

Press Release

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RESEARCH REPORT REVEALS CONTINUED GENDER PAY GAP IN WALES

Wales will never be on an equal economic footing with the rest of Europe if women continue to be paid a third less than men a new report claims.

Chwarae Teg, the pan-Wales economic development agency for women, is warning that the Welsh economy is severely missing out on fulfilling its full potential in productivity and output by limiting the economic activity of women.

An 18-month research project undertaken by The Cytgord Development Partnership led by Chwarae Teg and funded by the European EQUAL programme has found that family poverty, social exclusion, limited availability and resources for women to invest in training and life-long learning will continue to create inequalities in the workplace unless positive action is taken to mainstream gender equality.

In 10 years, the gender pay gap has shrunk by only six percent. The average hourly earnings for women working full-time are £10.63 and for men more than £12.00. The figures are even more revealing for part time workers, where men earn on average almost a third more than women for every hour worked - a 31 percent discrepancy. Over the course of 12 months, women can still expect to earn almost a quarter less than their male counterparts.

Bridging the Gap Together: A collaborative approach to addressing the gender pay gap in Wales is one of the most comprehensive pieces of European-wide research into the reasons for the continued gender pay gap in Wales and was launched by Jane Davidson AM, Minister for Education, Lifelong Learning and Skills at the National Eisteddfod.

It brings together known research from members of the Cytgord Partnership (the Equal Opportunities Commission, Wales TUC Cymru, University of Wales, Bangor, the Welsh Assembly Government's Department of Enterprise Innovation and Networks, and the Fawcett Society), in addition to new Wales-based evidence from Chwarae Teg.

The report reveals that while awareness of the gender pay gap appears to be high among workers in Wales, with more than three quarters of respondents acknowledging that a marked pay gap does exist, many organisations still do not provide and/or fulfil formal equal opportunities policies or have not undertaken proper Equal Pay Reviews in order to address this issue, so had no basis on which to make informed decisions about fairness of pay.

Evidence also suggests that a lack of widespread support and specialist advice on gender equality has been a major factor in fuelling inequalities in the workplace. Equality issues are still not given enough prominence within school curricula, or workplace skills and training. Yvonne Griffith-Jones, Director of Policy and Development for Chwarae Teg said: "Although progress has been made in certain areas, even 30 years after the Equal Pay Act 1975, it's clear from our research that there is still much to be done to address any disparity that still exists between men and women in the economy. It's not simply a case of stamping out wage inequality.

"We hope this research report provides a clear picture of the current situation in Wales and workable recommendations for employers and organisations across the spectrum in Wales on how we can all work together to close the gender pay gap. It should be seen as a toolkit for employers, education and training providers, policy makers and employees to work from with guidance and recommendations to arrive at a situation where women are seen as an economic force in their own right by looking at all areas of work and life."

In addition to actual hourly pay, the report established that other reasons for continued wage inequalities in Wales include:

- Occupational segregation, with SMEs more gender segregated than larger workplaces in Wales.
- Gender stereotyping and skills development among young people, with 'jobs for the girls' and 'jobs for the boys' continuing to be advocated.
- The 'glass ceiling' effect where women are still well underrepresented in every area of executive management in public and private sectors.
- Contractual segregation resulting in the part time pay gap in Wales remaining at 40 percent.
- Discrimination on the grounds of pay maintaining the 45-50 per cent of the total hourly gender pay gap.
- Work life balance - in general there are more flexible working practices implemented by employers across Wales than ever before, yet few employers see work life balance as being beneficial to their business, especially among small businesses.

Bridging the Gap Together sets out a number of key recommendations on the way forward and includes:

- Mandatory pay reviews for all employers in Wales.
- Commitment from the National Assembly for Wales to continue funding campaigns such as Close the Pay Gap, and other like initiatives.
- Practical advice on how to tackle occupational segregation.
- Clear guidelines and joined up thinking on tackling gender stereotyping during children's informative years.
- The review and update of current gender legislation.
- Application of understandable and easily implemented mandatory measures that will make significant progress to close the pay gap, and that is applicable to employers within all sectors of the Welsh economy
- More widespread dissemination of the examples of pro-active good practice with regard to gender equality in the workplace that is already taking place in Wales.
- Take *positive action*, targeted at particular groups that are intended to eliminate and prevent discrimination or to offset disadvantages arising from existing attitudes, behaviours and structures, for example, initiatives such as the Welsh Assembly Government SME Equality Project, or developing campaigns to raise awareness of benefits of work life balance for all.
- Ensure all policy makers, employers, and those delivering services take account of and reflect the diverse needs of the population in Wales, by mainstreaming gender equality all policy.

The Cytgord Partnership is keen to see its recommendations, many of which are achievable, implemented. Yvonne Griffith-Jones continues: "We found that some of the reasons for the continued earning parity in Wales are attitudinal, which means these are not insurmountable barriers. However, it's vital that people clearly understand the causes and vast effects of continuing to treat women unfairly across the workforce. We want to provide proactive and positive measures that any people involved in business in Wales can adapt and take forward, to reduce the gap between men and women's earnings in Wales. Gender equality makes good economic sense for Wales.

Chwarae Teg, along with its Cytgord partners have and continue to achieve significant progress in driving policy and change in areas of workplace equality. During 2007, a number of legislative changes will come into force relating to equality in the workforce, which it is hoped will make the legal framework simpler and fairer. The Cytgord Development Partnership welcomes this Government review of the current gender equality and equal pay legislation to ensure that the gender pay gap is eliminated in Wales.

A copy of the full report can be accessed at www.chwaraeteg.com. Alternatively contact the Chwarae Teg national office on 02920 478 900.

Case Study: Cymru Kitchens Ltd

Cymru Kitchens Ltd a kitchen, bedroom and bathroom design and fitting company based in Newport is owned by Directors Paul Hogan and William Fox and is growing quickly. The company became involved with the Welsh Assembly Government's SME Equality Project in order to develop employee friendly policies, a review which took place in two stages. The areas of development were:

- employment policies in place in line with equal opportunities best practice
- flexible working practices established for all staff both on and off site
- developing recruitment and selection practices and person specifications for all staff
- advice on Investment in People and it's appropriateness for the company along with a plan to move ahead on quality control

At the time of Stage One there were 13 staff, six male and seven female and was a mixture of self and directly employed with five working part-time. Some staff worked very flexibly, by arrangement, to fit around home commitments although no formal policy existed.

The Second Stage development took place six months later, by which time the two directors were taking direct responsibility for Human Resources. Two new staff had been taken on and recruitment had taken place in line with the new Recruitment and Selection Policy, the warehouse expansion led to further recruitment.

Mr. Hogan, as a result of the Stage Two development, updated and agreed all the job descriptions and carried out a full appraisal process with all staff. This process raised issues about the equality and fairness of pay and review structures in the company and the directors wanted to address this. The SME Equality Project supported the company to carry out an Equal Pay Review, which found that staff were not paid fairly or equally and some of the employment conditions were not organised fairly, and directors had limited knowledge of pay levels in comparison to equivalent jobs locally.

An internet and job centre search was carried out to provide some benchmark information; a pay scale was developed with each job being given a starting and finishing point on the scale with attention to the principals of equality and fairness. This then enabled each member of staff to be placed on the scale and future progression to be based on target achievement and commitment, which will be reviewed in line with inflation. All terms and conditions were reviewed to ensure that they were provided on an equal basis for all staff.

Mr Hogan and Mr Fox feel that their involvement with the SME Equality Project has been of immense benefit to themselves and to the company as a whole. The Equal Pay Review has meant that they have now a secure foundation on which to continue the positive staff development processes that they have put in place and can be secure in the knowledge that company pay and reward structures are fair and equal.

ENDS

For more information or for comment on the report, contact Lowri Jones at Working Word PR on 02920 488 778

Notes to Editors

The CYTGORD Development Partnership is led by Chwarae Teg. The Partnership was established under the EQUAL programme for European Funding in Wales in 2004. Members of

the partnership include: The Equal Opportunities Commission, Wales TUC Cymru; University of Wales, Bangor; the Welsh Development Agency (which became the Welsh Assembly Government's Department of Enterprise Innovation and Networks in 2006), and the Fawcett Society.

EQUAL is an initiative which tests and promotes new means of combating all forms of discrimination and inequalities in the labour market both for those in work and those seeking work, through international cooperation.

Statistics provided by Equal Opportunities Commission reveal that since 1975, when the Equal Pay Act came into effect, the full-time pay gap closed from 29.5% to 19.8% in 1997 and from 21.2% in 1998 to 17.1% in 2005, based on full time working. (There is discontinuity between 1997 and 1998 due to a difference in the methodology of data collection). Therefore, the full-time gender pay gap has closed from 17.4% in 1998 to 12% in 2006.