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Chapter 5

WOMEN IN THE PUBLIC SECTOR*

The State influences women’s employment in various ways. Government departments and agencies as well as state-owned firms and public corporations employ women directly while a range of other policies – from aggregate-demand management to industrial subsidies, temporary public work schemes, wage subsidies and other active labour market policies – affect women’s employment in less direct ways. Regulation of the private sector – i.e. workplace health and safety, employment security, prohibition of discrimination, and social security obligations – also affect women’s labour market opportunities. This chapter however will mainly focus on the role of the State as an employer.

The expansion of the public sector1 has been one of the most significant features of structural adjustment in OECD countries over the last few decades, although there are remarkable differences from country to country. For example, while the public sector share of employment remained at an almost constant rate of 15 per cent in the United States, it increased to a level of almost one-third of total employment in Sweden. In most countries, growth in public employment was accompanied by a feminisation of the labour force. In the 1970s and 1980s a high correlation between the female-intensity of public employment and the size of the public sector could be observed. There was also a clear tendency for the public sector to become increasingly female-intensive over time (OECD, 1982).

Recently, however, this expansionary trend has undergone a change while the public sector has come to be seen as a target for, rather than an instrument of, structural reform. In a world of increasing globalisation and market liberalisation there is growing concern about the competitiveness and performance of national economies. The public sector and the inefficient provision of public services are often held responsible for deteriorating competitiveness.2 Market pundits calling for privatisation, deregulation and cost containment – in short, for more market and less State – have had no trouble finding an audience. Privatisation of public activities has so far affected mainly the marketable services of public enterprises, which is not the major focus of this study. However, new public-private mixes and the rationalisation of all branches of the public sector are clearly on the structural adjustment agenda.3

* This chapter is an abridged and edited version of Women and Employment Restructuring: Women in the Public Sector, by Günther Schmid [OECD/GD(91)213].
As the position of women varies with the size and structure of the public sector, the implications of public sector reform for women's employment will also vary from country to country. The feminisation of the public sector, once seen as a panacea for equal opportunities, may limit women's opportunities in times of public sector rationalisation. On the other hand, modernisation of the public sector and a corresponding emphasis on efficiency may offer opportunities for a new balance of equality and efficiency.

Gender inequalities are an obvious target for structural reform in general. Gender-based occupational segregation, for example, is a source of labour market inefficiency, especially when the feedback or secondary effects are taken into account. If women are confined to a narrow range of public or menial service jobs, the economy misses out on a valuable resource (Blau and Ferber, 1986). Furthermore, discrimination discourages women from investing in their human capital, which in turn entrenches occupational segregation and results in further costly under-utilisation of women's skills and talents.

This chapter examines the impact of changes in the public sector on women's employment in the following manner:

i) How did women's employment in the public sector develop in selected OECD countries? What patterns, in terms of branches, occupations, wages and working time, can be identified?

ii) Which equal opportunities policies have been implemented in the public sector? Have they been effective? What are the main obstacles preventing their effectiveness? Is the assumption that public employers act as models for private employers with respect to equal opportunities correct?

iii) What are the challenges facing the public sector in the 1990s and what are the likely effects on women's employment?

PATTERNS OF PUBLIC SECTOR EMPLOYMENT

The expansion of the public sector – notably in the areas of health, education and social welfare – has had a significant impact on women's employment. Unfortunately, there has been little research on the role of the Welfare State as employer, and even less so on the role of the State as an employer of women. In particular, there is a special dearth of cross-national and longitudinal studies. Due to a lack of comprehensive empirical evidence for the different OECD countries, the following discussion uses illustrative examples to highlight the most important dimensions of the public sector labour market.

Levels and structure of public employment

Government employment as a percentage of total employment in OECD countries increased from 11.3 to 15.1 per cent between 1960 and 1989 (weighted average). The pace of growth, however, has declined substantially: from an annual rate of around three per cent in the 1970s, to around 1 per cent in the 1980s. The trend has even been reversed in a few countries, most remarkably in the United Kingdom (OECD, 1990). Growth in public sector employment has not been uniform across OECD countries.
(Statistical Annex, Table E). Three patterns or "models" can be identified which will be illustrated with reference to three countries: Germany, Sweden and the United States.

Three theoretical scenarios of public employment

Women's employment in the public sector is largely determined by an implicit social contract through which societies shape their Welfare State. By comparing wage formation determined by market forces to those determined by social forces, and job creation in the public sector versus job creation in the private sector, it is possible to distinguish three theoretical but empirically relevant scenarios (Graph 5.1).

In the first scenario - the "integrated free market model" - wages are paid according to productivity or market values. This model has two major characteristics in relation to the labour market. First, there is a tendency towards a dual labour market split into a market of "good" jobs - with high productivity and high wages - and a market of "bad" jobs - with low productivity (especially in services) and low wages which may even fall below a socially-defined minimum standard. This holds true for the public as well as for the private sector. Second, the Welfare State is not particularly engaged in creating additional employment, especially not in the low-productivity service sector. There are no particular implications for women's employment, except that low wages and the effects on overall household incomes eventually force more labour market participation, especially among women.

In the second scenario - the "integrated Welfare State model" - each job is intended to provide a social wage, that is, a decent wage independent of its productivity or market value. The creation of high-productivity jobs is indirectly subsidised by solidaristic wage policies and strong active labour market policies, especially in further

Graph 5.1. Three theoretical scenarios of public sector employment (PSE)
education and training. New jobs are created by the State or semi-public authorities (especially in low-productivity welfare services) and financed through taxes or other obligatory contributions. Welfare services provide employment opportunities both directly and indirectly – as a social infrastructure – in particular for women who formerly provided these types of services in the home. This model gives a high priority to full employment. The labour market is strongly segregated into a highly-productive private labour market, and a huge public labour market of welfare services with low productivity (or productivity that is difficult to measure). In this case, women’s labour force participation increases through a self-reinforcing feedback loop of welfare services.4

In the third scenario – the “disintegrated Welfare State model” – each job is intended to provide a decent wage, independent of its market value. New jobs of high productivity are supported directly by industrial policies combined with public training and education and, to some extent, by moderate real wage policies. New jobs of low productivity (especially in services) are not subsidised. The provision of these services will be left mainly to the informal sector or to private individuals. Tasks such as care of the elderly are indirectly subsidised by generous transfer payments financed by the high-productivity sector. This high-productivity strategy creates a demand for skilled workers and favours those who work long hours and follow uninterrupted career paths. Those who are unable or unwilling to work in this manner are structurally disadvantaged. The labour market is strongly segmented into insiders and outsiders, and shows a tendency towards technological unemployment due to its low propensity to create new jobs. Rather than engaging in compensatory job creation, the Welfare State concentrates on transfer payments to the unemployed and to other reserves of potential labour, such as women with young children.

Three real scenarios of public employment: the United States, Sweden and Germany

Three countries come close to these theoretical Welfare State models; respectively, the United States, Sweden and Germany5 (Graph 5.2 and Table 5.1).

The United States experienced a 15 percentage points increase in female labour force participation between 1973 and 1988. However, the government’s share of total employment remained at the same level, and even decreased slightly in the 1980s. The bulk of new jobs for women was therefore created in the private sector, although women remain over-represented in the public sector. The majority of American women in government jobs are in positions related to education.

Sweden – and to a lesser extent the other Scandinavian countries – has an even higher female labour force participation than the United States: over the same 15-year period it grew from 63 to 80 per cent. Almost a third of Swedish workers, and a quarter of the total working-age population are government employees. Women are more concentrated in the public sector than in the United States. More than half of employed women have public sector jobs, mostly in welfare functions: health, care and social security.

Germany has followed a different track. Between 1973 and 1988 total labour force participation declined, and female labour force participation increased only slightly (from 50 to 54 per cent). Government employment doubled between 1960 and 1988, but the proportion of government employment as a percentage of the total working-age population remained almost constant and is inferior to the level attained by the United States free market model. Therefore, although the majority of new jobs for women have been
Graph 5.2. Women and public sector employment in three countries

Table 5.1. **Women in general government employment, by function**

<table>
<thead>
<tr>
<th>Country</th>
<th>Year</th>
<th>Total ('000)</th>
<th>Distribution of women by function&lt;sup&gt;b&lt;/sup&gt; (per cent)</th>
<th>Women as per cent of function</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany&lt;sup&gt;a&lt;/sup&gt;</td>
<td>1961</td>
<td>710</td>
<td>11.8</td>
<td>23.2</td>
</tr>
<tr>
<td></td>
<td>1982</td>
<td>1 813</td>
<td>10.3</td>
<td>29.1</td>
</tr>
<tr>
<td>Sweden</td>
<td>1964</td>
<td>365</td>
<td>12.7</td>
<td>32.4</td>
</tr>
<tr>
<td></td>
<td>1983</td>
<td>1 046</td>
<td>8.8</td>
<td>32.0</td>
</tr>
<tr>
<td>United States</td>
<td>1962</td>
<td>3 302</td>
<td>26.5</td>
<td>16.5</td>
</tr>
<tr>
<td></td>
<td>1983</td>
<td>7 565</td>
<td>24.9</td>
<td>14.0</td>
</tr>
</tbody>
</table>

<sup>a</sup> Data refer to the public sector excluding public utilities, social security administration and some public enterprises.

<sup>b</sup> The four functions do not total 100 per cent.

Source: Schmid (1991), Table 3.

created in the public sector, the expansion of this sector did not compensate for labour shedding in the private agriculture and manufacturing sectors. In contrast to the United States, and especially to Sweden, women are not significantly over-represented in the public sector. A high proportion of German women in the public sector are involved in educational services.

Empirical evidence from these three countries, complemented with data from other OECD countries where available, will serve to illustrate in the following sections how the public sector fares in terms of gender equality relative to three main dimensions of employment – occupation, wages and working time – and how it compares with the private sector.<sup>6</sup>

### Occupational segregation of women in the public sector

Which public sector jobs do women hold? Do women perform only the menial and routine jobs or are they also represented in management, professional and highly-skilled jobs? Are they confined to non-competing (closed) occupations, or are they well represented in competing (open-ended) occupations? Are they promoted regularly, and are they considered on the same basis as men for further training?

### Vertical and horizontal segregation

In the United States, the occupational distribution of women employed in general public administration at the federal, state and local levels is fairly compressed (indicating vertical segregation) and segmented (indicating horizontal segregation), although there are positive trends emerging in both cases. In the federal government, while low-paid clerical jobs continue to be the largest single source of employment for women, their relative importance has been reduced, and the weight of professional, administrative and technical categories has increased (Table 5.2). The traditional over-representation of women in administrative support jobs (85 per cent) is similar to that of other countries. In
Table 5.2. **UNITED STATES**
Women in general government at federal level, by occupational category

<table>
<thead>
<tr>
<th>Occupational category</th>
<th>Numbers ('000)</th>
<th>Distribution of women by category (per cent)</th>
<th>Women as per cent of category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional</td>
<td>91</td>
<td>128</td>
<td>11.6</td>
</tr>
<tr>
<td>Administrative</td>
<td>128</td>
<td>189</td>
<td>16.3</td>
</tr>
<tr>
<td>Technical</td>
<td>158</td>
<td>193</td>
<td>20.3</td>
</tr>
<tr>
<td>Clerical</td>
<td>363</td>
<td>341</td>
<td>46.1</td>
</tr>
<tr>
<td>Other white-collar</td>
<td>3</td>
<td>4</td>
<td>0.1</td>
</tr>
<tr>
<td>Blue-collar</td>
<td>44</td>
<td>46</td>
<td>5.5</td>
</tr>
</tbody>
</table>

Source: Schmid (1991), Table 6.

Contrast to other countries, however, there seems to be a relatively high representation of women in professional (31 per cent) and technical jobs (51 per cent). Although true comparisons are impossible to make, American women seem also to be less compressed in the lower ranks of the public sector than in other countries. In 1988 the average grade for women in the federal government administration was seven (the highest grade being 15) which compares to an average grade of 10.1 for men.

According to the 1985 Swedish census, the vast majority of public sector employees in Sweden are women (67.2 per cent). Women appear to have taken over public employment, but more so at the municipal (72.4 per cent) and county level (83.5 per cent) - where jobs are mainly in direct service delivery – than at the central level (41.8 per cent) – where there are more influential positions. Overall, the proportion of women is higher among workers than in the white-collar category (73.1 versus 62.6 per cent). Vertical segregation is marked among workers in the public sector: the bulk of unskilled service workers are female, while women are very much under-represented among skilled workers in goods production (Table 5.3). Women in the Swedish public sector are concentrated in a few occupations: nearly 60 per cent are found in the 10 most common public sector occupations. The corresponding figure for men is less than 30 per cent.

Women made up approximately a third of the German public sector in 1988 (including public utilities and social security administration) but only 18 per cent of employees at the highest career step were found to be women. They were equally represented at the second highest level but over-represented at the lower intermediate level and under-represented at the lowest level and among blue-collar workers in public services. This situation remained relatively constant all through the 1980s (Table 5.4).

Horizontal occupational segregation has also persisted over the last decade. The bulk (75 per cent) of female employees (non-civil servants) in the public sector continued to work as either office employees (senior officials, secretaries, typists, clerical assistants) or in cleaning professions. In terms of skilled occupations, however, there have been some improvements. Women’s relative share has increased (albeit from a low base level) in a number of occupations, including engineers and chemists (from 3 per cent in 1977 to almost 9 per cent in 1990), technicians (from 16 to 23 per cent), legal professions (from 13 to 26 per cent), and physicians (from 38 to 50 per cent).
Table 5.3. SWEDEN
Women's share of employment by sector and socio-economic status, 1985

<table>
<thead>
<tr>
<th>Socio-economic status</th>
<th>Public sector</th>
<th>Private sector</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Public enterpr.</td>
<td>Central State</td>
<td>Municipal</td>
</tr>
<tr>
<td>All sectors</td>
<td>1 924 586</td>
<td>100 178</td>
<td>37 696</td>
</tr>
<tr>
<td>Production workers, total</td>
<td>46.0</td>
<td>31.7</td>
<td>79.6</td>
</tr>
<tr>
<td>Total</td>
<td>1 700 148</td>
<td>60 189</td>
<td>191 177</td>
</tr>
<tr>
<td>White collar, total</td>
<td>51.2</td>
<td>42.5</td>
<td>79.1</td>
</tr>
<tr>
<td>Total</td>
<td>265 787</td>
<td>168</td>
<td>460</td>
</tr>
<tr>
<td>Self-employed, total</td>
<td>26.3</td>
<td>29.8</td>
<td>19.8</td>
</tr>
<tr>
<td>Professions, total</td>
<td>6 010</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>All status, total</td>
<td>4 285 109</td>
<td>172 245</td>
<td>247 214</td>
</tr>
<tr>
<td>Percentage of women in:</td>
<td>19.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Percentage of women in:</td>
<td>47.2</td>
<td>37.8</td>
<td>41.8</td>
</tr>
</tbody>
</table>

Source: Schmid (1991), Table 7.
<table>
<thead>
<tr>
<th>Class level</th>
<th>Full-time</th>
<th></th>
<th></th>
<th>Part-time</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Civil servants and employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Higher</td>
<td>410</td>
<td>429</td>
<td>18.3</td>
<td>18.4</td>
<td>27</td>
</tr>
<tr>
<td>Higher intermediate</td>
<td>861</td>
<td>857</td>
<td>31.9</td>
<td>31.0</td>
<td>79</td>
</tr>
<tr>
<td>Intermediate</td>
<td>1486</td>
<td>1534</td>
<td>43.5</td>
<td>45.6</td>
<td>153</td>
</tr>
<tr>
<td>Ordinary</td>
<td>234</td>
<td>200</td>
<td>22.2</td>
<td>24.0</td>
<td>13</td>
</tr>
<tr>
<td>Blue collar</td>
<td>811</td>
<td>790</td>
<td>18.2</td>
<td>17.0</td>
<td>181</td>
</tr>
<tr>
<td>Total</td>
<td>3802</td>
<td>3809</td>
<td>31.5</td>
<td>32.3</td>
<td>453</td>
</tr>
</tbody>
</table>

Women in the lower career steps are often over-qualified. In the civil service the average formal education of female civil servants is higher than that of their male colleagues, yet male employees are allocated positions with better career prospects and are more likely to be promoted. Moreover, male civil servants receive twice as much further training than their female counterparts (Gerigk et al., 1986). Some very recent improvement may be related to a 1986 directive for the promotion of women in the federal public administration. The first monitoring report established that the proportion of women promoted or participating in further training in the civil service was higher than their representation in employment. Female recruitment also increased slightly. Given the relatively high representation of women in initial civil service training, a continuation of this positive trend can be expected (Bericht der Bundesregierung, 1990).

The situation in the three “model” countries can be compared with that of other OECD countries. A recent report on the situation of women in the federal public service in Canada suggests that women are highly concentrated in a small number of occupational groups. Three-quarters of the female labour force are found within four of the 72 occupational classifications: in clerical, secretarial, administrative and programme administration services. One group alone – the clerical and regulatory group – accounts for 44 per cent of all women in Canada’s federal public service. In terms of vertical segregation, women occupy the lower levels of almost every occupational group. Significantly, they are vacating their posts in the federal public services at a higher rate than men; this applies to all categories except the “management” category. A simulation showed that – given the small numbers of women in the middle-through-upper levels of many occupational groups – the fact that women are vacating jobs at these levels plays an important role in preventing a better gender balance within a reasonable period of time (Beneath the Veneer, 1990).
In the United Kingdom an evaluation of progress towards achieving equal opportunities for women in the civil service (Cabinet Office, 1990) reflected the same concerns with respect to the higher overall level of women’s resignation, high propensity of career breaks, and lower promotion rates, especially between the ages of 25 and 35, when the majority of women have children and when important decisions about careers are made (see also Fredman and Morris, 1989). However, the review also revealed that apart from the three highest grades – in which women are still absent – increases in female recruitment and promotion are a reason for some optimism.

Public/private comparisons

Only the Swedish source allows public/private sector comparisons in terms of occupational segregation and compression. It shows that, in general, when looking at socio-economic status, women fare better in the public rather than in the private sector. In the worker category, women’s share of unskilled goods-producing jobs is lower in the public than in the private sector, while the female share of skilled service jobs is higher. In the white-collar category half of higher or top-level employees in municipalities and counties (51.8 and 50.6 per cent, respectively) are women. In the private sector women hold only 17.7 per cent of similar jobs. The proportion of women among low-level white-collar workers is also lower in the public sector. However, women remain significantly more represented at the lower levels in both the public and the private sectors. In central state employment, for instance, women make up 71.6 per cent of the lowest-level white-collar labour force, while they comprise only 28.5 per cent of top level employees.

Although the current lack of comparative research does not allow for any generalisation, the available evidence clearly shows that gender-specific occupational segregation in the public sector is common to all countries, albeit to different degrees. Occupational inequality also seems to be correlated to the size of the female labour force in the public sector. In addition, as the Swedish example shows, vertical segregation is associated with the level of government: women fare better – in terms of skills acquisition and seniority – at local or regional levels than at the central level.

Occupational segregation seems to be greater in the public than in the private sector. However, this observation must be qualified with respect to vertical segregation. Women occupy relatively more of the medium- and high-level positions at decentralised levels of the public sector.

The salaries of women in the public sector: wage inequalities

How well do state employers pay women? Do public sector jobs attract women by offering high wages or has public sector expansion occurred on the basis of low wages? Do wages differ between institutional levels of government or according to government function? How do women’s and men’s wages compare? Does the private sector pay comparatively higher wages? Here again the answers are limited by the paucity of empirical evidence and the lack of comparative research.

Gender-specific wage differentials

In the United States in the early 1970s, the public sector male-female pay gap (the percentage by which male employees’ earnings exceed those of female employees with
equivalent personal characteristics) was about 29 per cent at the federal, 21 per cent at the state, and 18 per cent at the local level. The corresponding private sector pay gap was estimated at 28 to 36 per cent (Ehrenberg and Schwarz, 1986). A recent evaluation of comparable worth policy in Washington State shows that between 1983 and 1987, the female-to-male wage ratio rose from 80.2 to 85.6 per cent. Of this increase, 80 per cent was attributed to the re-evaluation of jobs according to comparable worth schemes (O'Neill et al., 1989). The wage ratio in non-state employment also rose, from 63 to 56 per cent.

In the Swedish public sector, gender pay differentials have narrowed more than in the United States. Among women employed full-time in the national civil service, average pay rose from 80 to 91 per cent of the average male salary between 1973 and 1985. Among women employed by municipal governments, average pay rose from 74 to 87 per cent of the male average over the same period. Women employed by county councils received 75 per cent of the average male pay in 1985; this wider differential is due largely to the fact that women and men in this segment of the labour market work in very different occupations (for example, women are nursing assistants while men are physicians).

A similar situation applies to white-collar categories in the private sector where the pay range is also wide. In 1985, women with white-collar jobs in the private sector earned only slightly more than 70 per cent of the salaries of males in the same category, although the relative level of women’s pay had increased. The pay of female white-collar employees in industry rose from 63 per cent of men’s average salaries in 1973 to 73 per cent in 1985. Among industrial workers, the ratio increased from 84 per cent in 1973 to 91 per cent in 1985 (Persson, 1990).

There has been no improvement in Swedish women’s earnings relative to men’s in any sector since 1984. Women may have even lost ground. One explanation for this downward trend is the movement away from solidaristic wages towards more competitive performance-based pay policies. For example, employees whose skills are in high demand in the private sector have been entitled to a “market supplement” at the central government level since 1985. Because most of those salary supplements have gone to men, they are sometimes referred to as the “men’s supplement” (Wise, 1990).

The predominant feature of public sector pay structures in Germany is the stability of differentials and relativities between the different groups of public sector employees. Germany has a single, all-encompassing salary structure for public sector employees which is almost completely status- rather than performance-based. Pay increases are proportionally the same; only lower-grade posts improved their position, and then only marginally. Given their concentration in the lower grades, women’s relative pay improved slightly.

**Public/private wage differentials**

A recent international study (OECD, 1990) compares the evolution of public sector wages in the 1970s and 1980s for 17 OECD countries. The data suggest that real and relative public sector wages have grown very slowly in most countries since the mid-1970s. Aside from Austria, Finland, Japan, Switzerland and the United States, real wages have become static or decreased since the beginning of the 1980s. Comparisons show that for a wide range of countries, public sector wages have declined relative to the private sector. There is, however, no breakdown of these data according to sex.
According to results available for the United States in the 1970s, the public(federal)/private sector wage differential for this period remained positive but seemed to be diminishing. The differential appeared to be greater for females than for males. This may have reflected a lower level of gender discrimination in the federal government than in the private sector. The state and local sectors also showed public/private earnings differentials which were larger for females than for males, although the size of these differentials varied according to level of government. After controlling characteristics, males employed by local governments (and possibly also males employed by state governments) earned on average less than their private sector counterparts. At the state level women earned on average between 8 and 14 per cent more than their private sector counterparts, but their pay levels tended to equalise at the local level (Ehrenberg and Schwarz, 1986).

For Sweden, according to a dissertation calculating wage differentials standardized for personal characteristics, the 1974 wage rates for males were slightly higher in the private than in the public sector. By 1981 this private/public wage differential had increased markedly. The wage rates for white-collar males were 6 to 7 per cent higher in the private sector. The female pattern is different. As in the United States, the wage rates are higher for females employed by central government than for females in the private sector (around 8 per cent higher in 1974 and 5 per cent in 1981). However, while the 1974 female wage rates were higher in local government than in the private sector, by 1981 this sectoral wage differential had been reversed: the wage rate for women of given characteristics was found to be 5 per cent higher in the private sector (Zetterberg, 1990).

German data also indicate that women earn on average more in the core public sector (civil service) than in the private sector. Overall, however, public sector employees fell behind the private sector between 1980 and 1990, by 4.1 per cent in the case of white-collar staff and 3.8 per cent for blue-collar workers (Seglow, 1990).

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Denmark offers an interesting comparison. Danish public employment growth has been one of the most rapid of all OECD countries over the last 30 years. Whereas average changes in annual wages in the public sector surpassed those of the private sector in the 1960s – when there was the fastest public sector growth – this relationship was reversed in the 1970s. Using longitudinal data covering the years 1976-1985, Pedersen et al. (1990) found a decrease in relative public sector wages even after correction for differences in relevant background factors and individual fixed effects such as education and experience. As well as confirming the existence of a gender-based pay gap, the study discovered differences between the public and private sectors in the rate of return on education: for men, 6 per cent in the public against 4 per cent in the private sector; for women, about 2 per cent in the public against zero in the private sector. Moreover, the rate of return on experience is only about 0.8 per cent for men and almost nil for women in both the public and private sectors. Women’s low level of on-the-job training, part-time work with corresponding low promotion rates, and higher incidence of career interruption are mentioned as plausible reasons for these differences.

**Conclusion**

The gender-based pay gap in the public service is still found today in all OECD countries, to the disadvantage of women. It seems, however, to be diminishing, albeit slowly, in most countries. On the other hand, competition between the private and public sector and between men and women seems to have become more effective, especially at
the local level (this is in contrast to the 1960s and early 1970s, a period of fast expansion); and the public sector and women appear to be losing in relative terms.

The evidence of a trade-off between wages and employment is not very clear. In the United States improvements in relative wages due to comparable worth implementation may have occurred at the expense of employment. Denmark and Sweden show an opposite but consistent pattern; continuous employment gains in the public sector occurred alongside decreasing wages relative to the private sector. In Germany, women working full-time in the public sector do not appear to have lost ground relative to the private sector in terms of wages, but employment gains in terms of full-time jobs have been small compared to Denmark and Sweden.

Inequalities in relation to working time

Three dimensions with respect to working time are relevant in any qualitative evaluation of employment. Does the job provide enough income to enable economic independence (income dimension)? Does the job provide income security or is it precarious, that is, short-term or even ‘‘on call’’ (stability dimension)? Does the job allow adjustments in working hours to fit with family obligations or other activities such as educational sabbaticals (flexibility dimension)?

Comparable data for all OECD countries on these aspects are unavailable and the same applies to comparative data for the public and private sectors. The following therefore concentrates on country-specific insights, complemented by some information from the European Labour Force Survey (ELFS) in relation to part-time and fixed-term employment.

Part-time employment

The development of part-time employment in the public sector is only one aspect of the development of part-time employment in society as a whole. This phenomenon should therefore be seen in the light of the analysis provided in Chapter 3.

In the United States, the proportion of part-time work in federal employment is very small – 2.4 per cent, 70 per cent of which is made up of women in spite of the part-time career employment act introduced in 1978. The proportion of part-timers in total employment at state and local government levels is much higher and not very distant from the 20 per cent of part-time employment in the overall economy.

The 1985 Swedish census revealed higher levels of female part-time work at the local government level than among white-collar workers in the private industrial sector. Excluding women aged 25-29 – who make up a slightly lower proportion of part-time employment – more than 60 per cent of women at the municipality level work part-time in Sweden. Women working at the central state level show working-time patterns that are similar to female white-collar private industrial sector employees: about 40 to 50 per cent of women work part-time, except for the youngest age group (fewer of whom work part-time) and the oldest age group (more of whom work part-time). The expansion and feminisation of the public sector in the Swedish example, therefore, is closely connected with reduced work time. A considerable number of men, especially at the local level of the public sector, also have reduced work schedules. Between 18 and 30 per cent of male municipal employees between the ages of 25 and 34 work part-time.
In Germany the growth of women's public sector employment in the 1980s was almost entirely connected with part-time work. In the governmental public sector, women's full-time employment increased only slightly, whereas, overall, part-time employment increased by 47 per cent (Table 5.4). In education, it increased by 52 per cent. The fact that full-time employment in education decreased at the same time suggests that more workers are job-sharing. Although the share of part-time employment increased from 12 to 16 per cent in the governmental public sector, part-time employment is considerably less common in the public sector than in the private sector. Part-time employment in the public sector is highly feminised (more than 90 per cent). In the higher service level, women's share of part-time work is lower and has declined; the fact that men's share has relatively increased may indicate that some more homework-sharing is occurring. It is worth noting that the higher civil service provides relatively more "long" part-time jobs, between 20 and 35 hours, than the private sector (Bericht der Bundesregierung, 1990).

Considering public administration only, the same pattern appears in European Community countries. With the exception of France, the public administration sector employs relatively fewer part-timers than the private sector. If part-time work is further qualified by distinguishing between "short" and "long" part-time work, a consistent pattern across countries emerges: two-thirds or more of part-time work in public administration is "long part-time work", which means more than 20 hours per week (in the United Kingdom, however, the proportion is lower) (Graph 5.3).

The increasing numbers of part-timers in the public sector raises questions related to the relative benefits of part-time work (see Chapter 3). There is no doubt that women working part-time enjoy greater economic independence than women outside the labour market, especially given that most public sector part-time jobs range between 20 and 34 hours and are therefore not marginal. There is, however, also a negative side, as part-time employment is associated with reinforced horizontal as well as vertical segregation. Moreover, the question of whether part-time work is freely chosen needs to be considered for both women and men, especially given the effects of part-time employment on family income.

**Fixed-term employment**

During the 1980s, the public sector increasingly turned to fixed-term employment as a means of relieving its payroll burden. In Germany, the proportion of fixed-term employees in the public sector doubled within only five years (1981-86) from 2.7 to 5.6 per cent (4.6 to 9.6 per cent if civil servants are excluded). This trend appears to be accelerating. A survey in 1987/88 revealed that 53 per cent of newly-hired persons in the public service were contracted for less than six months compared to 37 per cent in private industry. The same survey calculated a fixed-term ratio of 9.4 per cent in the public sector compared to 7.3 per cent in the private sector (Büchtemann and Höland, 1989). There is little difference between the proportions of men and women employed on fixed-term contracts.

As a comparison, in Canada fixed-term employment grew (as a proportion of all employment in the federal public service) from 11 per cent in 1983 to 14.3 per cent in 1988. Sixty per cent of those workers are women. Twenty per cent of all working women (and 10 per cent of men) are fixed-term employees. The majority of those women (57 per
Graph 5.3a. **Part-time female employment in general government**

1987

Belgium

**General government**

- Share of part-time (%)
  - in female employment: 24.9%

**Whole economy**

- Share of part-time (%)
  - in female employment: 62.2%

Germany

**General government**

- Share of part-time (%)
  - in female employment: 26.5%

**Whole economy**

- Share of part-time (%)
  - in female employment: 85.1%

Denmark

**General government**

- Share of part-time (%)
  - in female employment: 38.4%

**Whole economy**

- Share of part-time (%)
  - in female employment: 70.7%

**Source:** Schmid (1991), Tables 14 and 15.
Graph 5.3b. Part-time female employment in general government 1987

France

General government

Distribution of part-time by hours

Share of part-time (\%) in female employment

Whole economy

Distribution of part-time by hours

Share of part-time (\%) in female employment

Netherlands

General government

Distribution of part-time by hours

Share of part-time (\%) in female employment

Whole economy

Distribution of part-time by hours

Share of part-time (\%) in female employment

United Kingdom

General government

Distribution of part-time by hours

Share of part-time (\%) in female employment

Whole economy

Distribution of part-time by hours

Share of part-time (\%) in female employment

cent) are in fixed-term positions of less than six months (*Beneath the Veneer*, 1990, Vol. I).

Some countries report concerns about increasing numbers of fixed-term employees in the public sector, *i.e.* declining levels of stability. Social security benefits related to fixed-term employment are often non-existent or significantly inferior to those applied to other forms of employment. Further research is needed to identify the extent to which the increase in fixed-term positions is a result of the changing recruitment strategies used by public employers, or a result of supply-side factors, for example an increasing number of students looking for fixed-term employment.

**EQUAL OPPORTUNITY POLICIES IN THE PUBLIC SECTOR**

Equal opportunity policies rely mainly on four broad categories of instruments: equal rights legislation, positive action, incentives and infrastructural support. Within each category there are further differentiations. The degree of obligation imposed on employers varies according to the type of instruments; those bearing the highest degree of obligation do not however bear necessarily the greatest efficiency. In practice, the different types of policy instruments are most often interlinked. Table 5.5 shows the range of a comprehensive equal opportunity policy and gives one illustrative example of the application of each type of policy instrument to each of the three main dimensions of employment – occupation, wages and working time. Effective monitoring of this complex mix is obviously a most essential component of sound equal opportunity policies.

**Equal rights legislation**

The modern public sector is a prototype of an internal labour market, or, more specifically, of a bureaucratic organisation (Rose, 1985). It is predominantly characterised by impersonal entry rules (recruitment by merit and formal qualification), hierarchical exchange rules (salary by status and seniority), and stable exit rules (employment security). Until recently, women were openly discriminated against in all three aspects. Laws were in force that precluded married women's access to public service jobs, especially

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<th>Table 5.5. A matrix of equal opportunities policies</th>
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<td><strong>Occupations</strong></td>
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<td>Equal rights legislation</td>
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<td>Positive actions</td>
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<td>Incentives, infrastructure</td>
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high-level or civil service jobs. For example, various “celibacy” clauses applying exclusively to women existed in the majority of OECD countries until the 1940s or 1950s. Ireland was one of the last countries to remove this clause, in 1973, on joining the European Community. Other laws or regulations prevented the promotion of women who interrupted their career for family reasons; and there was no protection from discriminatory dismissal.

Today, direct sex discrimination with respect to entry, exchange and exit in public service employment appears to be largely eliminated (Wurster, 1989). In addition, equal pay for equal work has acquired a long tradition in the public sector. The enforcement of equal rights legislation, however, differs among countries. This can be illustrated from the three countries serving as examples. The United States puts high emphasis on sanctioning unequal treatment, whereas in Sweden and Germany there is much less active practice of enforcement of equal rights legislation.

Positive action

Despite legislation prohibiting unequal treatment, women still experience de facto discrimination in the public sector and their disadvantaged position persists. As a result, almost all OECD countries have introduced various equal opportunity laws, guidelines or directives making provision for positive action. This is aimed at supporting equal or preferential treatment of women on the labour market concerning in particular entry, or re-entry; it may also target the employment relationship, especially wage formation. The following gives a few selected examples, illustrating how positive action develops in practice.

Legal support of equal or preferential treatment: the case of Germany

In Germany, the most important positive action programmes have been initiated at the Länder level; most of these apply only to the public sector. This reflects both the pioneering role of the State as an equal opportunity employer, and the less complicated consensus between the industrial relations partners in the public sector. The Social Democratic Länder Governments in North Rhine-Westfalia (1989), Hamburg and Bremen (1990) and Berlin (1991) have all enacted equal opportunity or anti-discrimination laws, of which the latter is the most far-reaching. This applies to the public administration only. A summary of the Berlin law demonstrates a range of positive action measures aimed at ensuring equal or preferential treatment (see box).

There are conflicts between traditional (male-biased) promotion rules and modern (gender-neutral or female-supporting) equal opportunity rules. Recently a civil servant in North Rhine-Westfalia went to court on the grounds that he was discriminated against by the new law. The complainant argued successfully that– given the same qualification – he was eligible to be promoted because of seniority gained through military service. According to the old rule, seniority is decisive in case of same qualification. This obviously disadvantages women who usually have less seniority due to career interruption or later entry into the labour market. To promote women according to the equal opportunity laws violates the civil servants’ skeleton law as well as Article 3 of the basic law that prohibits discrimination by sex. The judges stated that it was unacceptable for an individual man to suffer for past injustices against women. The case raised constitutional issues and was sent to the Supreme Court.
BERLIN ANTI-DISCRIMINATION LAW (1991): a summary of requirements

- The development of a woman’s promotion plan for a period of six years with binding targets for two years;
- the obligation to advertise all vacancies internally as well as externally; where no women apply, external advertisements have to be repeated;
- any group of candidates to be considered by a selection committee shall comprise an equal number of men and women fulfilling the formal qualification requirements. Selection committees shall be composed equally of both genders;
- in areas where women are under-represented, at least 50 per cent of apprenticeship places shall be allocated to women;
- women trained in an occupation with less than 20 per cent of women have priority for jobs after training;
- in case of “same qualification” women have preferential recruitment until they make up 50 per cent of the respective occupation or career step and 50 per cent of the respective pay groups within an occupation or career step;
- training must be emphasized – including special training for personnel managers in equal opportunity policies; there is a need to compensate for additional costs arising from the care of children or other dependent family members;
- reduced work hours are explicitly recognised as compatible with the higher echelons of the public service; the return of workers to full-time positions shall be supported;
- government orders involving more than DM 10 000 shall be given to suppliers who can prove they operate an effective equal opportunity policy;
- administrative units must have a women’s representative who shall be elected by female colleagues;
- administrative units must provide regular reports on progress made in implementing programmes and meeting targets.

The criteria of “same qualification” nurtures a controversial debate. It is criticised by some because it can be circumvented by changing definitions or is rendered ineffective by the lack of objective measurements of “qualifications”. During the debate over the Berlin law, there was a proposal to replace “same qualification” with “required qualification”, to allow women to compete with men who have more work experience or higher formal qualifications, but are not necessarily more suitable for the job. The proposal was overridden by the Berlin Parliament and the “same qualification” clause remained. The evaluation of qualification is probably impossible to define by law. Other positive action measures – such as fixing a proportional participation of women in promotion and hiring boards – may therefore be more effective in ensuring women’s promotion (Raasch, 1988). However, as long as formal qualifications will keep playing the same major role in recruitment and promotion in the public sector, this also will have a limited effect.

Support of equal or preferential treatment: experiences from other countries

In Canada, the Charter of Rights and Freedoms entrenched equality between the sexes in the Constitution in 1982. A variety of positive action measures have been introduced over the past decade, aiming at developing employment equity in the federal
public service and also in enterprises linked with the federal government. Of the latter, two are particularly interesting. The Federal Contractor's Program requires federal suppliers with 100 or more employees tendering for contracts worth over $200,000 to make a commitment to employment equity as a condition of bidding. Federally-regulated employers and Crown corporations must report annually to the government on equal opportunity progress. Those reports are made public and housed in libraries across the country. A report is also presented to Parliament each year in which those corporations are ranked according to level of female representation and rate of improvement in meeting equity objectives (Beneath the Veneer, 1990, Vol. I).

The Cabinet Office in the United Kingdom launched in 1984 a programme to achieve equal opportunities for women in the civil service. Emphasis was placed on encouraging women into the public service by changing recruitment literature and by adapting working arrangements to help staff combine work and family responsibilities. Each department was required to designate an equal opportunity officer, responsible for discrimination on the basis of race as well as sex. To enhance women's career development, the emphasis was laid on training, including specific courses to help women prepare for middle management positions. The establishment of childcare facilities was another focal point. Special unpaid leave (providing the employee returns to work within five years) will be counted in the calculation of length of service. It is also recommended that at least one woman be included in promotion boards, and that seniority as a criterion for promotion be dropped.

**Comparable worth: the case of the United States**

Slow progress in closing the male-female earnings gap and persistent occupational segregation led to the idea of extending the notion of equal pay for equal work to the broader concept of equal pay for comparable worth. In the United States, this concept was pioneered in the public sector (Blau and Ferber, 1986). In the widely publicised case "County of Washington vs. Gunther" (1981), the Supreme Court opened the way for comparable worth litigation by ruling that it is not essential for a man and a woman to be doing "equal work" in order to establish pay discrimination. The plaintiffs were four women employed as matrons at the Washington County jail. The matrons guarded female inmates, while their male equivalents - correction officers - guarded male inmates. The matrons were paid about 30 per cent less than their male counterparts. The plaintiffs won the right to equal pay, but not on the basis of proved intentional sex discrimination. As a result the Supreme Court did not explicitly endorse the comparable worth approach.

In a later case between the American Federation of State, County, and Municipal Employees (AFSCME) vs. State of Washington, the judge ordered implementation of a salary schedule based on comparable worth and back-pay of up to $800 million. The Court of Appeals, however, rejected that decision by stating that the value of a job depends on factors other than just the actions performed on the job, including factors such as the availability of workers and the effectiveness of unions in negotiating wages. Moreover, the Court of Appeals stated that the legislative history of equal opportunity legislation should not suggest that Congress intended "to abrogate fundamental economic principles such as the laws of supply and demand." In other words: pay systems based on seniority, merit, quantity or quality of production or on "any factor other than sex" are legitimate sources of wage differentials (Twomey, 1990).
Because comparable worth did not gain a legal footing, pay-equity claims will be a continuing focus for litigation. Nevertheless, public employers at state, county and municipality level have developed their own mechanisms to deal with equal pay questions (Cook, 1985). By 1987, 12 states had begun to implement wage adjustments based on comparable worth studies. Several other states had implemented pay rises for some predominantly female jobs, usually through the collective bargaining process. New Mexico, for example, allocated $40 million (to be phased in over a number of years) to increase salaries in the lowest-paid job classifications. Women held 86 per cent of these positions. At the federal level, it has been proposed that a study of pay equity for federal employees should be designed and implemented (Koziara, 1987).

An evaluation of the Washington case revealed mixed results. Pay increased in the female-dominated occupations and the gender gap narrowed during the first round of comparable worth adjustments. The penalty for career breaks and for part-time work were both also reduced. Accompanying these developments, however, was a reduction of the share of employment in occupations receiving comparable worth pay adjustments. For male and female employees, returns on investment in education and work experience fell. The job evaluation procedure appeared to be somewhat capricious (O'Neill et al., 1989).

Comparable worth or pay equity is quite controversial in the United States. Opponents refer to the high costs of equity plans and their negative employment effects. Others claim that wage increases interfere with the market allocation process; that higher wages in the public sector will put pressure on the private sector to offer higher wages, which will lead to unemployment. A counter to these arguments could be that comparable worth exercises can also identify areas where overpayment occurs, such as in male-dominated jobs.

Incentives

Equal opportunity incentives can be provided in different forms: tax credits, direct wage subsidies, exemption from social security contributions, and subsidisation of social security benefits, all of which can encourage employers to recruit from the target group. There can also be non-monetary incentives, such as special employment protection and options of flexible work arrangements, for example sabbaticals or parental leave, to attract candidates from the designated groups. Non-monetary incentives are specially relevant in the case of public employment.

The public sector's use of employment incentives has been dictated mainly by labour market rather than equity reasons. At the beginning of the 1970s, when labour was scarce, governments offered voluntary reductions in working time, unpaid leave of absence to care for children, training sabbaticals and other privileges to make public service jobs more attractive, or to assist retention of long-term and trained employees. Together with the general expansion of public sector employment, women profited from these policies. This, however, was a side effect and not the primary goal.

When unemployment rose in the 1970s and early 1980s, governments modified their objectives and used incentives to develop work-sharing or temporary public work to reduce unemployment. Although an overall systematic evaluation of this policy change is not available, there are indications that equality for women lost ground during this period (MacLennan and Weitzel, 1984). In recent times, equal opportunity objectives per se have gained momentum, and this coincides with rising concerns about potential shortages
of skilled labour in the future. This resulted in particular in innovations in working-time regulations allowing for more flexibility.

No special incentive programme, in terms of modifications of working time, has been introduced in the United States. Sweden, on the contrary, has a long tradition of providing incentives (or at least financial compensation) for flexible working-time arrangements, especially parental leave and leave for the care of sick children. In addition to the universal schemes, there are some special agreements in the Swedish public sector providing rights to reduced working hours for parents with young children.

Germany also has improved the options for flexible working time for public service employees. Access to part-time leave for personal or social reasons (childcare, health care or care of the elderly) has been extended from civil servants to all permanent employees. The allotted time frame within which it is possible to take childcare leave has also been extended from 9 to 15 years. However, the ability to work part-time (with the right to return to full-time) is limited because it is conditional on the employer's approval.

Belgium and France offer additional examples of countries having considerably extended the option to work part-time (with the right to return to full-time work) to public sector employees. In Belgium, all permanent employees in the public sector are now entitled to reduce their working time by 50 per cent for up to two years, without any further criteria. Special incentives for part-time employment of older workers have also been introduced. In France the option to work part-time is available to all public sector employees regardless of the nature of their contract. The working-time reduction is flexible, and part-time may vary from 50 to 90 per cent of the normal full-time duration. In contrast, the federal public service in Canada employs relatively few part-timers. This is attributed to the lack of pension entitlement for those working less than 30 hours per week.

Overall, the public sector has pioneered the provision of flexible working-time arrangements. However, it is too early, and the statistical basis is too weak to evaluate the long-term effects of these policies on women's employment in the public sector. Longitudinal data – especially mapping changes from full-time to part-time employment and vice versa – would be necessary for any comprehensive evaluation.

Infrastructure

The State as employer can provide infrastructural support to advance equal opportunities for women in a great variety of ways. First, it can introduce special and compensatory training measures for women returning to employment after a career interruption. Second, it can make public sector employment more accessible by decentralising the location of public services and reducing commuting time between home and work. Third, it can ensure that the social infrastructure – including opening hours of public service agencies – are compatible with family and work schedules, and that school schedules facilitate women's labour market participation by providing full-day supervision and midday meals for children. Fourth, it can provide childcare at or near the workplace.

OECD countries – including the three chosen “model countries” – show a great variety of individual measures with respect to this range of possibilities. However, a coordinated approach is missing in most cases and a synoptic evaluation is therefore not possible. Sweden is the “model” country showing the most consistent approach on all fronts. Its public schools offer day-long activities for children, and extensive public
childcare is also available. The Swedish model consisting of drastically expanding public service employment and creating jobs for women relies in addition on the decentralised structure of the Swedish public sector. As noted earlier (Table 5.3), the majority of public sector jobs have been created at the local and regional level. Municipalities assume significant tax authority, and there is a conscious policy to locate central public agencies or offices outside the centre of agglomerations.

EQUALITY AND EFFICIENCY: THE FUTURE OF EQUAL OPPORTUNITY IN THE PUBLIC SECTOR

Challenges for the public sector in the 1990s

Cost containment in the public sector remains a major concern in most OECD countries. In 1989 twelve Member countries showed a public deficit; five of those had deficits of over 5 per cent of GDP. On the other hand, "a certain battle fatigue is appearing after almost a decade of restraint" (OECD, 1990). In the 1990s governments will find it even more difficult – for various reasons – to combine cost containment exigencies with new challenges or unresolved problems of the 1980s.

Public-sector wages fell relative to private-sector wages in most countries in the 1980s (see above). Further cost containment through reduction of wages appears highly problematic. If the public sector wants to compete with the private sector for skilled staff, it will have to pay competitive wages. Employment security offered by the public sector will not be enough to compensate for lower wages and attract skilled workers: private sector employers can also offer long-term employment. Competitiveness through low wages is in any case not a good strategy in the long term, whether in the public or the private sector. It may even trigger a vicious circle: lower wages → lower quality of services → lower willingness to pay for these services → higher cost pressure → further reduction of wages, and so on. It is recognised that the high rates at which employees in the public sector are vacating their posts are the result of deteriorating salary and employment conditions (Beneath the Veneer, 1990).

Cuts in public investment may have been too severe in the 1980s. In many countries the public infrastructure is literally cracking (OECD, 1990). Aschauer (1989) attributes as much as 60 per cent of the productivity slump in the United States to the neglect of core infrastructure, including streets and highways, mass transportation, airports, water and sewer systems and electrical and gas utilities.

There is increasing concern about the deteriorating quality of public services, especially in education. Quality of education systems at all levels (primary, secondary, vocational, academic, and further training) is a determining factor in a country’s ability to produce high-quality goods and services and maintain international competitiveness (Schmid, 1990).

Social and demographic changes present new challenges to government. As populations age throughout the OECD, extra pressure will be put on public budgets for health care and pensions. The demand for childcare will intensify in relation to female labour force participation and the increase in single-parent households. It has been argued that the availability of subsidised childcare is necessary to encourage certain groups, such as
single parents receiving income support, to re-enter the labour market (Fuchs, 1988; Moller Okin, 1989; OECD, 1990). Moreover, the recognition that early childhood education influences the future social and educational performance of young people has raised the issue of the quality of childcare and led to calls for an expansion of public sector kindergarten and pre-school systems, and for some regulation of private sector childcare institutions.

The combination of persisting pressures to contain costs further while answering new needs and demands will necessitate further public sector reform. This need not necessarily take the form of privatisation or decentralisation. What is important is to create a competitive environment for public action. This can be achieved for instance by linking budget allocation to performance and outcome quality; or by establishing effective public/private mixes through vouchers, contracting out, or charging for services. The only common direction for public sector reform across OECD countries is likely to be a reorientation away from crude overall budgetary cuts to specific efficiency-enhancing measures that are compatible and, if possible, complementary to equality or equity objectives.

**The three scenarios**

As shown above, there are marked differences in public sectors from one OECD country to the other and this has implications for the policy priorities which will be elaborated to meet the challenges facing the public sector in the 1990s. It will also affect approaches to equal employment opportunities. The three model countries used earlier help to illustrate possible scenarios. Specific problems identified in these countries may offer insights to countries with similar characteristics.

The case of the United States illustrates the “integrated free market model”, displaying an overall low productivity together with low social security and public job creation. Apart from unionised areas (which play a minor and decreasing role), wage formation is basically left to the market, thus establishing relatively high wage differentials. This strategy has a double impact on women: it forces many into “fuller” employment because of precarious economic conditions (large pockets of poverty), while another substantial group of women enjoys better opportunities (less segregation, more upward mobility) than may be the case in the other model countries.

Such a strategy lends itself to positive action and comparable worth policy rather than public job creation, active labour market policies or hard line quotas. However, increasing numbers of working poor and non-working able-bodied persons (including single parents) depending on welfare payments are creating pressure for the public services to enhance their economic self-sufficiency (Ellwood, 1988).

In addition, declines in productivity are of increasing concern in the face of intensified international competition. Improving public infrastructure and an educational offensive appear as preconditions for redressing the situation. If policy goes in this direction, it is likely that employment opportunities in the public sector will increase and that women will benefit. Public infrastructure developments such as the extension of quality childcare services and expansion of educational provision would contribute to brighter employment perspectives for women across the whole economy.

Sweden, an example of the “integrated Welfare State model”, has given priority to full employment. It has engaged in an overall low productivity track by creating addi-
tional employment for women and other relatively disadvantaged groups, but almost exclusively in the public sector. Sweden has been largely successful in providing economic independence for women, albeit in the context of an extremely segregated labour market. Given this institutional framework, equal opportunity policies are likely to continue to emphasize active labour market measures, job creation, childcare provision and individual taxation, rather than a regulatory approach.

Wage drift, inflation, low productivity, and the reappearance of a balance of payment deficit are signs that Swedish competitiveness has been gradually weakened in the 1980s. The large public sector no longer seems to support economic growth and efficiency. There are also indications that inequalities may be increasing and that the marginal costs (in terms of output lost) of raising public funds are on the rise (Persson, 1990). Women appear a priori fairly vulnerable in the event of pressure for public sector rationalisation, especially given the segmented labour market.

Future structural change will likely set a premium on intelligent or flexible public/private mixes. This will call for de-segregation and improving the competitiveness – not necessarily reducing the size – of the public sector as priority objectives. In a situation where an infrastructure favourable to women’s employment is already well developed, it seems that equal opportunity efforts will have to be directed more towards dismantling vertical segregation – by ensuring women’s access to higher positions – and enhancing training to allow more women into non-traditional occupations. The Swedish system has already allowed substantive gains in terms of women’s economic independence and relatively strong political representation (Hernes, 1987). This gives reasons for some optimism that reactions to new challenges will bring favourable outcomes for women.

Germany – an example of the “disintegrated Welfare State model” – has engaged in a high productivity track with few aspirations to full employment. Public sector employment and female labour force participation are low. There is a high degree of redistribution through generous transfer payments. Equal opportunity policies will more likely focus on entry regulation – such as anti-discrimination laws, quotas, equal opportunity offices or ombudsmen/women – than on wage equalisation. However, high legal or de facto minimum wages and moderate wage differentials (lower than in the United States, higher than in Sweden) tend to reduce the potential range of wage discrimination.

Such a strategy is unlikely to remain unchanged given new challenges in the 1990s. According to OECD projections, Germany is facing an especially unfavourable dependency ratio. Policies involving generous transfer payments for able-bodied people of working age remaining out of the labour market (passive measures) will become too costly. Moreover, the extremely low labour force participation of women (in the western part of Germany) amounts to a serious waste of productive human resources. Political pressure for an extension of public services will come from two sides: from West German non-employed women who wish to gain more economic independence, and from East German women wanting to maintain their previously established (albeit under politically and economically difficult conditions) economic independence. Furthermore, extensive public investment and temporary public job-creation programmes will be required to ease the problems of German unification.
CONCLUSIONS

In spite of the differences which have been outlined in this chapter, employment characteristics and perspectives concerning women in the public sector show enough common features across all OECD countries to allow for some broad general conclusions, in particular as relates to equal opportunity objectives.

Empirical evidence reveals a picture made of successes and failures, and also a possible reversal or at least discontinuation of past trends. In most countries the public sector has come to employ women in a relatively greater proportion than the private sector. Over the years where it was expanding fast, the public sector offered women jobs providing greater employment protection and social security and higher wages than did the private sector.

To the extent that persistent gender-based earnings differentials in the public sector can be interpreted as an indicator of labour market discrimination, it has to be recognised that the public sector has not been particularly effective in implementing equal employment opportunity programmes directed at its own employees. This should not imply, however, that government employment has not reduced labour market discrimination overall. Evidence collected so far suggests that gender differentials are smaller in the public sector than in the private one. Given that women generally earn more in the public than in the private sector (at least at the higher institutional levels of government) and that women's rate of entry into the public sector is higher than that of men, public sector employment seems to have caused the average female wage to rise relative to the average male wage. But there are signs that this equalising effect on the overall economy has been exhausted or even reversed.

Horizontal and vertical occupational segregation is as much a feature of the public sector as of the private sector. Women's representation in top public service positions is very low and only slowly improving. At current rates – and there is evidence that some occupations or sectors are becoming more rather than less gender-segmented – it would take at least 25 years to achieve numerical gender equality.

Although empirical evidence for the public sector remains sketchy, it appears that men are more often in open or competing occupations or positions, and are more likely to move inter-occupationally. In contrast, women are confined to non-competing occupational groups and are thereby limited to intra-occupational mobility; as these groups provide almost no upward mobility, possibilities to compete for higher classifications are extremely limited in the case of women. Thus, enhancing flexibility in occupational classifications, and opening job categories especially for upward competition seem to be one of the most urgent equal opportunities strategy needed within the public sector.

Women's relative lack of geographical mobility is often cited as a reason for the discrepancy between near gender equality at recruitment and increasing vertical inequality during the occupational career. Family responsibilities do affect women's ability to participate in long-term training courses outside the local area, and they may force women to decline promotions (or not apply for them) if this implies relocation, which is often the case in higher civil service jobs. The same constraints would apply to men who assume significant family responsibilities. Decentralisation of employment and training facilities in the public sector, therefore, may prove to be an important equal opportunities strategy. All policies facilitating compatibility between career and family can also contribute to a redistribution of domestic responsibilities.
Increased access to part-time work in the public sector has developed in most countries. When combined with adequate employment protection, social security and the right to return to full-time work, part-time work can constitute a real "equal opportunity bridge". Making this option widely available could well be one of the most important positive action measures for the 1990s. Specific incentives may be needed to increase the attraction of part-time work for men as well as women; counting part-time work as full-time service with respect to seniority rights, pension entitlements and workers' representation is an example of such incentives.

Progress in equal opportunities is currently inhibited by the generally high ratio of women to men resigning. Policies referred to above are all likely to reduce the rate at which women are vacating their jobs. New forms of work organisation that involve less hierarchy and a more co-operative decision-making style also seem promising. They would make the workplace more "woman-friendly" and make it easier for women to take on more responsibilities and subsequently have access to promotion.

Laws prohibiting open discrimination in terms of recruitment, pay, promotion and dismissal in the public sector have been well developed in most OECD countries for many years. Rigorous implementation of those laws as well as the development of improved management techniques, flexible organisation of work, and institutional incentives are now needed to fully operationalise equal opportunity policies. The public sector appears more innovative in that respect than the private sector, which can be illustrated by the great number of positive action initiatives which have been introduced. There are however clear indications that public sector employment growth will at best be slow in the coming years. It will therefore be crucial to enhance the role of public employers as "model" equal opportunities employers and to find ways to translate good public sector practices into the private sector.
Notes

1. The public sector is defined here, if not mentioned otherwise, as the range of activities covered by general government. As defined in the System of National Accounts (SNA), this covers the various departments and agencies at central, state, provincial and local levels which produce non-market goods and services. The main exclusions from a comprehensive coverage of the public sector are government-owned firms and public corporations which produce and sell goods and services in a market, plus a range of non-profit-making organisations which are close substitutes for public-sector activities.

2. Choices about how much and what sort of government intervention are as related to national preferences and cultures as they are to economic considerations. Even from an economic perspective, there is no clear-cut correlation between the size of the public sector and efficiency. While a number of earlier cross-country studies pointed towards a negative relationship between the size of the public sector and economic growth, several recent contributions to comparative public policy have found evidence that institutional factors – such as stable industrial relations, the provision of training and education, well-functioning financial systems, and the provision of social services – actually enhance economic performance. The Welfare State if not necessary for economic efficiency, is at least compatible with it (Saunders and Klau, 1985; Castles and Dowrick, 1990; Mosley and Schmid, 1991).

3. Privatisation per se is no guarantee of more competition; yet those advocating a comprehensive public sector should be very concerned about efficiency. A competitive environment is achievable in the public sector, and various public/private mixes can also be effective. ‘Public versus private matters, but competitive versus non-competitive usually matters more’ (Donahue, 1989).

4. For example, the provision of family services such as childcare provides employment for women and also frees women to participate in the labour market.

5. Germany refers to West Germany, i.e. to the former Federal Republic of Germany before the unification in October 1990.

6. The concept of equality is a complex one and a methodology to analyse important distinctions can be useful. In his seminal work on Equalities, Douglas Rae (1981) distinguishes five dimensions of equality: subject, domain, approach, value and distribution criteria. The ‘subject’ dimension – which is relevant here – has three sub-categories: simple equality, segmental equality and bloc equality. The two first ones relate to equality at individual level, the third one at class level. Ideally all three types of equality should be checked in relation to the three domains of the labour market under investigation (occupation, wages, working time). However, given that the comparative data on equality-related questions are so poor, specially concerning class inequalities, most of the observations in the chapter relate to individual-level inequalities. Only class inequalities related to the public/private cleavage are illustrated separately where possible.

7. International comparative studies on gender-related wages between the public and private sectors or within the public sector seem to be non-existent. Even on a national basis, there are only a few very good studies available, such as the overview by Ehrenberg and Schwarz.

8. A recent Finnish study found gender-specific wage differentials smallest in the most female-dominated occupations and largest in the most male-dominated occupations. Systematic variation appears also with respect to ‘openness’ of the sectors: the more the sectors are exposed to competition, the higher the wage differentials between men and women. These patterns also hold true for subsections of the public sector: the ratio of average female to male earnings (standardized according to educational background) was 86 per cent in 1985 in central government services, 80.8 per cent in local government services, 75 per cent in local administration, 70.5 per cent in private export industry, and 69.7 per cent in government enterprises (Allen et al., 1990).

9. The authors of the study warn that conclusions should be drawn carefully and hint at the main problem: the general government wage rate is calculated as the general government wage bill divided by government employment, thus not taking into account the changing composition of public sector employment, especially increasing part-time work. OECD conclusions can be compared with those of national studies. Guilhamon (1989) suggests that public sector wages in France grew in line with the private sector over the period 1978 to 1986; Bailey (1989) and Pedersen et al. (1990) confirm OECD findings for the United Kingdom and Denmark, that is, they found relative wage decline. Moulton (1990) found a similar narrowing in the differentials for the federal service in the United States.

10. Another major flaw of this type of studies (often acknowledged by the authors) is their focus on measures of earnings rather than total compensation which would include fringe benefits; there are indications that fringe benefits are higher in the public than in the private sector.

11. In a simulation, Ehrenberg and Smith (1987) found a negative effect, albeit small, of comparable worth wage adjustments on employment. They warn, however, against drawing any policy conclusions because of uncalculated side-effects. In addition they doubt if women as a group would benefit: ‘the higher wages for women employed in the public sector may be at least partially offset by resulting lower wages for women in the private sector.’

12. The European Labour Force Survey (ELFS) provides harmonized data for all European Community countries. Information on employment is available using the General Industrial Classification of Economic Activities within the European Communities (NACE). Public administration appears as a specific activity. It leaves out, however, the core of public welfare employment in health and education.

13. We do not report here about the implementation of ‘equal opportunity units’ in various organisational forms and at various levels of public administration. Their function relates often both to the private and the public sectors. They also play a pilot role for the private sector.

14. To date about a dozen men have taken legal action against the NRW law (according to Frankfurter Rundschau, 8.3.1991, p. 16).

15. Other countries practising comparable worth on a legally-supported basis are Australia, Canada and the United Kingdom; it remains, however, a matter of academic debate in Scandinavia and other European countries.

16. There are indications that opposition to private sector legislation will be even more determined. In fact, some opponents of pay-equity legislation in the public sector are employers concerned that the legislation will have spill-over effects into the private sector (Koziara, 1987).

17. Parental leave pay has gradually been extended and in 1989 was granted for 450 days, 360 days with normal sick pay (about 90 per cent of wages), and 90 days with a minimum payment. In 1989 it was decided that parental leave with full payment would gradually be extended to 18 months and that the leave could be used until the child was eight years old. Since 1980 pay for care of a sick child has been granted until the child is 12 years old and during a total of 60 days per child per year. That is to be extended to 90 days and until the child is 16. Data from the National Social Insurance Board show that about 92 per cent of the days
of parental leave are used by women. The take-up of short-term leave to care for sick children, however, is distributed relatively equally between Swedish parents (Persson, 1990).

18. The "dependency ratio" is defined as the ratio of the number of young and old dependants to the working-age population. The OECD predicts a change in the ratios of +7.4 compared to -4.8 in the United States and -2.8 in Sweden (OECD, 1990, Table 13).
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