

## Equal Pay Day – 18 September 2022

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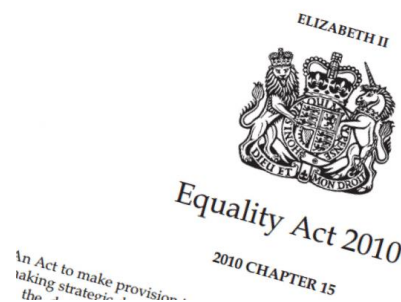
As we celebrate the UK’s Equal Pay Day on 18<sup>th</sup> September 2022, it provides an opportunity to reflect on the gender pay gap between men and women and its negative impact on the economy. The gender pay gap is the difference in average earnings between men and women. [Research](#) has shown that levelling the gap could decrease the poverty rate of working women by as much as 50% and increase GDP. Yet, as noted by the [Fawcett Society](#) (a charity campaigning for gender equality), at the current rate of positive activity it could take some 100 years to close the gender gap. The Equal Pay Day was established to raise awareness of the gender pay gap and the day is celebrated on different dates across the world and varies each year but aims to keep the urgency of tackling this issue in the spotlight.



We cannot mark the day without recognising the extraordinary achievement of the 187 women sewing machinists from Dagenham Essex. After their jobs were re-graded as ‘unskilled labour’ in 1968 the women brought their fight against the Ford Motor Company to the public attention through strike action. This was because men who did similar work at the same factory had been re-graded as ‘skilled labour’ leading to a corresponding difference in pay. The strike action galvanised trade union support for the cause of

equal pay and allowed the then Secretary of State for Employment and Productivity, Barbara Castle, to pass the Equal Pay Act 1970. Whilst women had been campaigning since the 19<sup>th</sup> century for equal rights such as the right to vote or improvements in work conditions or the right to join professions, this was the first time the right to equal pay was recognised as a right and written into legislation

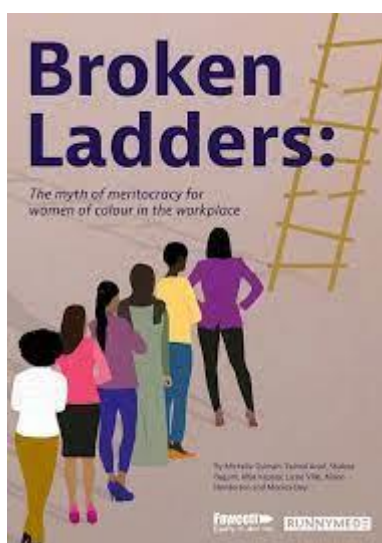
It has been 52 years since the Equal Pay Act 1970 introduced the right to equal pay for work of equal value. The [Equality Act 2010](#) repealed the Equal Pay Act 1970 and this is where we now find the law on equal pay. However, the 2010 Act has been criticised for failing to offer sufficient protection through a so-called ‘right to know’ which relates to the right to request information about the salaries of colleagues. Whilst the 2010 Act makes it illegal to include contractual clauses that would prevent employees discussing their pay, it does not oblige employers to reveal pay



discrepancies direct to employees or to provide information when requested. The position remains, however, that men and women must be paid equally to conduct the same or a comparator role. It remains illegal to discriminate based on pay. In recognition of this the Act includes provisions for transparency of general data regarding pay and provides protection to employees from victimisation due to requesting disclosure of information about a colleague's pay.

To further the importance of transparency of data, [The Equality Act 2010 \(Gender Pay Gap Information\) Regulations 2017](#) (which came into effect in April 2018) and places a duty on employers with 250 or more employees to publicly report gender pay gaps. The government maintains a [website](#) that enables gender pay gap data to be searched by employer name and by type of employer. Notably production managers and directors in the mining and energy industry have the highest gender gap in the UK at 45%.

According to the [Office for National Statistics data](#), the gender pay gap has fluctuated for a number of years and is now 15.4% nationally for all employees (as at October 2021). Also, more women than men were furloughed with loss of pay during 2021 (although in 2020 this had been the opposite). The Covid-19 pandemic has had some impact on the data, and it remains to be seen if the initial downward trajectory in the gender gap is sustained. For example, whilst previously high earners such as managers, directors and senior officials in organisations had a notably high gender pay gap, this has decreased from pre-pandemic figures. The gap still remains high however when compared with the gap between men and women on low incomes. The gap is also higher for employees aged 40 and over. In the legal profession women earn 6.7% less than men whilst in higher education women who are academics earn 10.8% less than men.



The Fawcett Society together with the [Runnymede Trust](#) published the '[Broken Ladders](#)' report in May 2022. Qualitative data in the report shows that for women of colour the gender pay gap is even more stark and unequal pay remains the norm because it is alleged that institutional racism leads to women of colour being blocked from progression in the workplace.

Whilst the gender pay reporting data is helpful it lacks sufficient specificity for an employee to know whether they are indeed being paid less than a colleague in their own workplace. The [Fawcett Society](#) with the support of Stella Creasey MP sought to remedy the deficiencies of the Equality Act 2010 by proposing a modern version of the Equal Pay Act through a new Bill known as the Equal Pay (Information and Claims) Bill 2020. However, the Bill failed to make its passage through Parliament before the end of the session. If the Bill had become law, it would have seen the gender pay reporting requirements extended to

small businesses as well as giving employees the legal right to know the salaries of their colleagues. This right has existed in countries such as Germany since 2017 and also in jurisdictions such as Iceland, Liechtenstein and Norway.

The [European Commission](#) mark their own Equal Pay Day on 10<sup>th</sup> November and note that in the EU women are on average paid 14.1% less than men which equates to a loss of approximately 2 month's salary. The highest gender pay gap in Europe was recorded as Latvia in 2020 (at 22.3%) and the lowest was Luxembourg (at 0.7%).

Gender equality through equal pay has further support in the international community. In 2015 all UN member states adopted the Sustainable Development Agenda. This is a vision of the future that the international community wish to see. It includes the three principles of economic growth, social inclusion and environmental protection. These in turn are divided into [17 core goals](#) and gender equality and the empowerment of women is goal 5. However, equality runs throughout the three principles and is seen as central to the stated aim of bringing peace and prosperity to the planet.

Whilst carefully drafted principles and aims are helpful, they are worthless without action by employers themselves. As well as ensuring that pay differentials are justified based on differences in roles rather than gender, employers can take various positive action to address gender inequality within the workplace. Such action includes addressing the underrepresentation of women in senior management or leadership roles through leadership mentoring and training for women, introducing job sharing schemes for women (and men) to help with balancing family commitments, ensuring entitlement to bonuses is truly based on performance rather than gender, ensuring fair and transparent recruitment systems that values talent and retention the of staff and keeping an open dialogue with women in the workplace about their needs and working conditions.



The celebration of Equal Pay Day reminds us that the business of equality is not done and that there is more work to do to ensure that pay equality is reached and to do this the unfairness of the inequality must remain in our collective minds.

*This article was written for International Pay Day 2022 (18 September 2022). However, following the death of Her Majesty The Queen, the publication of this article and the related news was postponed to 20 September 2022.*