

Exchange of good practices on gender equality

Equal Pay Days

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Comments Paper - Cyprus

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Equal Pay Day in Cyprus

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The gender pay gap was extremely high in Cyprus well before its entry in the European Union in 2004 and the problem still remains today. Despite strong laws protecting against gender discrimination in wages and powerful labour unions, the country has consistently ranked first or among the first of all EU countries with the largest gender pay gap. This short paper will provide a brief assessment of the policy context in Cyprus regarding the gap, with a strong emphasis on the awareness campaigns conducted recently through 'Equal Pay Day' events. The paper will also assess the broader efforts conducted by the government of Cyprus and other organized bodies to both understand and decrease the gap, as well as future developments that could be relevant to the issue. The transferability of good practices from Estonia, Belgium and Spain will also be discussed, along with their possible constraints, both legal and cultural.

1. Introduction

Despite the persistence of an extremely high gender pay gap since the independence of Cyprus in 1960 and the vast entry of women in the labour market after the 1974 war, the issue has only recently moved to the "front burner" of the policy agenda. This is most likely due to EU pressures and the efforts of a committed team of civil service employees whose department received in 2011 a 3 million euro grant to conduct an extensive action plan to decrease the wage gap among men and women. Below I will examine the policy, institutional and legal context of the equal pay debate in Cyprus, some relevant figures, as well as the possible reasons for the existence of the gap, as these relate to the effectiveness of current efforts to tackle the issue. The efforts being conducted, primarily in relation to the EU-funded project, will also be analysed.

1.1. Policy context

First, it should be noted that the gender pay gap is currently being estimated as the difference between average gross hourly earnings of male paid employees and of female paid employees as a percentage of the average gross hourly earnings of male paid employees. The target population consists of all paid employees aged 16-64 that are "at work 15+ hours per week." It includes part-time and public sector employees as well.

In previous years the gap was based on monthly salaries. This means that the Cypriot gender pay gap which was 21% last year (compared to the EU27 average of 17%), according to Eurostat, is now 16,7% compared to the EU average of 16,3%. The new calculation may be problematic as this author believes that an hourly focus may mask several sources of discrimination or at least sources responsible for the gap such as the presence of women in part-time work. In addition, it could easily be used for public consumption misleading the unaware public into thinking that this is an actual decrease of the gap, although it is a mere manipulation of numbers. It should also be noted that a failure to look at what the numbers actually mean masks several interesting facts such as the fact that in March 2013, Cyprus remarkably

recorded the lowest gender pay gap in the EU for employees between 25 and 34 years (-1 %) but the highest one for the age bracket between 45 and 54 years (29 %) and between 55 and 64 years (26 %).

Before continuing, it must also be noted that the data on the gender pay gap come from a variety of sources, including The European Community Household Panel (ECHP), the EU Survey on Income and Living Conditions (EU-SILC) and national sources.

1.1.1. The gender pay gap over time

The pay gap has indeed been decreasing consistently in Cyprus even though in 2011 the gap still remained one of the highest in the European Union at 21%, with the EU average at that time at 17% (measured monthly). It should be noted, however, that when analysed longitudinally, the decrease of the gap has been encouraging. Taking random years as an example, we see that in 1981 the gap was 72,6%, in 1992 50,7%, in 1998 36,2% and in 2006 25% (Panayiotou, 2006). It is clear then that the gap in remuneration has been steadily decreasing, despite setbacks along the way (1999, for example) and despite the effects of the financial crisis which hit Cyprus in 2009 and detrimentally in 2011 when its bonds were downgraded to junk status by international rating agencies. This steady decrease is considered to be very positive, especially when comparing the drop in the EU average which was only 2 percentage points in the years 1994-2004 (from 17 to 15 percent) but 8 percentage points for Cyprus (from 33 to 25 percent).

1.1.2. Possible explanations for the pay gap in Cyprus

I briefly summarize the possible explanations for the Cypriot pay gap as this is given by previous research, as I think this is directly relevant to assessing the effectiveness of proposed actions to tackle the gap, including Equal Pay Day which is the focus of this peer review.

Briefly then, it should be mentioned here that traditional factors explaining the gap do not seem to hold in the case of Cyprus; for example, (1) there are strong laws guarding against discrimination in wages (2) the relatively high employment rates for men and women (at least before the financial crisis) (3) the high educational attainment of women in Cyprus (4) the relatively low percentage of part-time workers compared to the rest of Europe (5) the relatively low number for the gap between average hours worked per week by men and women with children under 6 years old (Christofides and Pashardes, 2000; Christofides and Vrachimis, 2007; Panayiotou, 2006). More likely explanations for the gap, according to previous studies, including the 2007 study by the Ministry of Labour and Social Insurance, are the following: (1) occupational segregation (or what is known as “glass walls”) (2) the concentration of women in jobs where there is no career advancement (what is known as “sticky floors”) and (3) the lack of women in top managerial positions (the “glass ceiling” problem).

Indeed, as a recent conference on “Eliminating the Gender Pay Gap” (29-30 October, 2012, Limassol, Cyprus) showed, one of the biggest problems in Cyprus is the high gender segregation in employment, still the largest among the EU countries, which is dangerously presented in policy circles as “women’s choice.” The services absorb 85% of all female employment with almost 50% of employed women concentrated in the sectors of trade, hotels and restaurants, and education; while about 60% of male employment is concentrated in the sectors of

manufacturing, construction, trade and public administration. While this differential could be due to stereotyping, cultural expectations, educational tracks and/or the desire of women to balance work and family life (with service jobs often more amenable to this), the important point remains that so called “pink collar jobs” or jobs with a high concentration of women also pay less. Jobs such as sales and clerical occupations, including those covered by the minimum wage legislation (such as day care workers or caregivers in retirement homes) offer no career advancement beyond the initial entry position, leading to “sticky floors.” Finally, the two aforementioned points are directly related to the third, the very low number of women in managerial positions, in fact, the second lowest after Malta among the EU 27. The number of women in top administrative positions is estimated to be about 17% or up to 25% in some cases, but, according to the governmental report on the pay gap conducted in 2007 by the Department of Labour Relations, this factor is believed to be the most important in the analysis of the pay gap.

1.2. Legal background

Mostly due to Cyprus’ harmonization with the *aquis communautaire*, but also to bring legislation in line with relevant international instruments¹, an impressive number of legislative measures relating to gender equality have been passed in recent years, including the Equal Treatment of Men and Women in Employment and Vocational Training Law, 2002 (L. 205(I)/2002), The Equal Pay Between Men and Women for the Same Work or for Work of Equal Value Law, 2002 (L. 177(I)/2002), the Maternity Protection (Amendment) Law, 2002 (L. 64(I)/2002), the Parental Leave and Leave on Grounds of Force Majeure Law, 2002, (L. 69(I)/2002), and The Equal Treatment of Men and Women in Professional Social Insurance Schemes Law, 2002 (L. 133(I)/2002), among others.² (Pavlou, 2005)

The objective of the Equal Pay Law of 2002 is “to ensure that the principle of equal pay for men and women for equal work or work of equal value is applied (article 3).” Article 4 of the law notes that this provision applies to all employees, for all activities related to employment. The legal expert report for Cyprus notes, however, that “in certain collective agreements governing certain businesses, no job descriptions are provided and, in this way, the employers may indirectly discriminate against women without in essence violating the law” (Georgiadou, 2005: 9).

Another state policy that affects professions that are mainly occupied by female employees is the minimum wage legislation (Christofides and Vrachimis, 2007). This order, made each June by the Council of Ministers, sets the minimum wage for the entire year and is specifically aimed at low-paid workers such as clerks, nurses, day care workers, and shop and office assistants. Although the National Action Plan for Employment (2006, 2010) had committed to gradually raising the minimum wage to 50 percent of the national average wage (the average of the previous decade was approximately 42%), the most recent increase by the previous government was heavily criticized due to the rapidly increasing unemployment rates on the island at levels unprecedented since the war of 1974 and the belief that an increase in the minimum wage would further increase unemployment as well.

¹ The Republic of Cyprus has ratified The Optional Protocol to the Convention on the Elimination of All Forms of Discrimination Against Women, ratified by Law 1(III)/2002 and The Protocol No.12 to the European Convention for the Protection of Human Rights and Fundamental Freedoms, ratified by Law 13(III)/2002

² Questionnaire, Progress on Implementation of the Beijing Platform for Action, 1995 and The Commonwealth Plan of Action on Gender and Development (1995) and its Update (2000-2005), National Machinery for Women’s Rights, Ministry of Justice and Public Order, Nicosia, Cyprus, 2003.

1.3. Governmental actions addressing the pay gap

Despite relative inertia in past years, important work is currently being done in addressing the gender pay gap in Cyprus, primarily due to the efforts of the Department of Labour Relations in the Ministry of Labour and Social Insurance and a new EU co-funded project, which consists of 15 specific actions to tackle the pay gap on several fronts. Information about the project can be found on the project's website http://www.gender-equalpay.com/english_info.htm as well as on its facebook page <https://www.facebook.com/GenderEqualPay/info>.

The project, titled “**Actions for reducing the gender pay gap**”, is co-financed by the European Social Fund and has a budget of 3 million euro. The implementation of the Project started in July 2010 and will be concluded by the end of 2015.

Briefly, the Project consists of a broad mix of measures, aiming in combating the root causes that create and sustain the gender pay gap. The measures that will be undertaken involve various social groups such as:

- Officers and Inspectors of equal pay and equal treatment in employment legislation;
- Career advice professionals;
- Primary and secondary education teachers;
- Parents;
- Enterprises;
- Social partners;
- Society in general.

The different actions of the Project, which are realized through public contracts, are:

- **Improvement of inspection mechanisms for Equal Pay legislation (Equal Pay between Men and Women for the Same Work or for Work to which Equal Value is attributed Law 2002 – 2009).**

This action includes theoretical as well as on-the-job training of Officers and Inspectors of the Department of Labour Relations (DLR) and the Department of Labour, of the Ministry of Labour and Social Insurance, as well as Officers of the Ombudsman Office, regarding the enforcement of equal pay and equal treatment in employment legislation. The training began in October 2012.

- **Study for increasing the use of parental leave through the adoption of pay benefits.**

The aim of the study is to explore ways for increasing the use of parental leave by both parents in Cyprus through the salary compensation of eligible recipients, and to promote the balanced use of this right by both men and women.

- **Publicity**

A “publicity consultant” is responsible for promoting the implementation of the Project activities and for raising public awareness about the problem of the gender pay gap in Cyprus. The launching campaign of the Project in May 2012 involved TV, radio, newspaper and magazine advertisements. The **Equal Pay Day** events were part of this effort and are described in the following section.

- **Establishment of a Gender Equality Certification Body**

The aim of this action is to establish a Gender Equality Certification Body which will evaluate enterprises as regards the incorporation, or the implementation of best practices relating to equal treatment and/or equal pay principles in their working environment. The Certification body will provide two kinds of certifications: one for “Equality Employer”, and one for implementing a “Good Practice relating to equal treatment and/or equal pay”.

The establishment of the Certification Body is expected to take place in the first semester of 2013, and the first certification round will take place in fall 2013. During the implementation of the Project a Certification Ceremony will be organized every year (in 2013, 2014 and 2015), during the second semester of every year.

- **Consultants supporting enterprises to be certified**

Various consultants, who will be specially trained for this purpose, will provide consultation to enterprises interested to be certified by the abovementioned Gender Equality Certification Body.

- **Tripartite Conference on the exchange of best practices regarding equal pay between member states of the EU**

A Tripartite Conference was organized on the 29th and 30th of October 2012 (during the Cyprus Presidency of the Council of the EU) for the exchange of good practices between all the member states, on how to reduce the gender pay gap. The participants were governmental officials, trade unions and employer organizations representatives.

- **Activities in the Education sector for eliminating occupational and sectoral segregation by gender**

This action comprises of measures for eliminating occupational and sectoral segregation by gender, which include interventions in education issues, such as specialized training programs for careers advice professionals as well as for 10,000 primary and secondary education teachers. It also includes information activities for parents, regarding their children’s education and occupation choices.

- **Guide, manual, job evaluation tools and consultation services for employers**

This action includes training of managerial staff of enterprises on the use of codes of practice regarding the enforcement of equal pay, as well as on the use of job evaluation tools.

- **Guide for trade-union members for promoting equal pay during collective bargaining and training for members of professional associations and members of trade unions and employers associations**

This action includes training programs for trade unions and employers associations, and also development of manuals, guides, self-assessment tools, codes of practice and job evaluation tools for managers/human resource professionals.

- **Examination of collective agreements**

This action includes examination of all collective agreements in Cyprus for the identification of discrimination regarding pay.

- **Printing of manuals, guides, educational material and information material**
- **Further research and documentation related to gender pay gap**

This action includes studies on:

- positive discrimination for women in employment;
- preconditions and implementation methods for compulsory checks and report submissions by enterprises, regarding equal treatment between men women;
- specialized issues related to gender pay gap.

The project is very much on track; just recently 300 thousand euro were spent on the training of the inspectors who will be assessing companies and their practices in regard to gender equality. Ten thousand teachers have been contacted in regard to the ensuing 3 day training sessions on avoiding stereotypes in education and advising students on their career choices in an unbiased manner. In addition, a database of all companies with more than 25 employees has been prepared for the analysis of equal pay practices.

2. Policy Debate

Two main issues will be discussed in this section as they relate to any public debate being created around equal pay: the first is the tripartite conference organized by the Department of Labour of Relations of the Ministry of Labour and Social Insurance on October 29-30 in Limassol. The second is the activities organized for Equal Pay Day in March 2013. It should be noted here that the gender pay gap is not really in the public debate; it received sporadic attention as per the aforementioned events. In addition, as was noted in the introduction, it only recently became a serious governmental issue with the ESF co-financed project.

2.1. Conference: Tackling the Gender Pay Gap

The conference which also has a website, <http://www.tripartiteconference-equalpay.com/>, was organized under the auspices of the Cyprus Presidency of the Council of the European Union and comes under the project mentioned above "Actions to reduce the wage gap between men and women." It was titled "Tackling

the gender pay gap: Best practices around four perspectives” and was thematically organized around these issues: (i) occupational segregation (ii) job classification/evaluation (iii) enforcement and actions and (iv) the relation between social dialogue and equal pay. It aimed to bring together representatives from employers’ and workers’ organizations and government officials from the Member States of the European Union.

Representatives from the EU, the ILO, the European Institute for Gender Equality, together with experts in the different topics and key persons and organizations in promoting best practices in the field were invited to introduce the various subjects, participate in panel debates and monitor the discussions. Several local and international ministers and other high ranking officials attended as well as 40 leaders of local employers and workers’ organizations.

The main point of the conference was to identify the best practices and measures which may be implemented by a wide range of actors in order to eliminate the pay gap. The results of the conference can be found here: [http://www.tripartiteconference-equalpay.com/pdf/ISIS\(A4-Brchr-PrctsGuide\).pdf](http://www.tripartiteconference-equalpay.com/pdf/ISIS(A4-Brchr-PrctsGuide).pdf).

2.2. Equal Pay Day 2013

Equal Pay Day was co-organized this year on March 9th by the Department of Labour Relations, the Cyprus Federation of Business and Professional Women (BPW), the Press and Information Office (PIO) of the Cyprus Republic, the representations of the European Commission and the European Parliament. It took place at the Mall of Cyprus from 11 am – 3 pm with the aim to raise awareness around the gender pay gap. It was an open, “light” family-type event, held at an open space with music, dancing, gifts and the chance to contribute to an “equality wall” by writing what “equality means to *you*.” Leaflets were given out with the caption “Men and women work the same. Do they get paid the same?” The “highlight” perhaps of the event was the handing out of cookies which had about a fourth bitten off. They were wrapped in different ways for men and women with stickers which read “Would you accept a discount for the equally hard work you did?” for men and for women “Why do you accept a discount when you work equally hard? Today ask for the whole payment that you deserve.”

3. Transferability Issues

Indeed issues of transferability are very important especially since Cyprus, along with many other Southern European countries, is organized around the male breadwinner model with an extensive family network often replacing the role of the government in issues such as child care (see also the CEDAW shadow report 2013). Stereotypes abound in all spheres of public life, from advertising to media news coverage, educational material, even politicians’ statements and wider discussions (MIGS press release, March 2013; www.medinstgenderstudies.org). Public debates around gender issues are minimal if not completely non-existent, while discussions around the pay gap are either limited to specific circles (so “preaching to the converted”) or surrounding specific events such as the Equal Pay Day campaign or the launch of the ESF-co-funded project.

In this light, although some of the good practices of Estonia, Belgium and Spain would be good recommendations for Cyprus, many would require more discussion,

partly because of the different legal or historical contexts, but mostly due to cultural differences.

3.1. Estonia

The Estonian campaign is both interesting and creative given the play on words (so effective in daily use) and the involvement of the wider society (restaurants and citizens). The “playfulness” of this approach could be appropriate for Cyprus where discussion on gender issues is minimal and left to a specific part of the population (politicians, policymakers, academics, NGOs). The potential to involve the wider society as well as the private sector in a “lighter” manner is indeed intriguing and potentially fruitful.

Facebook is of course a good way of reaching younger audiences, along with the collection of personal stories because these often make the issue more “real” than simple statistics. People are usually more likely to *listen* to a *story* more than they are to read up facts or analysis.

In addition, bringing in a typically female artefact such as a red purse and change its meaning to something more rebellious or at least political is very savvy. It enables everyday people—women—to “speak up” and take a stand without really doing anything that would expose them politically “too much.” The “lightness” of this approach can, again, be effective in a country like Cyprus where people do not discuss gender issues and are reluctant to take a stand on such matters. Finally, the involvement of the private sector in this endeavour (displaying red purses in shops or offering an “unhappy hour” with discounts) is ingenious because without being too “loud” or too “in-your-face” a political message is effectively conveyed—again easy to “transfer” in the cultural context of Cyprus where confrontation is seen as inappropriate and culturally foreign.

3.2. Belgium

Perhaps the most “different” cultural context in regard to transferability issues is that of Belgium. First, the involvement of the trade unions is admirable. In Cyprus, even though the trade unions have the so called ‘women’s sectors’ which should be sensitive to issues of gender, these are usually dormant and subservient to other “greater” (eg. male) needs. It is unfortunate of course, especially since the former Minister of Labour was the head of one of these sectors in the past (Pancyprian Federation of Labour, PEO, which is attached to the communist party). While the trade unions in Cyprus would generally push for gender equality legislation, they have been against part-time work despite its gendered dimensions. Overall, they have not actively pushed for gender sensitivity, awareness or mainstreaming and have not been forceful in promoting any kind of equality agenda.

In addition, some of the campaigns would be very “out of context” for Cyprus. The actions of the Socialist Union Confederation, for example, could be seen as inappropriate and possibly even receive an outcry from feminist organizations. Given the strong cultural stereotypes, something like “it is not hormones, it is the difference in pay” could be horribly misconstrued as it would play on the stereotype that hormones ARE indeed a problem for women, just not this time. The ad for “stupid/executive cow” could again be seen as offensive since this is a comment that is used for women without necessarily being seen as an inappropriate remark. In other words, for such captions or ads to be effective, there needs to be at least a

minimum level of awareness or a sense of political correctness that is non-existent in Cyprus, with the aforementioned efforts serving as a mere backlash against feminist consciousness raising. Similarly, the “porn actress” ad, although effective in Belgium with its in-your-face attitude, would likely receive an outcry at offending public morals. What’s more, I would not be surprised if feminist organizations reacted to this as well, considering that Cyprus has a big trafficking problem, porn is readily available and violence against women is constantly rising. Similarly, the “women are still on sale” would be a dangerous route to follow alongside the anti-trafficking campaigns stating that women are *not* for sale.

Overall, the Belgian efforts, although creative, would be dangerous in Cyprus given the different cultural context, the overall lack of gender sensitivity, the problem of trafficking and sexual violence and the easy access to pornography (on public view at many neighbourhood kiosks). At the same time, efforts such as “women work for free from 3:05” or “she works until March” could have resonance and may be effective, again given the right cultural context.

3.3. Spain

Perhaps the most interesting aspects of the campaign in Spain are the involvement of both employers’ organizations and trade unions and the idea to print a lottery ticket with the logo of Equal Pay Day. This is something that would work in Cyprus where people buy lottery tickets and these are monitored and issued by the government.

In addition, the fact that specific days exist to mark certain occasions (Women’s Day, Equal Pay Day) is, as noted in the paper, useful especially in countries such as Cyprus where discussion on these matters is minimal.

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