



## **TCFLI** Textile, Clothing, Footwear and Leather Industries

### Recommendations to the Social Dialogue and to the Sectoral and company level Collective Bargaining



**Contributions to the elimination of discriminatory practices between Women and Men in employment**

**EUROPEAN COMMISSION**  
**Employment, Social Affairs and Inclusion DG**  
BUDGET HEADING 04-03-01-05  
Information and training measures for workers' organisations

Contributions to the elimination of discriminatory practices between women and men in employment relationships Grant

Agreement - VS/2021/0022

## PARTNERSHIP



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Currently gender discrimination and pay discrimination based on sex is a widely developed issue for which there is already a legal framework at international, European and national level that seeks to eradicate this situation from the world of work.

Despite the legal framework, and according to the most recent assessments carried out by the European Commission, the application and monitoring of compliance with this principle still encounters obstacles in the European Union (EU) area. As reported in the proposal for a Directive of the European Parliament and of the Council ([COM\(2021\) 93 final](#)), the "lack of wage transparency has been identified as one of the main obstacles" to the pursuit of this overall objective, of eliminating gender discrimination, and it has been found that "the right to equal pay is not properly implemented and enforced, and that many Member States do not ensure wage transparency".

According to European Commission data, the pay gap between men and women in 2020 was still 13%. This pay gap penalises women more on a day-to-day basis, but also has a long-term impact on their quality of life and their exposure to a precarious situation, as exemplified by the 33% difference in pensions paid between men and women.

The Covid 19 pandemic helped expose the precarious situation that continues to affect women in the labour market. All international, European and national organisations were consistent in identifying that the crisis caused by the Covid 19 pandemic particularly affected working women and that they suffered the most from its effects.

As identified by the European Trade Union Institute ([ETUI, 2019](#)) despite efforts and attempts by the ILO and the EU, to maintain industrial/sectoral bargaining systems in Europe, these efforts have not been successful and are not having the expected results. Across Europe, we verify that employers' preferences for decentralized, company-based bargaining tend to prevail. These preferences have been supported by governments

committed to neoliberal economic policies, by Troika interventions and by the EU's reluctance to lend its support to institutions that underpin the 'European social model'.

The consequences of the changes introduced to bargaining systems in Member States are a decrease in the share of wages in Gross Domestic Product (GDP), INCREASED INEQUALITY and an evolution of real wages that tends to lag behind productivity growth, which has been lower since the 1980s compared to the 1960s and 1970s. All in all, labour has paid a high price for the decentralization of bargaining ([ILO, 2018](#)).

Whereas previously there was a broad understanding that trade unions and collective bargaining are an integral part of a social market economy, they are now mainly seen as institutional 'rigidities' that hinder dialogue with employers ([ETUI, 2019](#)).

There is a consensus among the main international and European institutions that the social partners are central to the implementation and monitoring of measures to promote equal pay.

But if Europe maintains its trend towards decentralisation, promoting company-to-company bargaining, instead of strong industrial/sectoral bargaining, the result will be a weakening of collective bargaining, less coverage of workers and a concurrently increase in gender discrimination at work.

In 2021, the European Commission started work on a proposal to promote and improve pay transparency mechanisms that allow workers to detect and prove potential discrimination on the grounds of gender. The implementation of this pay transparency measure is crucial because "it can also reveal the existence of gender bias in pay and job classification systems that do not value the work of men and women in an equal and gender-neutral manner, or that do not value numerous professional skills that are mostly considered feminine qualities ".

It is imperative to enforce mechanisms that would "dispel hesitation about equal pay between men and women and combat gender bias in pay practices", and at the same time open the debate "around the reasons behind the existing structural gender pay gaps".

The EU recognising the important role of Social Dialogue and its benefits for the economies of its member states points out two important challenges:

- Strengthen the capacities of national social partners;
- Involving social partners in EU law and policy-making;

To guarantee the feasibility of the measures that will be implemented it is urgent that Social Dialogue and Collective Contracting have their performance space assured, so that in the field the social partners have the required tools to evaluate the application and fulfilment of the gender equality principle and thus move towards the eradication of gender discrimination in the labour market.

The social status of certain professions is devalued by the fact they are mostly carried out by women and this devaluation extends to the professional qualifications themselves. The approach to tackling wage inequality is not restricted to redressing the difference in remuneration for men and women who occupy the same professional category. It is also necessary to consider the factors that lead to the position of the professional categories traditionally occupied by females in the pay scale.

The European Parliament Resolution of 24 May 2012, with recommendations made to the Commission about applying the principle of equal remuneration for men and women for work of equal value ([2011/2285\(INI\)](#)) takes into account that "the capacities and skills of women are often devalued, as are the professions where they predominate, with no justification based on objective criteria; that the statistics available indicate

that the qualifications and experience acquired by women are less rewarded, in salary terms, than those acquired by men; (...)."

The resolution also points out the importance of having objective and transparent criteria that are not influenced by social stereotypes "(...) the traditional division of the social functions must end, which hitherto have significantly influenced education and employment paths, and that education can and should contribute to eradicating gender stereotypes from society; (...) in accordance with legislation and European jurisprudence, employers have to apply the same assessment criteria to all male and female workers, the remuneration provisions have to be understandable and transparent and the criteria applied has to take into consideration the nature and type of work, and must be free from discriminatory elements".

In effect, the scope of the principle of wage equality demands a new perspective regarding the characteristics of occupations that modifies the perceived wisdom of women's work compared to men's, which reviews the remuneration structures in place in organisations, and finally which dignifies the salaries of predominantly female occupations ([ILO, 2011](#)).

According to the Communication from the Commission to the European Parliament of 26 April 2017 ([COM\(2017\)252](#)) "Although women are increasingly well qualified and more women than men graduate from universities in Europe, many disappear from the labour market due to their responsibilities as a parent or a career of family relatives."

The communication also points out that "One of the main drivers for the employment gap is the unequal distribution of caring responsibilities between women and men. The gender employment gap widens substantially once families have children, reflecting the difficulty for women to reconcile child-raising and care responsibilities with their work (...) Women who work spend on average 22 hours a week doing non-

remunerated activities, whereas men who work dedicate fewer than 10 hours a week on the same activities.” [Eurofound](#) (2015).

According to the data contained in the report the percentage of employed men between 20 and 64 years old in all countries is higher than the percentage of women employed in the same age bracket.

This difference increases if we consider only Full-time Employment (ETC). According to the report, the average difference in ETC reaches 18.1%. In Hungary the difference is almost 15% and in Portugal the difference reaches nearly 10%. This reveals that women also have a higher prevalence of part-time jobs.

The inequality generated between men and women owing to the aforementioned situations of non-valuation of women’s work and qualifications, the imbalanced division of family responsibilities between men and women, overloading women more and/or forcing them to choose to reduce the time they can dedicate to their work (part-time work) or to leave the job market, puts women in a position of financial dependence and also greater fragility and in a situation of near or actual social exclusion.

The same report pointed out that the pay gap between men and women in the EU was 16% on average in 2017, and the disparity in pensions between men and women was 40% on average. The data tells us that on average the probability of women opting for a part-time job to conciliate their family and work life was 31.3% while for men this probability is much lower, at only 8.3%.

According to Eurostat data the Textiles, Clothing, Footwear and Leather Industries (TCFLI) in 2018 in the 27 member states of the EU accounted for over 221,000 companies, mostly micro and small-sized companies, and employed more than two million employees (2020 data). In Portugal there were approximately 189,000 workers in these industries, Hungary had around 33,000 and Turkey, which places a significant share of its

production in the European Union thanks to customs agreements, had approximately 66,000 companies and over 1.2 million workers in 2020 in these sectors.

These industries predominantly comprise female workers. The female employment rate in these sectors in the EU is approximately 67%. In Portugal it is 68% and it is 80% in Hungary. In Turkey, women account for 41% of employment in these industries. This situation can be explained by the weight of the textile and leather industries in Turkey, which usually have a higher percentage of male workers.

In the EU the pay gap over the last few years has been diminishing, but even so there was a difference of 13% in remuneration between men and women in 2020, on average. In Portugal (EU data) the pay gap was 11.4% (below the EU average) and in Hungary the difference was 17.2% (above the EU average). In the case of Turkey, a recent ILO study ([ILO, 2020](#)) based on 2018 data found that the pay gap in Turkey was 15.6%.

If we delve deeper and analyse the data relative to remunerations in the TCFLI in Portugal, Hungary and Turkey, we see that women continue to be at a disadvantage in relation to men and continue to earn less than men. In Portugal's case, the pay gap is substantially higher than the national average and the EU average. According to statistical data from 2019, the pay gap in Portugal, on average, was 19.9%. If we narrow our analysis on senior staff positions, the difference increases to 26.3%. In Hungary it was 16% on average (2020 data) and in Turkey 8% (2020 data).

The data shows that there is a situation of wage inequality between men and women at the sectoral level, as well as when they occupy the same professional category. Thus, the question does not arise only from the devaluation of functions just because they are mostly performed by women, insofar as in the exercise of the same functions, it is verified that men are better paid compared to women, revealing the persistence of stereotypes and prejudices. in companies' remuneration practices with a clear devaluation of women's work.



In the Portuguese case, in the Leather and Textile sectors, predominantly male sectors, the Average Monthly Base Remuneration and Earnings is higher than that observed in the Footwear and Clothing sectors, which are predominantly female sectors.

Which leads us to question whether sectors such as Clothing and Footwear are being the target of the effects of horizontal segregation, meaning that the work carried out by these women is not valued because it is predominantly carried out by women.

Although we were not able to obtain data on the remuneration of men and women in the three countries equally, we noticed that wage differences are greater if we are dealing with a predominantly female sector and lower when we are dealing with a predominantly male sector.

Looking at the Textile, Footwear and Leather Industries, we find that the Gender Pay Gap (GPG) is smaller in the Leather and Textiles sectors (male predominance) while in the Footwear and Clothing sectors (female predominance), the GPG is higher.

The analysis carried out also leads us to question what balance should exist between the value and weight of a factor to determine the positioning of a given professional category in the salary scale. If, on the one hand, it is indisputable that the Skills and Responsibilities factors should be valued, on the other hand, we are dealing with sectors of activity with very specific characteristics in terms of the tasks they carry out, monotonous, repetitive and with very high work rates. The female workers who carry out these tasks face situations of high physical and mental exhaustion that led many to abandon the activity and who become unemployed in the middle of their active life, which, subsequently, leads them to an early retirement due to the development of occupational diseases. The factors Efforts and Working Conditions – Risks and Occupational Diseases must be considered extremely relevant because the high exposure to these two factors can prevent the worker from developing a normal activity during their professional life, as shown by the sectoral studies on Health and Safety at Work.

In view of the experiences recorded during the project, we are of the opinion that the partnership should reflect with its social partners, namely:

1. The wage differences identified in Portugal, Hungary and Turkey, indicate a practice of direct discrimination between men and women in the TCFLI. It is necessary for each partner to assess whether this practice stems from the negotiated Collective Bargaining Agreement or whether we are facing a situation of prejudice in the companies' remuneration practices and the persistence of stereotypes with a clear devaluation of women's work;  

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2. Reflect on the professional categories and their positioning in the salary scale in order to guarantee the ILO Convention nº 100, "Each Member shall, by means appropriate to the methods in operation for determining rates of remuneration, promote and, in so far as is consistent with such methods, ensure the application to all workers of the principle of equal remuneration for men and women workers for work of equal value" and prevent vertical segregation that occurs in our sectors;  

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3. It is necessary to reflect on the value of professional categories not only from the point of view of Competences and Responsibilities, but, as recommended by the ILO and the norms of the Labour Law, to take into consideration the following four factors, Competences, Responsibilities, Efforts and Conditions of Work;  

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4. It is necessary to implement measures that guarantee effective wage transparency so that these situations can be identified and acted on in a timely manner, to resolve them and ensure that in the medium term the Gender Pay Gap (GPG) is reduced;  

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5. It is necessary that the partners implement tools that allow the annual assessment of the GPG in the TCFLI and that an agenda for the mitigation of the GPG in the TCFLI is associated with it.

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## LINKS FOR CONSULTATION

- Project Page: <https://fesete.pt/elimination-of-discrimination/>
- EU – Gender Equality: [https://ec.europa.eu/info/policies/justice-and-fundamental-rights/gender-equality\\_en](https://ec.europa.eu/info/policies/justice-and-fundamental-rights/gender-equality_en)
- ILO: <http://www.ilo.org> (International Labour Organisation website);
- FESETE: [www.fesete.pt](http://www.fesete.pt)
- Disk-Tekstil: <https://disktekstil.org/en/>
- BDSZ: <https://www.banyasz.hu/>
- IndustriAll – Europe: <https://news.industrial-europe.eu/>
- Eurostat: [Eurostat](https://ec.europa.eu/eurostat/)

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## OTHER REFERENCES FOR CONSULTATION

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- European Commission (2016), [\*A new start for Social Dialogue\*](#), Brussels.
- International Labour Organization (2018), [\*Tripartism and Social Dialogue\*](#), Geneva.
- European Trade Union Institute - ETUI (2019), [\*Collective bargaining in Europe: towards an endgame\*](#), Brussels.
- Friedrich Ebert Stiftung (2022), [\*Trade Unions in Turkey 2022\*](#), Istanbul.
- Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on strengthening the application of the principle of equal pay for equal work or work of equal value for men and women through wage transparency and compliance monitoring mechanisms (COM(2021) 93 final), available at <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2021:93:FIN>
- International Labour Organisation (2007), [\*ABC of Women Workers' Rights and Gender Equality\*](#). 2<sup>nd</sup> ed. Geneva.
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- International Labour Organisation (2022) – [\*ILO Conventions\*](#), available at [www.ilo.org](http://www.ilo.org)
- FERREIRA, Virgínia (1999) – Sex segregation of the job market – theoretical and political perspectives in MINISTRY OF EMPLOYMENT AND SOCIAL SOLIDARITY, Society and Employment – Equal Opportunities, no. 6, Lisbon
- International Labour Organisation (2020), [\*Report - Measuring the Gender Pay Gap \(Turkey Case\)\*](#)
- [\*European Parliament resolution of 24 May 2012 with recommendations to the Commission on application of the principle of equal pay for male and female workers for equal work or work of equal value \(2011/2285\(INI\)\)\*](#), available in <https://eur-lex.europa.eu/homepage.html>
- [\*Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions an initiative to support work-life balance for working parents and carers \(COM/2017/0252\)\*](#), available in <https://eur-lex.europa.eu/homepage.html>

PROMOTER



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