this model is that it is based on full-time and part-time employees, whereas most studies only concern full-timers. Moreover, this study includes the public sector. Obviously, the main limit is that it only covers people under 45. Overall, if one compares full-time pay inequality, this study underestimates the pay gap -

indeed, with age, men's pay is higher (the effect of the end of men's career and the effect of older women's working behaviour – more career breaks). Moreover, by including the public sector (except for teachers), the pay gap is reduced by about 2 points, because, as is well known, pay is lower in the public sector.

Pay gap according to source and field (full-time, without teachers)

Field	Source	Average	D1	Median	D9
Total	<i>Enquête EJC</i>	12,1	7,6	10,6	17,4
	<i>Enquête emploi</i>	21,3	13	11,4	32,1
Private sector	<i>Enquête EJC</i>	14,1	9,8	13,2	19,5
	<i>Enquête emploi</i>	22,8	10,5	17,5	35,5

Source: Meurs, Ponthieux, 2000

The method of decomposition, used in this study, is based on the work of Oaxaca and Ransom, 1998. “*The unexplained gap (or discrimination) is thus the sum of the valorization of male characteristics by the gap between male output and average output, which is called the “male advantage” and of the valorization of female characteristics by the gap between average output and female output, which is called “female disadvantage”*”, (Meurs, Ponthieux, 2000).

Explanatory variables are traditional:

For all employees:

- The gap explained by different working time is central.
- The gap explained by individual characteristics (explicit reference to human capital, different courses of study, age) and by characteristics of jobs occupied (socio-occupational category, sector, size of company). We should note for the latter that no critical approach to theoretical bases is referred to (there is no critique of human capital approaches, no analysis of the bases of the jobs occupied, as if it was a fact...).
- The unexplained gap is small (15%) and is equally distributed between “male advantage” and “female disadvantage”.

For full-time employees:

- The explained gap is only 52% and is explained mainly by individual characteristics and jobs.
- In the unexplained gap, “male favouritism” appears to be secondary compared with penalisation of women's pay.

Decomposition of the pay gap

	Total		Full-time	
	Level	%	Level	%
Male advantage (1)	0,020	7,3	0,02	18,9
Female disadvantage (2)	0,022	8,1	0,031	29,1
Total unexplained gap ((1)+(2))	0,042	15,4	0,051	48,0
Gap explained by differences in weekly hours (3)	0,110	40,9	0,008	7,7
Gap explained by other differences (4)	0,118	43,7	0,047	44,3
Total explained gap ((3)+(4))	0,228	84,6	0,056	52,0
Gender pay gap (log)	0,270	100,0	0,107	100,0

Source: Meurs, Ponthieux, 2000

This study does not conclude with any recommendations for reducing such inequality. The only remark at the end concerns the unexplained gap and shows that, with more precise analysis, it is to be noted that “discrimination” is explained more by women’s pay penalisation and not by favouritism regarding men. Whereas it is explained earlier in the study that when male favouritism is great, it is more difficult to reduce discrimination because it involves challenging the advantages of a group, which is in a dominant position. In France, it seems that it is less a question of this type and, therefore, reducing the pay gap will happen through a better valorization of women’s jobs...

II.2 Pay inequality between men and women in the 1990s, D. Meurs, S. Ponthieux, 1999

The same researchers made another study of the 1990s.

During the period studied, the average total pay gap of full-time employees was 15.6% in 1991 and 12.7% in 1997. For all types of jobs (full-time, part-time, private and public sectors), the gap is 25%. Amongst full-time employees, the gap, which is “explained” by jobs and individual characteristics, is 6% (i.e. half). All things being equal, there, therefore, remains a 6% gap. *“However, if one considers employees, who are strictly comparable, the fact that it is less evident for women than for men to work full-time is erased. This difference, concerning the type of job occupied, doubles the male-female pay disadvantage, if we still reason in terms of identical individual characteristics”*.

This study is based on data from the 1991 to 1997 Employment Surveys. It only concerns full-time employees from the private and public sectors. *“It should be recalled that employment in the public sector is far from being a negligible structural difference between male and female employees, as it represents 31% of women’s jobs compared with 17% of men’s jobs in 1997”* (D. Meurs, S. Ponthieux, 1999).

Explanatory variables are the same, but detailed elements on factors that determine pay are useful:

- Diplomas have approximately the same impact for men and women, but men gain more from their experience than women.
- The fact of being a civil or public servant works in favour of women during the period under consideration, because of stagnation of pay in the private sector.
- The pay gap is negative and significant during the whole period for executives, skilled workers and employees in retail and services, not for intermediate categories. In other words, occupational categories are narrower for women.
- Finally, the effect of gender itself remains significant, so the whole pay gap cannot be explained by human capital gaps.

As in the first study, no recommendations appear in these econometric observations. Some ideas can, however, be extracted: public employment makes it possible to partly protect women; thinking about the role of occupational segregation is fairly new – according to these researchers, as far as full-time employees are concerned, the factor that works against women is, above all, a different valorization of skills within the same category, which favours men. It is, therefore, a matter of pay discrimination, which they obviously cannot explain here. However, they paradoxically consider that occupational segregation rather works positively for women, because the pay gap is bigger at higher levels of pay.

II.3. Male/female pay disparity: econometric analysis of pay gaps by occupational sector, S. Lemière et al., 1999.

This study is interesting, because it is based on a monographic approach within some occupational sectors (banks, dairy industry, research services (Syntec) and plastics processing, to which is added an econometric analysis of three of these sectors (comparison within and between these sectors, except for the dairy industry). Moreover, unlike the other studies, it takes into account the existence of extra pay (overtime and bonuses).

The analysis is based on the 1992 “pay structure” survey, because it has the advantage of providing individual and company data. For each sector, there are data on hierarchical coefficient gaps (as defined in collective agreements); basic pay; and also total pay (including bonuses). In the research services sector, gaps are highest (46.3% for coefficients and, above all, 65% for basic pay, but bonuses do not increase this gap (66%). In banks, the gaps are smaller, but are on the same lines (23%, 27% and 28%). In plastics processing, the gap is only 15% regarding coefficients, 26% regarding basic pay and 29% regarding total pay.

The method of pay decomposition is the same as above: on the basis of classical human capital variables, variables concerning pay (nationality, family situation, region...) and a “gender” variable, wage equations have been estimated, using Oaxaca’s and Ransom’ work (1994). The following table presents the results of this decomposition - it confirms that the pay gap increases when passing from the coefficient to basic pay and then hourly pay. In banks, the advantage of men is greater in all three cases (including in relation to the explained gap). The opposite is the case in research services, where the explained gap predominates. It is also the case in plastics processing, where the “disadvantage” of women is great. Moreover, in all three sectors, when one passes from the hierarchical coefficient to total pay, the unexplained gap increases, but the gap exists from the outset in the allocation of differentiated jobs to women and men – bonuses only reinforce this handicap.

This study also does not propose any measures for reducing gaps, except in relation to a comparison of sectors carried out afterwards, when the role of trade unions in determining pay

is highlighted (the banking sector is better protected than research services) – this explains the fact that the gap is greater in the latter sector.

Decomposition of the pay gap of three sectors, by gender

	Banks		Syntec		Plastics processing	
Gaps in coefficient logarithms	18,74		33,38		12,81	
Men's advantage	7,15	38,15%	5,44	16,30%	2,15	16,78%
Women's disadvantage	5,73	30,58%	9,36	28,04%	4,46	34,82%
« Explained » gap	5,86	31,27%	18,58	55,66%	6,2	48,40%
Gaps in basic pay logarithms	18,21		38,61		17,65	
Men's advantage	7,31	40,14%	6,46	16,73%	3,42	19,38%
Women's disadvantage	5,77	31,69%	11,39	29,50%	6,92	39,21%
« Explained » gap	5,13	28,17%	20,76	53,77%	7,31	41,42%
Gaps in hourly pay logarithms	20,41		39,35		20,42	
Men's advantage	8,52	41,74%	6,88	17,48%	4,2	20,57%
Women's disadvantage	6,82	33,41%	12,12	30,80%	8,83	43,24%
« Explained » gap	5,07	24,84%	20,35	51,72%	7,39	36,19%

Source: Lemièrre *et alii*, 1999

III NATIONAL INSTITUTIONAL FACTORS AND GENDER PAY GAP

III.1. The national system of pay-setting and its impact on the gender pay gap

Measures for combating pay inequality in France are predominantly of a legal nature. Thus, in the preamble of the 1946 Constitution, the law guarantees identical rights in all fields for women and men. In 1953, France ratified ILO Convention N° 100, which introduced the principle of “equal pay for equal work”. This principle was written directly into the Labour Code by a law, that was adopted on 22 December 1972.

A law, adopted on 13 July 1983, was an important stage, because it extended this principle to all work of equal value (not only a strictly equal job or work). Finally, a new law was introduced on 9 May 2001 on occupational equality, which aims at totally modifying the place devoted to occupational equality in negotiations, notably on pay (c.f. box). We will look at this central point in more detail below.

It should be recalled, however, that in France, pay-setting is based on collective agreements, except in the civil and public service and for the minimum wage (*SMIC*). But the role of collective agreements is ambiguous in France: the rate of coverage is amongst the highest (almost 97% of employees in establishments of more than 10 employees are covered), the system of regulating pay at the level of sector has only a small impact on real pay. The French system is inegalitarian – on the one hand, the industrial sector has long been extensively covered by agreements, trade union weakness in retail and services means that collective agreements in these sectors are more recent and fragile. “From the point of view of women and their pay, social and historical construction of collective agreements is thus far from being neutral: women, in a general context of low levels of unionisation, are even less represented in

these structures (...) and are concentrated in the less structured sectors, as far as industrial relations are concerned” (Ministry of Employment, 2000). This situation reinforces the role of the State regarding protection of the low paid (via the *SMIC*) and also regarding law, such as in the new French law on occupational equality.

The 9 May 2001 law: real mainstreaming policy?

This law has two important aspects: the first concerns companies (i.e. the part which is of interest for us for this study); the second concerns the civil service.

As for **private sector companies**, besides improving tools, that exist since the Roudy law (improvement of the “state of the art report” and more flexible modalities for access to State help), there is an important new measure as far as mainstreaming is concerned: “a specific obligation to negotiate on occupational equality between women and men” at company and sector level every three years. The law also aims at creating an “*obligation to mainstream occupational equality between women and men in all compulsory negotiations*” in companies (pay, working time, right to expression) and in sectors (pay, grading, vocational training). We should also note that if this obligation is not respected, it leads to the same penalties as in the case of not negotiating on other compulsory subjects.

This law aims at filling the main gaps in equality practice in France:

- firstly, such a principle involves social actors at the level of the sector and locally. But, the results of the 1983 law show the extent to which these actors do not use available tools, thus limiting the passage from equality in law to equality in reality;
- secondly, work on equal pay has shown for years now that negotiating equality in a specific way had little effect (Silvera, 1996, 1998). Indeed, inequality is built into all negotiations and cannot be reduced afterwards by corrective measures *ex post*. Only upstream reflection, which is transversal to all negotiations makes it possible to leave this dead end (Ministry of Employment and Solidarity, 2000);
- thirdly, this proposal is in the form of an obligation - there are penalties if it is not respected. This is important, because it seems that there is no “spontaneous” will to negotiate equality in France.

Civil service: The study carried out by Anne-Marie Colmou on the place of women in the civil service attracted a lot of attention – in a feminised sector, where the weight of rules is great and where legal equality is guaranteed by the Civil Service Status, this study highlighted the persistence of great inequality between men and women in access to posts of responsibility. The government, therefore, intervened in order to improve the situation (Prime Minister’s circular of 6 March 2000). Thus, equality plans are going to be introduced in each Ministry, in order to ensure balanced participation of women and men on the basis of indicators and targets with actual numbers attached for each Ministry.

Also, juries for entrance exams and State representatives in civil service consultative bodies are going to be feminised. Finally, women’s access to posts, where there are few women (army and police) is going to be encouraged. Conversely, men’s access to posts that very feminised (e.g., childcare facilities) will be facilitated. These measures are also in the law on occupational equality, in order to integrate them in the new Civil Service Status.

III.2 Regulation of low pay

In July 2001, 13.9% of employees were paid at the level of the *SMIC*. This proportion has only increased a little since the 1990s, because of pay moderation linked to the reduction of working time. Company size is an important factor – in very small companies, 30.1% are paid *SMIC*, compared with only 4.7% of those in companies with more than 500 employees. The proportion of those on *SMIC* is highest (43.3%) and increasing fastest in the hotel and catering sector. *“The typical profile of a company most frequently employing people on SMIC seems generally to be a very small company in a sector, that employs mainly young people, women, part-time employees or those on fixed term contracts and where there is little collective bargaining”*. (P. Combault, 2002).

There are, indeed, twice as many women as men on *SMIC* – 19.9% are in this situation (compared with 9.9% of men). This is mainly explained by effects of sectors and structures. Women are, indeed, present in part-time employment and low paid work (textiles and cleaning). But, it should be noted that the gender gap is smaller amongst young employees – 27.4% of young men are on *SMIC*, compared with 36.9% of young women. Despite various attempts in previous years, there is not a youth *SMIC* in France, but certain measures reserved for young people are similar to such a measure given that they are part-time subsidised jobs.

Lower contributions for employers regarding the low paid

In the 19 January 2000 law on reducing working time, the scale of company’s contributions changed for those companies, which reduced weekly hours to 35. This graduated reduction varies between 3277.65 Euros regarding those on *SMIC* and 609.8 Euros for those on pay that is 1.8 times *SMIC*. **These reduced contributions on wages at the level of *SMIC* represent 28 points’ less contributions for employers, i.e., a 19% reduction in labour costs.** In terms of employment, the Ministry of Employment assesses the net effect of this measure to be 165,000 more jobs in 2000, which means an additional 0.2 points’ growth in the annual average number of jobs. From the point of view of low skilled jobs, the increase is clear – their level reached that of 1984, whereas until 1994, the share of unskilled jobs had only decreased. In 2000, there were 3.4 million low skilled jobs (a quarter of total employment), i.e., 400,000 than in 1997.

But the question of the effect of reduced employment contributions is a very controversial topic in France.

A. Very recently, there was a polemic regarding the number of jobs thus created:

- on the one hand, *INSEE* (B. Crepon, D. Desplatz, 2002) published a survey, that estimated that the impact was at the level of 460,000 jobs between 1994 and 1997. Half of them were unskilled jobs. 150,000 were created thanks to reductions in contributions in industry and 310,000 in the tertiary sector (70,000 unskilled jobs in industry and 160,000 unskilled jobs in the tertiary sector).
- Various economists contest these results and consider that they over-estimate the real situation. Firstly, H. Sterdyniak (2002) emphasises that *“length of work is missing from the article”* – but, **the effect of part-time work (mainly feminised) has greatly contributed to job creation and reductions in labour costs: between 1994 and 1997, market employment increased by 1.6%, but by only 0.4% in terms of full-time equivalent employment.** Another assessment emphasises that, during the period under consideration, actual employment increased by 360,000 jobs, but only by 174,000 in terms of full-time equivalent employment (M. Husson, 2002). Finally, other critiques have shown that the effect of reductions in social contributions can only be assessed in the

long-term (over a period of 10 years) and that the effect would be somewhere between 100,000 and 120,000 jobs for the period under consideration (G. Cette, A. Gubian, 2002). We can observe, however, that the dynamics of growth and the effect of reducing working time also made major job creation possible in 2000 – we know that in 2000 580,000 jobs were created in all. Thus, latest estimations show that from 1997 to 2000, reduced social contributions have led to the creation of 125,000 jobs in the competitive sector and reduced working time to about 300,000 during the same period.

B. Besides the issue of numbers of jobs, the development of incentives for going back to work and the fight against economic inactivity traps have been criticised in other ways. We can observe, first of all, that the scope of reduced social contributions on low pay has been extended by the law on the introduction of shorter working time, because these reductions now concern pay up to 1.8 times *SMIC* (instead of 1.3 times previously), even though the reduction of employers' contributions for part-time workers has been abolished² – which is a positive point. Nevertheless, the policy of reducing social contributions on low pay tends to put a break on pay increases – as any pay increase costs employers more in terms of social contributions – thus, such employees are enclosed in “low pay traps” – and women are most particularly concerned.

But, it is evident from the NAP and all assessments, that **the issue of gendered effects of these measures has never been raised** – but, we know that half of the jobs, that are created, are occupied by women. Moreover, the proportion of women in unskilled jobs and, notably, in part-time work is high. Thus, according to O. Chardon (2001), unskilled jobs are developing especially in the tertiary sector (retail and services), in other words, in the bastions of women's employment. It is, indeed, mainly a matter of childminders, unskilled retail workers and cleaning staff, which have increased most quickly (c.f. table). Thus between 1982 and 2001, the proportion of women in unskilled jobs has increased from 52% to 60%. Moreover, data show that part-time work and all types of casual status have increased in these jobs and this kind of job insecurity is significantly greater for them than for skilled employment – 30% of unskilled employment is part-time (54% of cleaning staff and 49% of childminders), compared with only 12% of “other employees”, who are skilled. Likewise, 17% of jobs are casual amongst the unskilled, compared with 7% of others.

In other words, the effects of reduced social contributions regarding employees on low pay are far from doing justice to real problems, and, moreover, run the risk of discriminating against women by reinforcing part-time and low-skill traps.

As for returning to employment, we have already mentioned the main new measure, namely the “**employment bonus**” in our report on the 2001 NAP. This measure should concern 10 million employees on low pay. This employment bonus, which increases for pay up to *SMIC* level and then decreases and disappears at the level of 1.4 times *SMIC*. It also varies according to one's family situation. Thus, for an person on *SMIC* with one dependent child, the bonus is 748 Euros for a full-time job and 404 Euros for a part-time one.

There has been little assessment of this measure in terms of gender. But we have shown previously that this tax measure could have a negative effect on the employment of those women, who are in the most fragile situations. This dimension should also be looked at in greater depth and really assessed. It is also revealing to observe that a complementary file,

² This explains, perhaps, the tendency for companies to reduce involuntary part-time employment, which is now less attractive for them?

that assesses the effects of this measure on the income of those on low pay – before and after this reform – is based on two cases, namely a single person without children and a couple – one of whom is economically active - with two dependent children... Whereas, in fact, dual earning couples are increasingly frequent amongst those on low pay – but this case is not presented. However, in this case, the positive effect would be smaller and the marginal gain from going back to work (passing from *RMI* to part-time work) would be negative for the second income. **More generally, the gender impact of the whole of the French tax system should be strictly assessed, but it seems that France is not ready for such an approach...**

A previous study of the effect of the creation of *RMI* (“occupational integration minimum income”) in 1989 showed that *RMI* had little impact on behaviour regarding economic activity (refusing a job), except for single mothers, for whom a disincentive effect was identified (T. Piketty, 1998). The effect of economic inactivity traps, which are probably not very big, do however play a bigger role for women, notably those with children and in a couple, like the Parental Childcare Allowance (*APE*), which has led to many women withdrawing from economic activity amongst the less skilled.

A recent assessment of the employment bonus (P. Cahuc, 2001) shows the lack of expected impact of this measure on employment, and also, indirectly, on the situation of women, notably those in couples – firstly, initial estimations by Laroque and Salanié on women’s employment, that are referred to in this report show that *“the employment bonus created very few jobs – about 9,000, of which 4,000 are part-time – for the population under consideration, namely 5,290,000 people. (...) The employment bonus led to 16,000 women transferring from non employment to employment, including 6,000 in part-time and 10,000 in full-time employment. But, at the same time, 7,000 women who were working full-time, left their jobs. 2,000 of them chose part-time employment and 5,000 chose non employment. Finally, 4,000, who were working part-time, changed their status – half left the economically active population and half chose full-time employment”*. The most negative effects were for women in couples, where the man works.

Comparison of median pay and minimum pay in 1998 Francs (Euros)

	1951	1967	1978	1985	1998
Net minimum pay	19 000 (2 901)	23 660 (3 603)	49 180 (7 508)	55 120 (8 415)	64 000 (9 771)
Net median pay	28 900 (4 412)	56 030 (8 554)	87 240 (13 319)	90 100 (13 756)	105 110 (16 047)
Ratio SMIC/median pay	65,7%	42,2%	56,4%	61,2%	60,9%

Source: *DADS*

The gap between minimum pay and median pay has fluctuated over the long-term. It is now about 60%, which means that minimum pay is relatively high in France, even if the gap is becoming smaller.

III.3 Other measures that have an impact on the gender pay gap

From the point of view of part-time employment, we have firstly observed that until 2001, part-time job creation offered significant advantages for companies, in terms of reduced social contributions, without any compensation for employees concerned. Now, these reductions

have been abolished and concern employers with employees on “low pay”. But, no measure aimed at improving the conditions of part-time employment exists. Besides the law, which guarantees identical pay for the same work, there is no specific measure protecting or correcting the situation of part-time employees.

As for childcare policy and leave, we have often denounced the ambivalent nature of French family policy. Some measures are favourable to women’s occupational, family and career equality. For example, longer paid paternity leave (15 days) since 2001 is a real success (more than 50% of fathers have taken advantage of it since it was created). Likewise, commitment to more childcare places goes in the same direction. Finally, on-going experiments regarding city times – with a view to harmonising working time with all of a town’s services – contribute to this process. But, we have also emphasised that the principle of Parental Childcare Allowance (APE) discriminates against mothers, who are in the most insecure situation regarding the labour market (c.f. previous French reports). No measure is currently envisaged to change this system.

In the area of industrial and public restructuring, we are not aware of any recent industrial policy plans, that could have an impact on the gender pay gap. The last major law in this field was the “social modernisation” law, which includes various sections, which have no direct link with equality. Measures concerning protection of casual workers do, however, have an indirect impact on women. Indeed, this law aims at limiting the “permanent” use of casual employment and giving new guarantees to those employees who are concerned by it (e.g., by increasing the “bonus for casual work” from 6% to 10%). But, we question the definition of “casual”, as the law only refers to two kinds of casual jobs, namely, temporary agency jobs and fixed-term contracts. Women account for slightly more than the majority of those on fixed-term contracts (55%), but this is not the case regarding temporary agency employment. However, one of the predominant forms of casual work for women is short part-time work, which is sometimes only a few hours per day, evening or weekend (in cleaning services, retail sector and catering). It seems that the legislator does not consider them to be casual. Is it possible to think that women “choose” such kinds of jobs?

In the public sector - we have already said there are many women - measures restricting public expenditure, redeploying staff and even privatising certain services are regularly promoted. Thus, part of the communications sector has opened its capital and changed its status (*France Télécom*). There are important discussions about the French electricity board (*EDF*) with a view to opening up its capital. The most recent proposals of the new Raffarin government confirm the objective of opening up capital without directly mentioning privatisation – thus employees would keep their public status, even if the activity itself becomes competitive...

From the point of view of employment, in the Post Office and *France Télécom*, recruitment is no longer in line with civil service status, but is contractual, and, therefore, affects equal pay. Women occupy most of the jobs and new recruits are offered lower pay and fewer guarantees regarding pay. Moreover, difficulties in implementing the 35 hour week law has increased divisions between employees, given that different levels (6) of *SMIC* exist now, depending on when the 35 hour week was introduced – the reason was to prevent *SMIC* from rising too quickly. The new Raffarin government plans to render the 35 hour week law more flexible (by authorising the use of overtime) and has announced its intention to harmonise the different levels of *SMIC*.

As for *EDF*, it seems that the risk of industrial action (like the massive strikes in December 1995) could limit privatisation plans, even if the particularly liberal part of the new government is very much in favour of it...

Some legal cases concerning pay discrimination

In France, few cases have been taken to court concerning gender pay discrimination. Moreover, existing cases have not always been won by women (because of lack of proof of discrimination) or, conversely, have, with good reason, made it possible to give the same rights to men – in this case, fathers.

Advantages related to family situation

- Mayenne *CPAM*³ versus Ferandin (*Cass Soc* 17 – 02 – 1991): collective agreements cannot reserve a bonus for crèche facilities only for women.
- *CNAM*⁴ versus Auran et al. (*Cass Soc* 09 – 04 – 1996): extra leave awarded to mothers should also benefit fathers.

Advantages related to maternity

However, it is considered that one-off allowances for women workers (not men) at the beginning of maternity leave is possible: this allowance compensates occupational disadvantages linked to maternity and distancing from work (Cargnie and Lutti versus Chomilier, *Cass Soc* 12 – 07 – 2000), based on the decision of the European Court of Justice made on 16 – 09 – 1999: *Régie Nationale des Usines Renault* versus Abdoulaye). Likewise, in the case of *CNAV*⁵ versus Dumont Duchemin (*Cass Soc* 16 – 07 – 1998), the court considered that the company could not deprive a woman employee of an evaluation (leading to promotion and possible pay increase) because of a 6 month absence due to maternity leave. It ruled that the company was obliged to compensate for loss of the possibility of promotion.

Equal pay for work of equal value

Equal pay for work of equal value is a central issue. However, there are contradictory cases:

- In the case concerning *USAI Champignons* versus Douarre and Daudel (*Cass Soc* 12 – 02 – 1997), the court of cassation condemned an employer, who justified higher pay for men, because their work required more physical force and was more difficult than women's work. The court considered that “ jobs that are different, but interlinked, can have the same value”.
- However, a decision of 28 – 06 – 2000 supported an employer (Gaumont versus Bull) by accepting that different pay could be justified by “relational difficulties and technical shortcomings”.

³ *Caisse primaire d'assurance maladie* (local health/social security office)

⁴ *Caisse nationale d'assurance maladie* (national health/social security office)

⁵ *Caisse nationale d'assurance vieillesse* (national pension scheme)

Period of appeal

Pay discrimination can be observed after leaving a company – a head of advertising observed that, after her departure, men, who were recruited to the same job, earned more than 50% more pay than she had, whereas no objective factor related to qualifications, experience or length of service could be established. (*Alskimomo versus Maharibatcha*, Toulouse, 16 – 02 – 1995).

Promotion

Finally, the issue of promotion is beginning to be dealt with in relation to a change in the onus of proof. The issue of trade union discrimination has, however, more often been dealt with from this point of view. Thus in the case of *Sellier versus the Commissariat à l’Energie Atomique* (*Cass Soc* 23 – 11 – 1999), a women employee showed that since 1978, she had not been promoted at all, although she had been in the company since 1961. This case was rejected, because of lack of sufficient proof showing the gender discriminatory nature of her lack of promotion. In spite of the difficulty referred to by the employee (lack of transparency in the way bonuses were awarded to executives), the reversal of the onus of proof (“it is up to the employer to justify pay gaps by objective criteria”) was not applied. However, a few months later, this principle was applied for the first time in France regarding a case of trade union discrimination, which had led to delayed promotion (*Cass Soc* 28 – 03 – 2000, *CFDT union versus SNCF*). It should also be noted that since then progress has been made in this area in France (e.g., concerning the Peugeot car company, where 169 *CGT* trade unionists have caught up on promotion (ranging from 3,053 Euros to 15,267 Euros). In these various cases, trade union mobilisation and the existence of a group of employees concerned by delayed promotion leading to pay discrimination seem to make it easier to win. However, the difficulty of proving discrimination linked to an individual characteristic such as gender and the low level of union mobilisation on issues of gender equality mean that there are few legal cases in France concerning gender pay discrimination, whereas the transposition of methods used in relation to trade union discrimination would be possible.

IV. POLICY REVIEW

1. Firstly, the theoretical bases of the econometric studies presented can be questioned – various criticisms can be formulated regarding these analyses, which aim at explaining (and also legitimising) unequal pay and unemployment on the basis of differences that originate outside the labour market (role of education in investment in human capital, internalisation of social roles, role of the family, prejudices, etc.):

- Firstly, in purely statistical terms, the stock of human capital and investment in training of men and women tend to converge, with women even having a small advantage in terms of diplomas. Also, women’s occupational instability has never been demonstrated – on the contrary, they tend to change jobs less often than men and, above all, the discontinuity of their economic activity has greatly lessened. Analyses are, therefore, not based on the stock of human capital, but on different impact of diplomas, where effectively the gap between men and women is great. But the theory of human capital alone cannot legitimise such differences – diplomas are put to advantage, or not, within companies and it is also here that experience and length of service are profitable. Thus, according to these studies,

in terms of human capital, it is clear that with equal experience in the labour market, 10 years' length of service in the same company generates more pay for men than for women (72% higher pay for men and 60% for women), (Sofer, 1998). This fact cannot be explained by the theory of human capital nor even by discrimination, given that starting pay is almost identical. Isn't it rather evidence of the existence of a specific "internal market" for men – or some of them?

- More generally, it is possible to have doubts about the place given to individuals' rational choices, outside of any social context, rules, standards or institutions. For example, how can such great investment in girls' educational success be justified when the performance of these diplomas is significantly unfavourable for them? Are women irrational beings?
- Moreover, we have had the opportunity of showing that other explanatory variables affect such pay gaps and cannot be introduced in such models (Silvera, 1996, 1998) – this goes, for example, for the role of institutional variables in the way pay is structured (role of the State, collective bargaining, existence of minimum wages). Some of the explanatory variables - notably the structure of jobs - relate back to occupational segregation. We have shown that a link exists between occupational segregation and discrimination. The latter model recognises that it does not take into account unequal access of women to certain occupational categories and the weight of discrimination in this process⁶.

2. As far as national policies, that aim at reducing unequal pay, are concerned, it is premature and particularly difficult to measure the effects of all measures concerning unequal pay. A paradoxical movement can be observed:

- On the one hand, only one recent measure has **directly** had an impact of reducing unequal pay. The **9 May 2001 law** – by making it compulsory to link occupational equality with pay bargaining – should, in the end, make it possible to render visible inequalities between men and women and envisage reducing this gap, provided social partners make use of this lever. In our view, this law is the only measure that aims directly at reducing pay inequality, but there are shortcomings. One has, in fact, to recall the specific context of industrial relations in France and, notably, the weakness of trade union representation in companies, which, indeed, poses the problem of the implementation of such a law – what will happen in the very many companies, where there are no trade union representatives capable of negotiating? This question is very important, as small and medium sized companies are particularly concerned and that it is where women are most numerous. Will the principle of mandates (possibility for an employee to be mandated to negotiate by a union, which is outside the company) be applied to the field of equality? This kind of question also seems important, given current tensions concerning negotiations on reducing working time – the increase in contractual obligations runs the risk of being unfavourable for equality...

This project should, therefore, be accompanied by other measures, that raise awareness and concern information and training regarding equality in the workplace - as is proposed for the National Education System and the Civil Service⁷. Moreover, incentive measures, and conversely penalties, still seem to be insufficient. How can this law be rendered operational, if the Labour Inspectorate's resources are not increased? Integration of

⁶ Other models have, however, attempted such an approach (Brown *et al.*, 1980)

⁷ One could, indeed, imagine a campaign of raising awareness about equality in companies, thereby seeking to challenge certain prejudices (concerning absenteeism, for example) and developing family-friendly measures in companies. Also, like Nordic countries, campaigns amongst fathers should be organised, in order to promote better reconciliation of family and working life for everyone.

equality has, indeed, been set in motion, but it can be considered that a decisive aspect is missing, in order to move towards complete integration of equality, namely the implementation of so-called positive action, which implies proactive measures for correcting inequality, whether in the Civil Service or in the private sector (as, for example, in Canada, where companies have to commit themselves to reducing the pay gap, when it is observed).

- On the other hand, given factors that explain unequal pay, some measures have an **indirect** impact on reducing such inequality:
 - Campaigns regarding the presence of both women and men in certain types of training and jobs.
 - Introduction of an auditing system offered to companies in order to integrate equality.
 - Launching of a new study by the Higher Council on Equality on pay gaps.
 - Measures concerning the representation of women in workplace elections (*Prud'hommes*, etc.) – this could affect the way in which complaints regarding unequal pay are treated.
 - Announced target of 250,000 extra places in collective childcare. This could help to make it easier for mothers to have access to real jobs and pay.

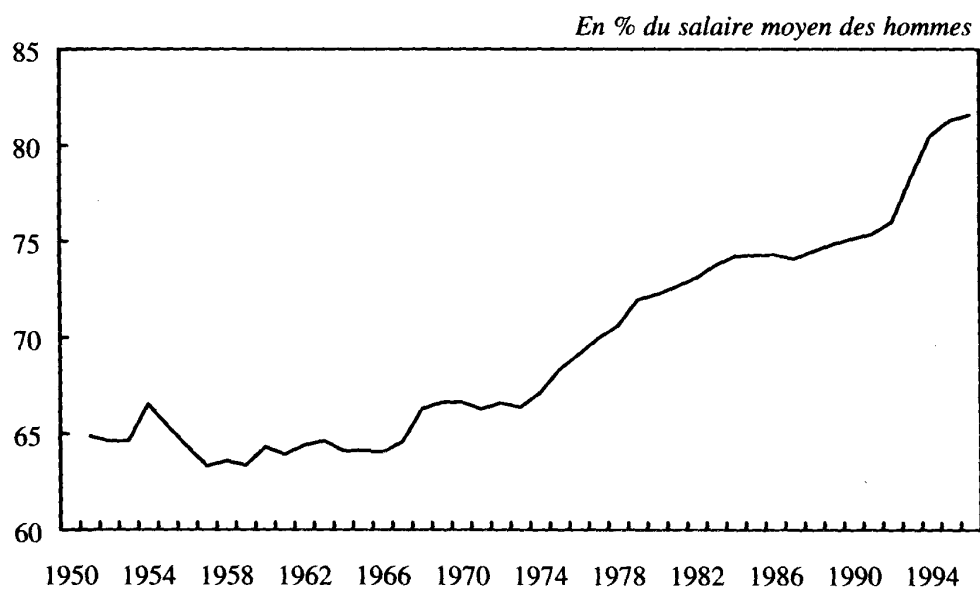
But, overall, the issue of pay gaps is not really the subject of a specific offensive measure – it is only announced in the 2001 NAP that “*the Higher Council on Occupational Equality will examine modalities for reducing pay gaps between men and women*” (2001 NAP). Such a decision seems very weak – firstly, many studies exist in France about this (carried out notably for the Higher Council on Equality!). Observations and analyses have already been carried out. What remains to be done is to envisage **more concrete and proactive measures**, such as revising classifications in terms of discrimination, the obligation to justify pay gaps in companies in terms of access to bonuses, length of service, etc. The only measures, that are envisaged, concern access to methodological support for companies in order to integrate equality or the creation of equality advisors (measure announced in 1998, but not yet implemented). More generally, the problem remains unsolved – measures are based on the existence of a real will on the part of companies to fight inequality, but this will either does not exist at all or hardly...

The only real field of intervention possible concerns increases in *SMIC*, which are decided upon by the government. Each year, in fact, *SMIC* increases are in line with inflation and average pay rises. Sometimes the government gives an additional “boost”, when it wants to show a desire to raise low pay. But, in 2001, under the Jospin government – and in spite of internal pressures – this boost did not happen. The new Raffarin government has confirmed its opposition to such a boost... However, such a measure would have an effect on gender pay gaps because, as we have already shown, they are twice as likely as men to be earning *SMIC*...

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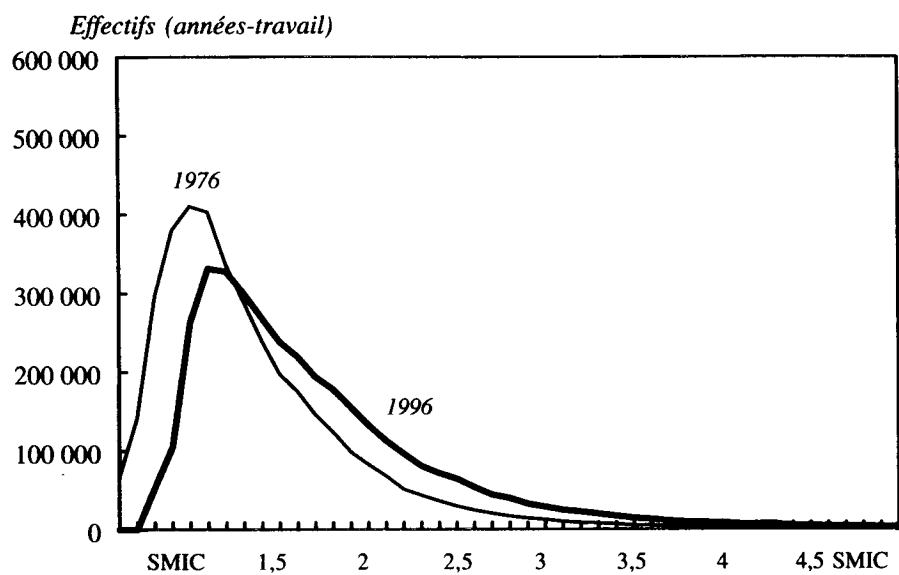
Graphique 1



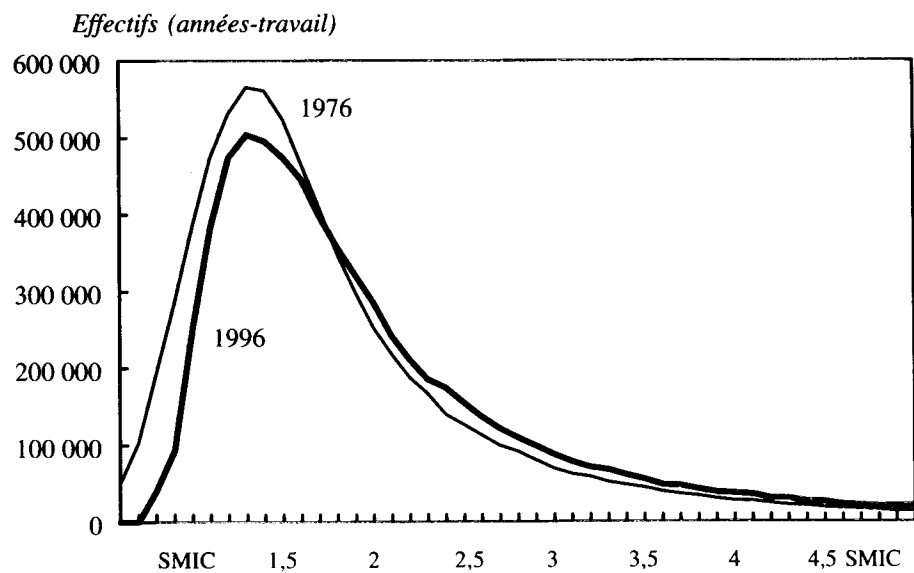
Source : Friez et Julhès, 1998.

graphiques 2

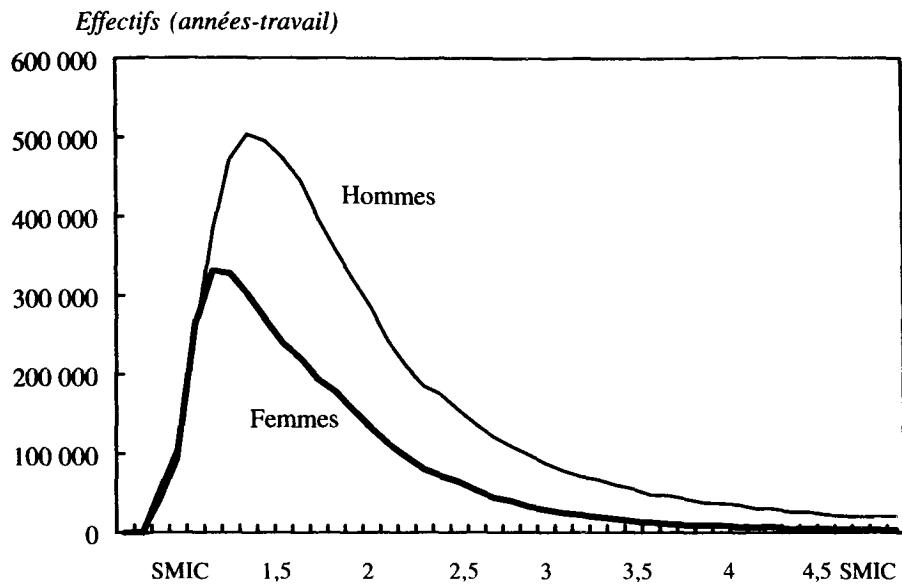
a. Femmes à temps complet



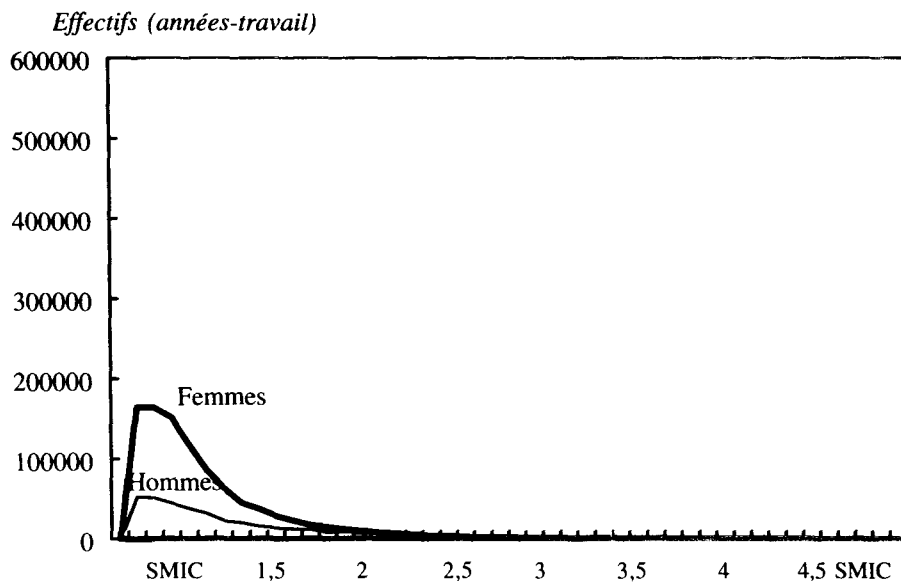
b. Hommes à temps complet



c. Femmes et hommes à temps complet



d. Femmes et hommes à temps partiel



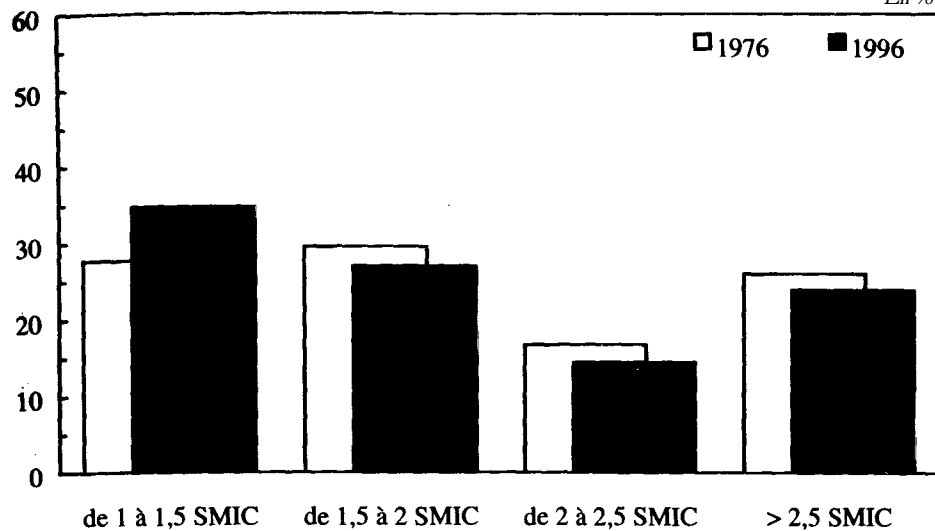
Note : Salaires nets annualisés en francs de 1996 en fonction du SMIC de 1976.

Source: INSEE, DADS.

graphiques 3

a. Hommes

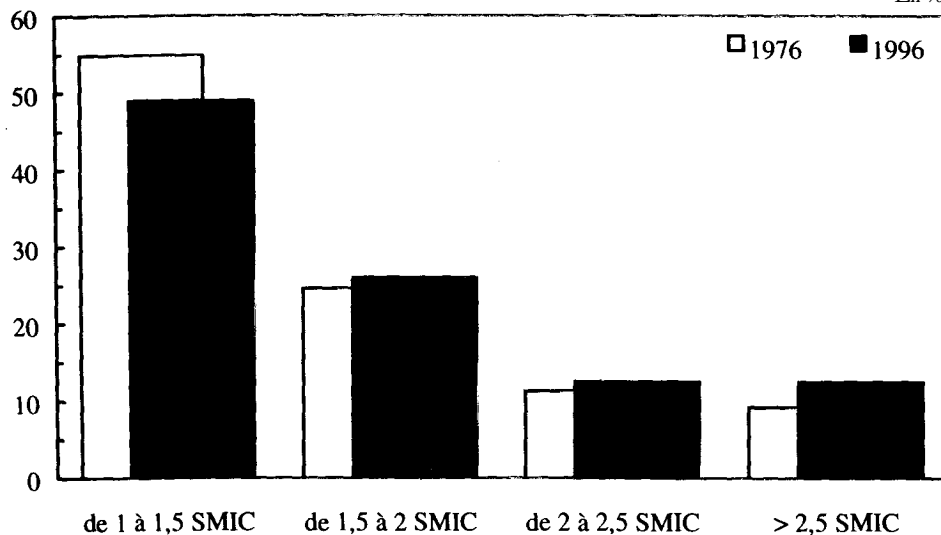
En %



Note : Le pourcentage d'hommes salariés à temps plein rémunérés de 1 à 1,5 fois le SMIC a augmenté de 27,7 % en 1976 à 34,7 % en 1996.

b. Femmes

En %



Note : Le pourcentage de femmes salariées à temps plein rémunérées de 1 à 1,5 fois le SMIC a diminué de 54,9 % en 1976 à 49 % en 1996.

Source : INSEE, DADS.