

WBG RESPONSE TO THE DTI REPORT 'FULL AND FULFILLING EMPLOYMENT: CREATING THE LABOUR MARKET OF THE FUTURE'

The Women's Budget Group (WBG) is an independent UK organisation bringing together academics and people from non-governmental organisations and trades unions to form a network of experts to promote gender equality through appropriate economic policy.

We applaud and support the objectives laid down in the report of full employment; diversity and choice and high productivity and fully back the agenda of economic progress with social justice. We are particularly encouraged by the inclusion of '*reductions in the pay gap*' within the concluding key visions of the report.

However we do have some concerns about the achievement of this key objective. Our concerns focus on the lack of timescale and firm goals set for the realization of the vision and the assumption that it can be achieved within the '*present policy framework*', as the report claims. We strongly believe that if the government does not introduce more clarity and direction alongside this commendable objective to reduce the gender pay inequality, that the vision set out in this report will become rhetoric rather than reality.

Despite 30 years of equal pay legislation, the pay gap between men and women is still wide. Women working full time earn 80% of the hourly rate of a man working full time.¹ More worrying still is the part time pay gap. In 1998 women part-timers earned 59% of hourly earnings of a male full timer, the same proportion as in 1978 and at that time 44% of all women in employment in the UK worked part-time.

Policy objectives need realistic goals and to be tied to an appropriate time line if a firm commitment is to be made to them across government, funds committed to their achievement and satisfactory progress is to be made in meeting these objectives. We recommend goals and timescales are set for achieving gender pay equality if we are to move beyond the now limited achievements of the equal pay legislation.

The EOC Equal Pay Taskforce concluded in 2001 that it would be feasible for the gender pay gap to be eliminated entirely within 8 years. We ask that the government examine this proposal and adopt a similar realistic timescale in which to close the pay gap, with interim goals, paying particular attention to the problems faced by part time workers.

We call for the government to map out the '*present policy framework*' that is going to enable the narrowing of the pay gap – including initiatives such as the Kingsmill recommendations, public sector pay reviews, subsidies, training, legislation and the Castle Awards and other work done by the Women and Equality Unit (WEU) and across government as a whole. We also call for the government to assess how effective these levers have been and continue to be over the timescale of the policy objective and consider what other measures are needed to realise the objective.

We advise that the DTI consult with the Women and Equality Unit, the Equal Opportunities Commission and external civil society organizations such as the WBG when developing or revising policy to reduce the pay gap so as to benefit from our expertise.

¹ Women and Men in the UK: Women's Unit 2000

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If you would like more information about the WBG, or to arrange a meeting to discuss this issue in more depth, please contact the Project Officer Kate Bellamy, either by email: kate@fawcettsociety.org.uk or telephone: 020 7628 4441.

Yours sincerely,

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