

3. Supporting adequate and inclusive minimum wages and strengthening collective bargaining

Over the past decade, more countries have turned to minimum wage policies as a tool to combat low-paid work and rising poverty, to increase the purchasing power of workers, to combat gender-based pay discrimination, and also to address the vulnerability of women to becoming trapped in low-paid jobs (ILO, 2010c). The renewed attention being given to the issue of the minimum wage is also partly due to the emergence of empirical evidence showing that minimum wages, when well-designed and implemented, help protect workers and have limited impact either on employment or inflation. Accordingly, the contribution of minimum wages to the improvement of women's wages should be recognized as an objective of public policies aimed at achieving gender equality at work, since women typically benefit more than male workers from minimum wage increases (ibid.).

These policies should apply to all workers, and be designed and fixed at an adequate level based on evidence and full consultations with employers' and workers' organizations at all stages of the development and implementation of the system, in order to accommodate in good faith the differing interests of social partners, in line with the provisions of the Minimum Wage Fixing Convention, 1970 (No. 131) and the related Recommendation, 1970 (No. 135).

By 2015, about 90 per cent of 151 countries and territories reviewed in a recent ILO study had some legislation or collective agreements that included provisions on minimum wages (ILO, 2015c). In addition, about half of these countries have a minimum wage system that applies uniform coverage on a national or regional basis, which is more likely to result in higher coverage since some workers, in particular those who are lower paid and lower skilled, may find themselves excluded from protection when minimum wages are set by occupation or sector. In this respect, minimum wage legislation is seen as a potential means of creating a pro-rata wage-floor and bringing part-time and mini-jobs into the mainstream by reducing the systematic underpayment of wages in these positions (Fagan et al., 2014). For instance, an ILO study showed that the introduction in 2012 of a minimum wage in the former Yugoslav Republic of Macedonia may have resulted in the reduction of the gender wage gap between 2011 and 2014, hence mitigating the "sticky floor" holding workers in the lowest paid, low-skilled jobs (Petreski and Mojsoska-Blazevski, 2015).

Although minimum wage policies could be designed to target specific groups of workers, including domestic workers, it is crucial that sectoral minimum wage rates are free from gender bias so that certain supposedly "feminine" skills are not undervalued (ILO, 2012c) (box 8). Ensuring equal pay for work of equal value should also be an objective of minimum wage policies. Rates should be based on objective criteria that are free from gender bias. In fixing minimum wages, gender-neutral language should be adopted in defining different occupations and jobs (ibid.).

Where the level of minimum wages is concerned, ILO standards point to the joint consideration of the needs of workers and their families and of economic factors. Research shows that, across the OECD countries, the gender pay gap is smallest (8 per cent) for the group of countries with a high relative statutory minimum wage (40 per cent of average wage) (Grimshaw and Rubery, 2011). For instance, Portugal and Chile gradually increased the minimum wage of domestic workers to equal the national minimum wage, also as a way of ensuring equal pay for work of equal value (ILO, 2015c). As stated in a 2014 White House report, raising the minimum wage to \$10.10 an hour would close the gender wage gap in the United States by 5 per cent (White House, 2014).

In countries where trade union density is high, collective bargaining agreements play a key role in reducing wage dispersion and inequality and can hence reduce gender wage gaps (box 9). Research also shows that OECD countries with weak collective bargaining where the minimum wage is low or absent altogether have the highest gender wage gaps, while countries with strong collective bargaining (80 per cent and more) also show evidence of smaller gender pay gaps (Grimshaw and Rubery, 2011).

Adequately resourced labour inspectorates, trade unions, the establishment of dissuasive sanctions and labour arbitration or courts are also critical when violations of wage protection provisions are attested. The late payment, underpayment or non-payment of wages, including minimum wages, remain endemic problems, particularly for low-skilled workers and migrants. In the context of limited resources, the strategic enforcement of wage violations acquires critical importance. Research suggests that this should involve: prioritization of industries; enhancing deterrence; integrating complaint and investigation activities; and developing policies that enhance the sustainability of enforcement (ILO, 2015c).