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Checking your pay **online**

Feeling underpaid? Check “Wage Indicator”!

If one thing is certain, few people feel overpaid for their work. But many of us worry that we may be earning less than the next person. Usually, this is privileged information. Now, a new service, “Wage Indicator online”, is changing that. Journalist Andrew Bibby explains how www.wageindicator.org offers new transparency to the age-old question of who earns what

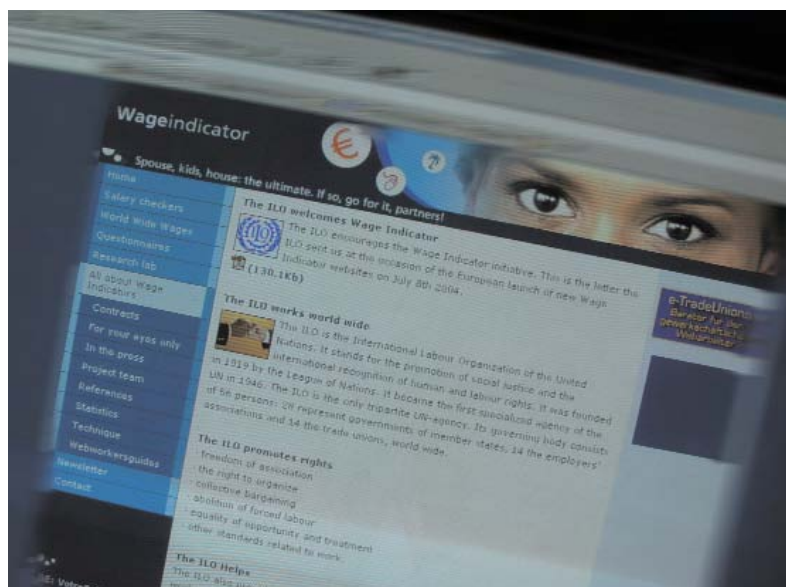
AMSTERDAM – You are working in the Netherlands, with 10 years’ experience. You like your job, your work colleagues and your life, but something is nagging you. You believe that other workers in your trade are earning more than you. How can you find out?

In some countries and in some occupational groups, collective bargaining ensures a certain degree of transparency and fairness in pay, even if the reality can sometimes be a long way from what is formally negotiated. But in many parts of the world collective bargaining is weak. Even in a country like the Netherlands, with a relatively strong tradition of social partnership, one in five workers are not covered by any kind of collective agreement.

In situations like these, the economic principle that says that pay levels find their own equilibrium as labour supply and demand interact can seem very far from the real world. Typically, individuals negotiating their own pay are likely to be much less informed about current market rates than their employers.

So the answer could lie, perhaps, in a little collective self-help, making the most of the opportunities presented by the Internet. This, at least, is the logic behind Wage Indicator, a project originating in the Netherlands which is now operating in eight other European countries, and may soon be extended worldwide.

The idea is simple: individuals visit the www.wageindicator.org Web site and check a database of what other people doing the same work are being paid. Not only that, but they are also encouraged to do something in return: submit their own



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pay information into the database, so that little by little the information it contains becomes more comprehensive. The more people participate, the more accurate the data becomes.

The gender element

The Wage Indicator concept has its roots back in 1999, when three Dutch women came together to discuss what could be done to help women workers find accurate information about wage rates.

They came up with the idea of a Vrouwenloonwijzer (Women’s Wage Indicator) that was launched in 2000 as a partnership between the largest Dutch trade union federation FNV, the University of Amsterdam, and a major national women’s magazine. Already by May 2001, when the service was extended to male workers and renamed simply ‘Wage Indicator’, over 15,000 women had contributed their pay data.

By the end of 2003, according to Kea Tijdens of the University of Amsterdam, one of the women at the original meeting in 1999, the numbers participating in the service and contributing their own pay information had grown to well over 50,000 people. The Wage Indicator initiative is now being developed by a specially established foundation, >>

>> the Stichting Loonwijzer, a partnership which continues to include the FNV union and the University of Amsterdam and which now also includes the commercial recruitment Web site Monsterboard (www.monsterboard.nl).

The standard online pay survey includes over 1,700 occupational groups and professions (categorized according to standard occupation taxonomy). Since wage rates depend not just on occupation but on many other factors, a whole range of other questions, including individuals' past employment record, their age, the area where they live and the extent of their education and vocational training, are also included in the questionnaire. Pay can also be affected as a result of discrimination, for example, on grounds of gender or ethnicity; and one additional advantage of Wage Indicator is that it is building up valuable data demonstrating the degree of pay discrimination being suffered by women and migrant workers.

A new kind of wage transparency

For Friedrich Buttler, the ILO's regional director for Europe and Central Asia, the value of the Wage Indicator initiative is the transparency which it helps bring to the labour market.

"Encouraging people to build up a publicly owned database on the Internet through their own voluntary supply of wage information demonstrates how the Internet can be a tool to generate new and easily accessible information," he says. "This approach can help to generate more realistic information about wage levels, wage structures and wage discrimination."

But to work effectively, the salary comparison information has to be accurate. Part of Kea Tijdens' role has been to examine the methodology of the service and to ensure that the data collected are as representative as possible. Information submitted is put through a series of filters to ensure that it is genuine before being added to the database; multiple entries from the same e-mail address can be spotted and if, need be, eliminated.

"Trust is an important attribute of the Wage Indicator Web site," Kea Tijdens says. "We assume that visitors trust the information provided by the wage site and that they trust that the information they leave behind is handled with integrity." Trade union participation is of extreme importance in establishing this trust, she adds.

FNV is not the only trade union to engage in this area. In Switzerland the small //syndikat union, set up for workers in IT and new media, has run a similar Paychecker (Lohnchecker) for several years. Currently, about 4,500 people have contributed to the survey, representing about 6.5% of the relevant labour force in Switzerland. The //syndikat Web site identifies bottom quartile, median and top quartile pay averages for a range of IT occupations. This means, for example, that a call centre operator could check online and discover that the current median pay for that occupation is 54,300 Swiss francs, with a top to bottom quartile spread of 58,775 to 50,000 francs.

In 2004, the idea of online pay comparisons took a significant leap forward when the Wage Indicator idea went international. Helped by three-year funding from the European Union, a network of sister Web sites has been established in Belgium, Denmark, Finland, Germany, Italy, Poland, Spain and the UK. As in the Netherlands, social partners are playing a significant role in this work. For Germany's www.lohnspiegel.de Web site, for example, partners include the German union federation DGB and the two largest unions, IG Metal and ver.di. In Britain, the Trades Union Congress (TUC) is a member of the Paywizard consortium (www.paywizard.co.uk), as is the specialist consultancy service Income Data Services.

These developments, and the use of the same basic questionnaire on all the Wage Indicator family of Web sites, potentially enables individual workers to compare their pay directly with colleagues working in other countries. But what really excites the Wage Indicator Foundation is the prospect of bringing in sister Web sites from outside Europe. Professor Richard Freeman of Harvard University is taking a lead in plans for a similar service in the US, whilst plans are being worked on for Wage Indicator to spread to South Africa, India, Korea, Brazil and Mexico. In India, for example, the Union Network International affiliate, IT Professionals Forum, is keen to participate.

At a time when both work and workers are increasingly migrating across national frontiers, the possibility that ordinary individuals may soon be able to get immediate international pay comparison data is certainly an intriguing one.