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Conley, Hazel; Koskinen Sandberg, Paula

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## **Regulating Women's Pay in Finland and the UK – The Role of the Public Sector**

Hazel Conley, University of the West of England and Paula Koskinen Sandberg,  
Tampere University

**Abstract:** The public sector is the key site of women's employment around the globe and, as such, is often the frontline in the battle for pay equality. This chapter examines the different routes by which Finland and the UK have sought to achieve equal pay and the role of the public sector in implementing it. We provide the context of equal pay, the gender pay gap and pay transparency in both countries before drawing on case studies in local government. Our analysis indicates that pay transparency operationalised in the gender pay gap regulations in both the UK and Finland is narrow and limited, relying on aggregated mean or median measures between men and women. Transparency is not sufficiently extended to include differences of pay between men and women doing different but equivalent work. We therefore argue that debate on pay transparency should be extended to include questions of equal value.

**Key words:** equal value, pay transparency, public sector, Finland, United Kingdom

### **Introduction**

As the chapters in this volume have already identified, the public sector is the key site of women's employment around the globe. In the UK 65% of public sector workers are women (ONS, 2019) and approximately 34% of all employed women work in the public sector (WBG, 2019). Public sector employment statistics are collected slightly differently in Finland where 80% of local government employees and 49.5% of government employees are women (Local Government Employers, 2021, Office for the Government as Employer, 2020). Of these, the local government sector is significantly larger and an important employer for women in Finland. Despite the predominance of women employees, the sectors in both countries are gender segregated with women generally in lower paid job roles. Public sector employment has higher levels of trade union membership and still relatively centralised collective bargaining structures. It is therefore not surprising that the substantive battle for equal pay, and particularly equal value, has been fought in the public sectors of both countries.

Equal pay for work of equal value is an established principle in the European Union (EU) and, although both Finland and the UK had formally enacted equal pay legislation before membership of the EU, their membership has shaped the regulation of women's pay, albeit in quite different ways.

In this chapter we examine the different routes by which Finland and the UK have chosen to implement equal pay for work of equal value and the role of the public sector in putting the law into practice. To do this, we provide the context of equal pay, the gender pay gap (16% in Finland, 15.4% in the UK) and pay transparency in both countries before drawing on case studies in local government where the location of state funded care work has led to particularly gender segregated workforces and issues of equal value.

The SARs-Cov-2 pandemic has had a particular impact on public sector workers who deliver care services, which has brought issues of how care work, and women's work more broadly, is valued sharply into focus. We build on these events to argue for a reconceptualization of pay equality, transparency and equal value.

## **Finland**

Finland is one of the relatively gender equal Nordic countries (e.g. World Economic Forum, 2021). Women in Finland are highly educated and participate actively in the labour market. Although in Finland gender equality is better realized than in many other countries, there are structural and cultural features in Finnish society and labour market, which work against gender equality objectives. The Finnish labour market has an unusually high level of gender segregation (e.g. Grönlund et al., 2016). Men typically find employment within the private sector while women often work for the welfare state in occupations such as nurses, teachers and social workers (Official Statistics of Finland, 2018). Women's level of education has long ago surpassed that of men (Official Statistics of Finland, 2018), but it has not resulted in the gender pay gap narrowing.

Finland joined the European Union in 1995 as part of the EU enlargement that also saw Austria and Sweden accede. Finland already had relatively strong gender equality policies and was the first European country to achieve women's suffrage in 1906. Finland ratified the ILO Equal Remuneration Convention in 1962. The ratification was done via collective agreements, not through legislation. Finnish gender equality law, The Act on Equality Between Women and Men, came into force in 1987. The amendments to the law, which entail the obligation for proactive measures, such as gender equality planning and regular pay surveys, have since been added.

While the pay gap is most often attributed to gender segregation, it can also be understood as the result of undervaluation of women's work, which has become institutionalized within the structures of Finnish labour market and collective bargaining system (e.g. Koskinen Sandberg, Törnroos and Kohvakka, 2018, Koskinen Sandberg, 2021). Paying wages based on gender became illegal in Finland

in 1962, when the ILO Equal Remuneration Convention (C100) was ratified. Before that, it was a common practice to pay women significantly less than men (Bergholm, 2005). The practice of unequal wages was also included in collective agreements in the form of separate pay scales for men and women (Nummijärvi, 2004). The welfare state developed and expanded during this time when gender-based wages were still a reality. The welfare state became a significant employer for women in Finland by providing jobs in, for example, state funded education, health care and childcare. It offered economic independence for Finnish women but also female-typical wages for feminized work (Julkunen, 1994, Koskinen Sandberg, 2018). As collective bargaining has been centralized, negotiated between the trade union confederations, central employer organizations and the state, in Finland from the 1960s almost to present day, it has been very difficult to challenge and change the established wage relativities. The idea of centralized bargaining is to coordinate wage increases and other details of employment across the entire labour market. Feminized sectors of employment received wage increases that were similar to other sectors, but not more, creating and maintaining structural wage inequality. Thus, wages in feminized work have remained lower, significantly contributing to the gender pay gap. Recently, the Confederation of Finnish Industries has withdrawn from centralized collective bargaining, which denotes the end of traditional Finnish corporatism (Koskinen Sandberg et al., 2022). From now on, collective bargaining will take place at industry level and there are expressed objectives that eventually it will move more to local, company level. Finnish Forrester Industries already withdrew from industry-level bargaining, and others may follow. This implies the move towards local level also for public sector collective bargaining.

### **Pay transparency and equal pay legislation in Finland**

Wages are not an issue that is typically openly discussed in Finland, and pay secrecy is widespread. Wage determination practices are not particularly transparent in Finland, although the level of transparency varies between sectors and between work organizations. Increasing pay transparency is based on both EU and Finnish gender equality policy (2014/124/EU, Maarianvaara, 2018). In principle, public sector wages are transparent, but in practice, this information is not readily available. In addition, wage determination practices in the Finnish public sector, especially the local government sector are complex, decreasing pay transparency (e.g. Koskinen Sandberg et al., 2018). Even when information on wage outcomes is available, wage determination practices are not particularly transparent and equal value comparisons are not conducted. In this chapter we argue that true pay transparency is not achieved unless the question of equal value is addressed.

In the private sector, especially higher up in organizational hierarchy, pay secrecy is common. In Finnish policy debate, pay transparency (transparency in wage determination practices and wage levels) and knowledge of pay are seen as beneficial for equal pay, and these targets have been included in Finnish equal pay policy. The tripartite Equal Pay Programme even executed a campaign called “Let’s talk about wages” to encourage openness and transparency on wages and pay practices (Campaign webpage). Pay transparency has been recently widely discussed in the media and there have been articles about companies that have made wages public by, for example, encouraging employees to list their own salary on the intranet. While this is interesting, the goal of these activities typically has not been to re-evaluate the value of work or to promote equal pay and gender equality. Making wages public is more often linked to employer branding and employee well-being. Making wage outcomes public does not necessarily touch upon gendered valuation of work.

On paper, Finnish gender equality legislation is relatively progressive and has several obligations for work organizations. All Finnish organizations are obliged by law (Act on Equality between Women and Men, 1986/609) to promote gender equality in all their activities. Organizations that employ 30 or more people, including public sector organizations, are obliged to conduct gender equality planning regularly. The plan should include an analysis of the current state of gender equality within the organization, and implementation plan for improvements. Wage comparisons are a mandatory part of gender equality planning; employers must ensure that their pay practices are non-discriminatory and that wage outcomes are equal for work of equal value.

In practice, however, gender equality planning has not been particularly efficient in promoting gender equality. This is the result of several things. Work organizations typically view gender equality planning as something they “have to do”, not as something useful for them. Careful gender equality planning might also result in wage increases for certain employee groups, which is something the employers might wish to avoid. Typically, organizations produce a report, but do not use the plan to promote gender equality. One of the weaknesses is also the wage comparison. The wording of how to compare wages was negotiated in a tripartite working group, which drastically affected the content of the law (Koskinen Sandberg 2016, Saari 2015). The wording was left purposely vague, and did not include several important points, including wage comparison between different collective agreements. The current wording mainly advises comparison within same and similar jobs, or within existing pay grades. It does not include any re-evaluation of job demands or practical tools for assessing whether different jobs are of equal value.

Increasing pay transparency and making the gender equality legislation more precise are currently both on the agenda in Finland (Suomaa, 2018). Both are seen as central for efficient equal pay

policy. However, there are obstacles for development work in this area. One of these is the Finnish long-standing tradition of decision-making within the corporatist, tripartite framework. In practice, the content of policy initiatives and legislation is negotiated between the state, employer organizations and trade union confederations (Kauppinen, 2005, Koskinen Sandberg et al., 2022). Because of the conflicting interests of the central stakeholders, Finnish policies and legislation tend to be the result of compromises. Employer organizations, for example, are strictly against pay transparency and specific advice on how to compare wages as part of gender equality planning (Koskinen Sandberg, 2016). In fact, in late 2020, the Confederation of Finnish Industries withdrew from a working group that negotiates on pay transparency legislation with the aim of strongly opposing such work. Not only employer organizations resist these policy initiatives. Comparing wages across different collective agreement also targets the core of trade unions' purpose: negotiating on wages for the industry they represent. It is not necessarily in the interest of the trade union, at least not all of them, to question existing wage relativities.

Equal pay, narrowing the gender pay gap, increasing pay transparency and renewing equal pay legislation to include measures on transparency are included in Prime Minister Marin's Government Programme (Finnish Government, 2019). The policy measures to increase pay transparency were developed in a tripartite working group (Ministry of Social Affairs and Health, 2021). The working group, whose negotiations were full of conflicts, ended up recommending the following to be included in Finnish gender equality legislation: increased access to wage information for employees and their representatives and the obligation for employers to annually explain wage determination practices and pay systems of the organization, including how one can influence one's wage. The social partners involved in the process were divided in their opinions; employer organizations were mainly against the suggested amendments to the law while trade unions felt that the measures are not strong enough. [The draft legislation was next worked on by the government parties, who did not reach an agreement on the content of the law. The main issue of disagreement was reported to be employee representatives' access to wage information. Thus, the preparations of the legislation were discontinued in August 2022 \(Ministry of Social Affairs and Health, 2022\).](#)

### **Case example 1: The Finnish local government sector**

This case provides an example for why it is necessary to assess equal value of different jobs. In many Finnish organizations employees carrying out different roles are covered by several separate collective agreements and wage determination practices. A good example of this is the local government sector, which currently has six main collective agreements with different wage levels

and wage determination practice (for details, see Koskinen Sandberg et al, 2018). The largest of these is the General Collective Agreement, which has traditionally covered most of the feminized occupational groups of the sector: nurses, early education teachers, librarians etc. In addition, there are several other collective agreements: Technical Sector Collective Agreement, Education Collective Agreement, Physicians' Collective Agreement and Hourly Workers' Collective Agreement. From Autumn 2021 onwards there is a new Social and Health Care Collective Agreement, and early education teachers became part of the Education Collective Agreement. Time will tell whether this transition impacts on wage level of nurses and early education teachers, two particularly undervalued groups of predominantly women public sector workers.

How wages are determined in the sector is very unclear, non-transparent and, in many ways, contradictory. Each of the collective agreements entail different wage determination practices and for the most part, these are not based on analytical job evaluation but "global ranking" or "whole job ranking", which means assessing the overall impression of job demands. Even this is to be conducted only within same and similar jobs; the value of different jobs is not assessed or compared. Importantly, wages or job demands between jobs covered by different collective agreements are not compared at all.

The collective agreement documents state that wages are based on job demands but empirical research conducted in local government organizations and with relevant trade unions and employer organizations show that this is not actually the case (Koskinen Sandberg, 2021). Both trade union and employer organization representatives confirmed and highlighted that wages in the sector are the result of decades of collective bargaining, adding something round after round but without any consideration of historical and accumulating pay differentials between highly gendered occupations. Wages are also based on the resources allocated to local authorities by the state. While job evaluation might play some role in wage determination, it would be wrong to say that wages are based on job evaluation. During a research interview a HR Director from a Finnish city elaborated that wages in different collective agreements are determined on "different grounds" and that there is no comparison of job demands and wage levels between different collective agreements. While organizations are obliged by law to pay non-discriminatory wages, the many different collective agreements, varying wage determination practices and lack of comparison decrease transparency of wages.

In a recent report on pay transparency, the Ombudsman for Equality states that equal pay for work of equal value is not reality in Finland and that gender segregation of the labour market combined with the complex wage determination practices hide discrimination (Maarianvaara, 2018). The case

of the Finnish local government sector highlights that wages are not actually transparent unless equal value is assessed, and wage determination practices are made transparent. The fact that wage information is available does not make wages in this sector transparent.

## **The United Kingdom**

The UK is considered to be a liberal, free market economy with, in comparison to Finland, a focus on decentralisation of employment relations and pay setting. Centralised pay setting in the UK is now most often confined to the public sector. Trade union membership has declined dramatically since the 1980s, with the highest levels of density in the public sector, with the result that since 2002 there are more women than men in trade union membership (Department for Business, Energy and Industrial Strategy, 2021). Women's labour market participation has increased steadily since the 1950s and now stands at around 72% compared to 78% for men. Levels of part-time work are relatively high in the UK at around 23% and most part-time jobs (76%) are held by women. In 2021 approximately 18% of the UK workforce worked in the public sector, down from 23% in 1992 (ONS, 2021).

The UK joined the European Economic Community (as it was then) in 1973 and was the first member state to leave the EU in 2020. The first Equal Pay Act was passed in 1970, in anticipation of its membership, but which did not come into force until 1975, and most of the equality legislation in the UK has been enacted whilst the UK was a member of the EU. There were attempts to attain equal pay in parts of the public sector before the Equal Pay Act, notably for women teachers in 1948 and the civil service in the 1950s (Boston, 2015). However, these early attempts were limited and did not achieve substantive pay equality.

Although previously underpinned by European directives, equality legislation in the UK was, on a number of occasions, challenged in the European Court of Justice for failing to fully meet the spirit of the directives, particularly in relation to equal value (Fredman, 1994, Conley 2014). The delayed implementation of equal value legislation in the UK coupled with deeply gender segregated labour markets, similar to that of Finland but without the centralized structures for pay setting, has led to a particularly high level of litigation in the public sector (Conley, 2014, Oliver et al, 2013; Deakin et al. 2015; Conley et al 2019). Like Finland, these cases largely resulted from the historic undervaluation of women's work in the welfare state, often underpinned by collective agreements, although Finland has rarely seen litigation on wage discrimination, and none that challenge the broader structures of wage determination and collective bargaining. Interestingly, the legislation in relation to the use of



job evaluation in the UK, unlike Finland, stipulates that only analytical job evaluation schemes (i.e. *not* whole job/ranking schemes) can be used to legally define equal value.

### **Pay transparency and equal pay legislation in the UK**

The piecemeal way in which equality legislation had been introduced in the UK led to significant regulatory restructuring that resulted in the Equality Act 2010 (EqA 2010), which brings together the main equality legislation in the UK. The provisions for equal pay between men and women are now contained under 'Equality of Terms' (Chapter 3 ss 64-80) of the EqA 2010. The Act entitles women doing work of equal value with a man in the same employment to equality in pay and other terms and conditions. To enforce the equal pay provisions women and men must compare themselves to one or more employees of the opposite sex (s 79) doing same work, like work or work rated as equivalent (s 65) with the same employer. The issue of pay transparency to identify comparators is therefore a fundamental, but often lacking, element of enforcing the equal pay legislation.

Transparency has been hampered not least because, prior to the EqA 2010, it was not unlawful for employers to contractually require employees not to discuss their wages, making it difficult for women to identify male comparators. Section 77 of the EqA 2010 now invalidates any attempts by employers to insert pay secrecy clauses into the contracts of employees.

There is debate about the effectiveness of 'reactive' equal pay legislation that requires individual women to take, often very lengthy, legal cases which have, in the past, most often occurred in the public sector (Deakin and McLaughlin, 2008; McLaughlin, 2014; Conley, 2017; Conley et al 2019). Stemming from these debates have been attempts to adopt more proactive forms of reflexive or responsive legislation towards equal pay. The first of these was the Gender Equality Duty 2007 that required public authorities to have 'due regard' to the equality legislation and the impact of their decisions on women who both work in and use public services (Conley and Page, 2010, 2015, 2018). The Gender Equality Duty contained a specific provision that public authorities must consult stakeholders, including trade unions, and to take into account their views in formulating gender equality objectives, including reducing the gender pay gap. The Gender Equality Duty was incorporated into s. 149 of the EqA 2010 along with two similar duties in relation to race and disability and extended to cover age, religion or belief, sexual orientation, gender reassignment and pregnancy/maternity. In the new duty the specific duties were devolved to English, Scottish and Welsh Ministers. The specific duties for the public sector equality duty in England are more limited than those for its predecessor duties, having no direct provisions for equal pay or requirements to

consult trade unions. The specific duties in Scotland and Wales retained requirements in relation to equal pay and the gender pay gap.

A further limitation on transparency for equal pay purposes was the removal in 2014 of the equal pay questionnaire, a statutory procedure (s. 138 EqA 2010) that allowed women to require their employers to answer questions regarding the pay rates for potential comparators prior to taking an employment tribunal case. These questions can still be asked of employers, but the statutory basis and response times no longer apply.

There were some innovations in relation to transparency and the gender pay gap in the EqA 2010. Section 78 of the Act requires private and voluntary sector employers with 250+ employees to report annually on the gender pay gap in their organisation. Although these provisions were present in the original EqA 2010, they required secondary legislation to bring them into force. The government first opted for a voluntary approach for employers to calculate and report their gender pay gaps but, following a disappointing response, the Equality Act 2010 (Gender Pay Gap Information) Regulation 2017 came into effect on 6th April 2017 for private and voluntary sector employers. Public authorities have similar reporting requirements in England, which were added as an additional specific duty of the Public Sector Equality Duty.

The gender pay gap reporting regulations in England require employers with 250+ employees<sup>1</sup> to report on the gender pay gap in their organisation. The regulations require employers to report on six separate metrics:

- The difference in mean hourly pay rate between men and women
- The difference in the median hourly pay rate between men and women
- The mean gender bonus gap
- The median gender bonus gap
- The proportion of men and women who receive bonuses
- The proportion of male and female employees according to quartile pay bands

These metrics must be uploaded to a government website<sup>2</sup> that is available to the public. The first reporting date was April 2018. Unlike the Finnish legislation, employers do not have to have a plan on how they intend to reduce their gender pay gap, but they can provide a narrative. Finnish

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<sup>1</sup> These numbers vary for public authorities in Scotland and Wales.

<sup>2</sup> <https://gender-pay-gap.service.gov.uk/search-results?t=1&search=>

organizations have the obligation to prepare a development plan, but not the obligation to report on their gender equality planning anywhere.

There has been a mixed reception to the regulations. In a comparative analysis of 10 countries with regulations on gender pay gap reporting (Fawcett Society, undated), the UK, particularly England and Scotland regulations were considered to be ‘light touch’ in comparison to other countries in the study (p.18, p.30). There are concerns in relation to the weak enforcement mechanisms in the legislation from the trade unions. Enforcement falls largely to the Equality and Human Rights Commission (EHRC) who, following successive budget cuts, do not have sufficient resources to adequately enforce the legislation (TUC, 2015). The TUC (2015) noted that, although the government were relying largely on employers wishing to avoid bad publicity and competition as a motivation for change, the greatest pressure for pay equality was still likely to come from employees and their trade unions. They argue that pay transparency that supports collective bargaining is, therefore, an important aspect of the legislation. There are also concerns amongst unions and women’s pressure groups that the 250+ threshold in the private sector (and public authorities in England) will mean that the regulations do not cover the majority of women employed in SMEs in the UK who are likely to have the biggest pay gaps (LRD, 2016). The House of Commons Business, Energy and Industrial Strategy Committee (BEIS, 2018) highlighted a number of “teething problems” (p.3) with similar concerns about the accuracy and comparability of the data similar to those noted above in relation to the Finnish legislation. They published a detailed set of recommendations on how the regulations could be usefully developed. However, the Government Equalities Office responded that it was unlikely that any changes would be made to the regulations for at least four years.

One thing that is worrying in relation to government and media discourse around the gender pay gap in the UK is an active distancing from the equal pay legislation and the partial interpretation of the equal pay legislation as applying to men and women doing the same work. For example, in a leaflet published by the Government Equalities Office, *The Gender Pay Gap explained*<sup>3</sup>, a text box at the beginning of the document states:

The gender pay gap is not the same as unequal pay which is paying men and women differently for performing the same (or similar) work. Unequal pay has been unlawful since 1970.

This is a partial understanding of the equal pay legislation that ignores equal value and has been repeated in a number of media reports<sup>4</sup>. Similar developments can be observed in Finland, where a

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<sup>3</sup> <https://gender-pay-gap.service.gov.uk/>

<sup>4</sup> <https://www.bbc.co.uk/news/business-47252848>

mainstream economics understandings of the GPG as explained and justified by gender segregation of the labour market dominate the public discussion. The distancing from the equal pay legislation and the disappearance of the concept of equal value in these discourses is problematic because, where employers have provided a narrative alongside their gender pay gap statistics, they have often used the reasoning that the gender pay gap can be largely justified because men and women do different jobs in their organisations. This not only misrepresents the legal position in relation to equal pay but it also negates the underpinning principle that pay transparency should lead to action to close the gender pay gap and make it easier for women to know if they may be being paid less than their male comparators and consequently improve their access to recourse under the equal pay legislation.

### **Case example 2: The UK Local Government Sector**

Like Finland, employment in the UK local government sector is predominantly female at around 75% and, although much reduced since the 1980s, most occupational groups are covered by collective agreements. It is important to note that the structure of local government in the UK is different to that in Finland and does not include nurses or physicians, who are located in the NHS. The national collective agreement for the local government sector is called the Single Status Agreement (SSA) and was signed in 1997 (see Conley et al. 2019 for a detailed analysis). The SSA required local government employers to introduce a national pay spine into which all jobs should be assimilated using a job evaluation scheme. There was some flexibility in which schemes were used and, although all schemes needed to be analytical and factor-based to meet the requirements of the legislation, a number of problems were documented in relation to their ability to make gendered pay inequality visible (see Gilbert, 2005, 2012 and Wright, 2011). However, once schemes started to be put in place the immense scale of pay inequality in local government was revealed resulting often from, like Finland, historic collective bargaining agreements.

The SSA took over 10 years to complete and resulted in many thousands of legal cases and billions of pounds in costs. There are mixed views between local government employers and trade unions as to how far the SSA solved the equal pay problem in the UK, with employers feeling that pay equality

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<https://www.independent.co.uk/life-style/women/gender-pay-gap-equal-pay-women-paid-less-motherhood-a8856121.html>

<https://www.bbc.co.uk/news/business-47672106>

has almost been achieved, whilst trade unions feel that the root causes of pay discrimination remain (Conley et al. 2019).

The Local Government Association (LGA) has analysed the findings from the Gender Pay Gap (Information) Regulations for the sector in the years since the legislation was brought into force. In 2018 the average median GPG was 5% (6.8% mean) with 262 authorities paying women, on average less than men (LGA, 2018). In 2019 the average median was 4.0 (6.1% mean) with 209 authorities paying women less, on average, than men (LGA, 2019). In 2020 the mean gender pay gap in English local government increased to 5.9% (median 4.3%). Furthermore, despite the SSA, women are still on average paid less in 83% of local authorities who reported their GPG with very large variations between local authorities (LGA 2021). Despite the worrying upturn in 2020, this is possibly one of the lowest sectoral GPGs in the UK and substantially lower than the GPG in Finnish local government. We cannot attribute causality to the presence of job evaluation, but the data does suggest that the added dimension of equal value transparency in UK local government is a contributory factor.

### **The Impact of the Global Covid 19 Pandemic**

We started writing this chapter before the world, and particularly Europe, was struck by the Covid 19 pandemic. In some respects the pandemic has changed everything but in others ways it has changed nothing, serving only to magnify already deep inequalities in relation to issues of class, ethnicity and gender, (e.g. Public Health England, 2020; TUC 2020a). In relation to equal pay and value, the most striking aspect of the pandemic is how many women became categorised as 'Key Workers'. In an instant, it seemed, our lives depended on nurses, home-care workers, teachers and supermarket workers. In the UK 58% of all key workers are women but some occupations categorised as key work are more sharply gender segregated and 79% of Health and Social Care key workers are women (ONS, 2020). The Finnish labour market has a similar structure and a great majority of the key workers are women, for example over 90% of registered nurses are women.

The designation of occupations as key work in a pandemic brings with it added risk for the workers who carry them out. Early reports highlighted that key workers, particularly those from ethnic minority backgrounds and working in frontline health care settings, were much more at risk of contracting and dying of Covid-19 (Cook, et al, 2020). For those that have survived, more recent news is of long-term damage to the mental health of key workers (Ayling et al, 2020). Finland has been less heavily burdened by the pandemic than the UK, but especially health care workers have

been reported to be exhausted, as their workload has increased and, in many cases, their annual holidays postponed by an order from their employer.

Whilst key workers were rewarded with applause and public displays of gratitude, the mammoth efforts and risk encountered by most key workers have not translated into any real material recognition (Conley, 2020). In the UK the three groups of key workers that are made up predominantly of women (Health and Social Care, Education and Childcare and Food and Necessary Goods) have the highest percentages of workers in the lowest pay deciles (ONS, 2020). Health care workers in the UK have been given 'one off' payments but the TUC (2020b:8) argue that austerity pay freezes mean that public sector key workers are, on average, £900 per year worse off in 2020 than they were in 2010. The pandemic and looming economic downturn has also impacted the possibility of Finnish nurses to claim higher wages in the 2020 collective bargaining round, as they could not use industrial action in this situation and the timing just did not seem suitable for wage claims. Some hospitals in Finland have eventually offered one-off bonuses to healthcare workers, but initially it seemed as if this would not happen at all in Finland. The scale of the bonuses has been modest, and not all employers have offered them (Koskinen Sandberg et al., 2021). *In 2022, there were strikes by feminized public sector occupations. The resulting collective bargaining outcomes were indeed unusual: the public sector got normal level of wage increases. In addition, they reached a settlement in which the public sector will also get the wage increases that the export industry gets, if they negotiate higher wage increases. The highly unusual settlement breaks the Finland's model of wage bargaining, where the export industry should always be the pace setter for wage increases.*

Lastly, the UK government sent out a worrying message in relation to the importance places on the Gender Pay Gap when, one of the first moves it made in relation to the pandemic following the first lockdown on 23rd March 2020 was to announce that employers would not be required to report their gender pay gap figures to meet the Gender Pay Gap (Information) Regulations:

“We recognise that employers across the country are facing unprecedented uncertainty and pressure at this time. Because of this we feel it is only right to suspend enforcement of gender pay gap reporting this year.” (Government Equalities Office, 24<sup>th</sup> March 2020  
<https://www.gov.uk/government/news/employers-do-not-have-to-report-gender-pay-gaps>)

Gender pay gap reporting was postponed from April to October 2021 and 11% fewer employers reported their gender pay gaps once reporting was resumed (Personnel Today, 2021), which indicates a worrying loss of momentum and engagement with gender pay gap reporting in the UK. In Finland, it is likely that there will not be any direct, short-term implications for equal pay. The time

will tell whether there will be an economic downturn, to which the typical Finnish response has been cuts to public spending. This would have gendered impacts, as the great majority of public sector employees are women.

## **Conclusion**

In this chapter, we have explored the questions of equal pay and gender pay gap legislation and the role of the public sector in the context of United Kingdom and Finland. The location of care work in the public sectors of both countries and the resultant gender segregation mean that equal value is a key concept in relation to public sector employment. Equal value is a feature of European legislation on equal pay, but it has been assimilated quite differently into domestic legislation and collective bargaining in Member States, of which the UK and Finland are examples. Although the legislative and employment relations contexts are very different in the UK and Finland, the existence in both countries of gender segregated labour markets means that equal value emerges as perhaps the most important hurdle yet to cross in establishing pay equality between men and women. However there has been relatively little recent focus on equal value as a central issue. Current debates have instead focussed on the concept of the gender pay gap and pay transparency.

Drawing on case studies of equal pay and gender pay gaps in local authorities, our analysis indicates that the concept of transparency operationalised in the gender pay gap regulations in both the UK and Finland is typically rather narrow and limited, often simply taking or requiring aggregated mean or median measures between men and women. Transparency is not sufficiently extended to include differences of pay between men and women doing different but equivalent work. We therefore argue that debate on pay transparency should be extended to include questions of equal value. However, we note that establishing the concept of equal value relies on the use of job evaluation schemes that are problematic, both in terms of their technical ability and the political manipulation they are subject to by both employers and trade unions. Devising better methods of determining equal value are therefore likely to be a priority if the link between gender pay gaps and pay equality is to be fully effective.

In Finland, the efficiency of equal pay legislation would be greatly improved and pay transparency better achieved, if mandatory gender equality planning of work organizations would address the question of equal value more efficiently. For transparency, the basis of wage determination should be thoroughly explored, job demands analytically evaluated, and equal value comparisons conducted. Currently, this is not done and Finnish gender equality law advises comparison only

within pre-existing categories, such as job titles or pay grades. There is no re-evaluation of job demands or the value of work.

In the UK the concept of equal value has played a far greater role in moving towards equal pay for women, particularly in the public sector. The use of analytical job evaluation to establish equal value is contained in the equality legislation but this only comes into effect when potential pay discrimination has already been uncovered. Furthermore, there are concerns that the use of job evaluation and its impact of pay equality can be short-lived if it does not root out the underlying persistent tendency to undervalue women's work. It is difficult to assess whether the widening in the GPG in English local authorities is due to the extraordinary economic conditions during 2020/2021 or whether the impact of the job evaluations conducted for the SSA are already starting to break down.

The Gender Pay Gap Information Regulations in the UK are weak, particularly in their lack of requirement for action, but they can provide a useful transparency tool for trade unions and women's groups to indicate when job evaluation schemes in the public are starting to break down and where individual employers are failing to make progress in achieving pay equality. However, using job evaluation and demonstrating equal value is not mandatory unless a relevant legal case is initiated and is rarely otherwise seen outside of the public sector where it often forms part of collective agreements. There is also a worrying discourse surrounding the Gender Pay Gap Information Regulations that separates the gender pay gap from equal pay, ignores the concept of equal value and uses occupational segregation as a justification for gender pay inequality. Therefore, we argue that, like Finland, transparency should be extended to incorporate equal value, which should be required to be demonstrated as part of the Gender Pay Gap Information Regulations.

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