Gender pay gap measures and the political debate in Switzerland

Dr. Katja Branger, Swiss Federal Statistical Office
Helsinki, 24th October 2016
Global Forum on Gender Statistics
Definition

The **gender pay gap** is the difference between women's and men's average earnings, expressed as a percentage of men's earnings.
Definition and methodology

• average gross hourly or weekly earnings

• average = arithmetic mean ↔ average = median

• full-time/part-time together or separately ↔ standardised to full-time (= 40 hours a week and 4 1/2 weeks per month)
GPG disaggregated by

- Sector (private/public)
- Economic activity (NACE)
- Working time (full-time/part-time)
- Age group
- Occupation
- Education attainment
- Skills level
- Occupational position

combine various characteristics to explain GPG

=> multivariate analysis
Adjusted and unadjusted GPG

Unadjusted GPG

explained + unexplained
part of earnings
difference between
men and women

Adjusted GPG

unexplained
part of earnings
difference between
men and women

Multivariate analysis
Unadjusted GPG in Switzerland

Source: Swiss Earnings Structure Survey / Graph: FSO, Neuchâtel 2016

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Katja Branger
Explained and unexplained GPG

2012

Private sector: average gross monthly wage

<table>
<thead>
<tr>
<th>CHF</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>7776</td>
</tr>
<tr>
<td>Female</td>
<td>6117</td>
</tr>
</tbody>
</table>

Wage gap

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
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<tbody>
<tr>
<td>Male</td>
<td>1478.-</td>
</tr>
<tr>
<td>Female</td>
<td>1659.-</td>
</tr>
</tbody>
</table>

38,8% unexplained
59,1% explained
61,2%

Public sector

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Male</td>
<td>8933</td>
</tr>
<tr>
<td>Female</td>
<td>7454</td>
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In CHF per month

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<table>
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<tbody>
<tr>
<td>Male</td>
<td>679 CHF</td>
</tr>
<tr>
<td>Female</td>
<td>980 CHF</td>
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40,9% unexplained
38,8%
59,1% explained
61,2%

– years of service
– educational attainment
– skills level
– economic activity
– other factors

Economic effects of unexplained pay gap 2010 of 8,7%:

CHF 7,7 billion per year

Swiss Earnings Structure Survey 2012
Adjusted GPG in Switzerland

<table>
<thead>
<tr>
<th>Year</th>
<th>GPG</th>
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<tbody>
<tr>
<td>1998</td>
<td>41.1</td>
<td>2000</td>
<td>44.4</td>
<td>2002</td>
<td>42.0</td>
<td>2004</td>
<td>39.5</td>
</tr>
<tr>
<td>2006</td>
<td>38.9</td>
<td>2008</td>
<td>39.6</td>
<td>2010</td>
<td>37.6</td>
<td>2012</td>
<td>40.9</td>
</tr>
<tr>
<td>NOGA 2002</td>
<td></td>
<td>NOGA 2008</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private sector</td>
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Source: Swiss Earnings Structure Survey
GPG and policy making

Some political measures to reduce GPG

- Dissemination and explanation of GPG data
- Salarium, a personal wages calculator
  Federal Statistical Office
- Logib, a equal pay self-test tool
  Federal Office for Gender Equality
- Wage equality dialogue => was not effective
  Employers and employees unions with support of the government

Government prepares legal framework to oblige employers to carry out a regular wage analysis and to control for it
GPG statistics and policy making

Recent political debate on measures to reduce GPG

Questioning of statistics and methods

Study to evaluate the method

FSO has to examine improvement of adjusted GPG calculation by including more explaining factors if possible, e.g.

• real job experience
• working time models
• physical and mental burden
Thank you for your attention!
Explained and unexplained GPG

2012 Private sector: average gross monthly wage CHF

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Wage gap 1659.- ≈ 21.3%

In CHF per month

40.9% unexplained = 679 CHF
59.1% explained = 980 CHF

- years of service
- educational attainment
- skills level
- economic activity
- other factors

Swiss Earnings Structure Survey 2012
Explained and unexplained GPG

2012 Private sector: average gross monthly wage

CHF

7776

6117

Wage gap
1659.- ≈ 21.3%

In CHF per month
40.9% unexplained
= 679 CHF

59.1% explained
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Economic effects of unexplained pay gap 2010 of 8.7%:

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Swiss Earnings Structure Survey 2012
### Explained and unexplained GPG

#### 2012

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<td>6171</td>
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<td>7454</td>
<td>573 CHF</td>
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- **Wage gap**: 1659.- ≡ 21.3%
- **Unexplained**: 38.8%
- **Explained**: 61.2%

Economic effects of unexplained pay gap 2010 of 8.7%:

**CHF 7.7 billion per year**

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