



The EU Mutual Learning Programme in Gender Equality

Tackling the gender pay gap

Belgium, 20-21 October 2016

Comments Paper - Austria



The information contained in this publication does not necessarily reflect the position or opinion of the European Commission.

This publication is supported by the European Union Rights, Equality and Citizenship Programme (2014-2020).

This programme is implemented by the European Commission and shall contribute to the further development of an area where equality and the rights of persons, as enshrined in the Treaty, the Charter and international human rights conventions, are promoted and protected.

For more information see: http://ec.europa.eu/justice/grants1/programmes-2014-2020/rec/index_en.htm

Tackling the gender pay gap in Austria

Claudia Sorger
L&R Social Research

1. Country context

1.1. Factors influencing the gender pay gap

Compared to other Member States of the European Union, Austria is among the countries with the highest gender-related wage differentials. The (unadjusted) gender pay gap which measures the difference between men's and women's gross hourly earnings, was 22.9 % for Austria in 2014 (EU-28: 16.1 %). With that figure, Austria has the second highest gender pay gap within the European Union (see Bergmann et al. 2016).

The women's employment rate (20-64) in Austria is high at 70.1 % in 2014 compared to the EU-28 average (63.5 %). This is based on a high part-time employment rate for women of 46.9 % in 2014, above the EU-28 average of 32.9 %. This is one reason for the persistently high gender pay gap.

An analysis of various factors influencing the gender pay gap shows that 9.1 percentage points (or 38 %) can be explained by differences in observed characteristics. Most of the explained part can be attributed to the sectoral and occupational segregation of the labour market. Additional factors affecting the gender pay gap are education, age, length of service in the enterprise, full- and part-time work or type of employment contract. The remaining 14.9 percentage points (or 62 %) cannot be explained by observed characteristics (see Geisberger & Glaser 2014¹). Other important factors for the high gender pay gap in Austria are the undervaluing of women's work and skills, traditional gender roles and the conditions for balancing work and private life.

1.2. Legal regulations for equal pay

The provisions concerning equal pay for women and men performing equal and equivalent work are enshrined within two main acts at the federal level. For the private sector, the principle of equal pay is regulated in the Equal Treatment Act in § 3(2) dating back to 1979 which contains the prohibition of discrimination on grounds of sex in the field of remuneration and according to § 11, job classification systems on company level as well as collective agreements have to take into account the principle of equal pay for equal and equivalent work.

For the public sector, equivalent provisions are laid down in § 4 and § 6 of the Federal Equal Treatment Act from 1979. Since then, equal treatment legislation has included the principle of equal pay, but legislation does not define the term "equal pay for equal or equivalent work for women and men" (see Sporrer 2007).

¹ Calculations are based on the data of the Structure of Earnings Survey 2010.

Collective bargaining traditionally plays an important role in the area of the regulation of salaries in Austria. As regards the principle of equal pay for equal or equivalent work for women and men, awareness has primarily been raised through campaigns and projects of trade unions.² Although collective bargaining plays an important role in the regulation of salaries we have to bear in mind that collective agreements solely create minimum standards for salaries in general and that individual salaries are often negotiated far above that bottom line. Thus it is important to look at the company level. In this context, two measures were implemented in 2011 under the Equal Treatment Act to tackle the gender pay gap and achieve transparency in pay systems: The company income reports and the mandatory minimum wage declaration in job postings.³

1.3. Good practices

1.3.1. Company income reports

The Austrian National Action Plan for Gender Equality in the Labour Market includes a compulsory requirement for companies to publish company income reports. Since 2011, companies have to draw up staff income reports every two years and the equal pay reports are compulsory for companies with more than 150 employees since 2014.

The reports must show the number of men and women classified under each category as well as the average or median income, adjusted for working time, for women and men in the respective category. The goal is to create income transparency and to take measures to reduce gender pay gaps. The report has to be forwarded to the Works Council. In companies that do not have a Works Council, the report has to be made available to all employees.

The introduction of the income reports was accompanied by several measures to support the effective implementation and good results. The Ministry for Women's Affairs, with support of the social partners and the Ombud for Equality, provided a manual for drafting the report which consists of examples for tables and calculations. Furthermore, numerous free of charge seminars were offered and held in Vienna. Questions raised during the seminars were compiled in a FAQ which was published and constantly updated on the Ombud website.

Additionally a wage calculator (<http://www.gehaltsrechner.gv.at>) initiated by the Minister for Women and Civil Service in 2010 has been developed to help employers draw up income reports. It enables them to calculate the appropriate pay level by qualification, occupation and other factors. It can also be used by employees so that they know what the correct pay levels should be in their current jobs or when attending a job interview. The calculator takes into account education, work experience and the type of work carried out. From this data it is possible to

² One of these projects was an in-depth examination of collective agreements in the metal and the textile sector, which was conducted in 2002 by the Ombudswoman on Equality Affairs together with women's representatives of the Unions. This study came to the conclusion that there were still gender discriminatory provisions, in particular those amounting to indirect discrimination of female employees.

³ This was highlighted as a priority in the 2008 national action plan for Equality between Women and Men in the Labour Market.

identify the differences in women's and men's pay for equal work and work of an equal value.

The equal pay reports were subject of an evaluation on behalf of the Austrian Federal Ministry of Education and Women's Affairs which was published in October 2015. The obligation to prepare income reports for their employees is fulfilled by most enterprises but most of them only provided the minimum requirements. The communication to works councils is working well, but employees are reached just rarely by information from the income reports – those with a higher educational level being more likely to make use of them. Although the income reports make the gender pay gap more visible, only a few of the enterprises take active actions in the form of structured measures to reduce the income gap (see BMBF 2015).

1.3.2. Mandatory minimum wage declaration in job postings

Another measure from the National Action Plan is the compulsory indication of wage in job advertisements since 2011. Therefore, the minimum remuneration of a specific position and the willingness for overpayment has to be provided. The intention of the law is to provide the job applicant with a higher level of information. The provision intends to prevent a discriminating ex-post change of the minimum remuneration classification of a position by the employer.

As from 2012, the failure of indicating the wage in job advertisements may be penalised and the regional administrative authorities in Austria are authorised to issue fines of up to EUR 360 for any violation of this provision, upon application. However, a first violation will only lead to an admonition of the employer. An application to the regional administrative authorities in Austria can be made by every job applicant or to the "Ombud for Equal Treatment" (*Gleichbehandlungsanwaltschaft*).

2. Policy debate around equal pay

Although the high gender pay gap has been on the political agenda in Austria for some decades and some measures and tools have been developed to reduce the gender pay gap, the necessity for further activities and structural changes is evident. The debate about gender pay gap mainly takes place every year around the Equal Pay Day and around the International Women's Day.

The most widespread national equal pay day takes place in October, and marks the day when men already earned what women will have earned at the end of the year. This day is mainly promoted by the Minister for Women, political parties, trade unions, chambers, etc. More or less each institution has its own press conference, event, discussion forum, etc. to raise awareness about the existing gender pay gap in Austria, but there is no joint activity conducted by all political parties or institutions. On occasion of the Equal Pay Day several organisations organise public awareness activities, e.g. the Austrian Trade Union Federation, the Chamber of Labour, the women's offices in Austria (e.g. *Frauenabteilung der Stadt Wien*), etc.

The other equal pay day takes place in spring and is mainly promoted by "BPW Austria – Business and Professional Women" (an international women's network) and also supported by the Minister for Women. A national campaign against the pay gap and different events on national and regional level are part of the activities set

by BPW Austria on this day. The campaign mainly focuses on the fact that women's and men's work is not valued equally and uses as a symbol a red handbag to illustrate that women "are in the red". Webpage: <http://www.equalpayday.at>

Some discussion on equal pay also revolved around the presentation of the evaluation of the 'Equal pay reports'.

In my view, the public debate on the gender pay gap in Austria shows that the problem is mostly discussed on a very general level (e.g. 'women earn less than men') which leads to a shallow treatment of the issue. For tackling the gender pay gap and for developing and promoting measures we have to go into detail at sectoral and at company level.

3. Transferability of the Belgium approach to Austria

The Belgian approach is very valuable for the Austrian discussion and for the implementation of measures. The provisional conclusions are discussed for measures on the national level, the sectoral level and the company level.

- National level: At the national level it would be essential to include the gender pay gap obligatory in the discussions and negotiations of social partners. It would be useful for Austria that the social partners have to deliver a report with measures they will take to narrow gender pay disparities.
- Sectoral level: As the collective bargaining processes take place on a sectoral level this level is very important for the issue of equal pay. At the sectoral level the system of evaluating the gender-neutrality of job classifications should be reviewed for its applicability to the Austrian wage setting processes.
- Company level: In Austria the equal pay reports are compulsory for companies with more than 150 employees since 2014. This means that 53 % of the workforce is not covered by the equal pay reports as they work in companies with up to 149 employees⁴. To cover a greater part of the workforce with this measure, it would be essential to extend the number of companies. The regulation in Belgium where companies with a minimum of 50 up to 100 employees have to provide an abbreviated report and those with 100 and more have to provide a full report could serve as model. Although the income reports in Austria make the gender pay gap more visible, only a few of the enterprises take active actions in the form of structured measures to reduce the income gap. Therefore it would be necessary to introduce a system of action plans and mediators as in the Belgium approach.

⁴ <http://wko.at/statistik/jahrbuch/unternehmen-GK.pdf>

4. Recommendations

As the experience in Austria with wage differences shows, the question of **transparency** is crucial when it comes to closing the gender pay gap. The equal pay reports are a useful and valuable instrument, but much more has to be done to reach an effort. Although the income reports make the gender pay gap more visible, only a few of the enterprises in Austria take active actions in the form of structured measures to reduce the income gap. As the experiences in Belgium showed, the company reports have received a lot of media attention, and have therefore also helped in keeping the gender pay gap on the political agenda.

Up to now, initiatives to reduce the gender pay gap can often be found only generally and not tailored to specific **sectoral needs**. The analyses of the specific sectors clearly indicate that different patterns lead to gender pay gaps in the relevant sectors (see Bergmann et al. 2016). These findings emphasise the necessity to set initiatives to close gender pay gaps not only on a general level, but also at sector-specific levels as following two examples prove⁵:

- For instance, in the “human health activities and social work” sector, that would mean having initiatives in order to promote a higher value of the work of nurses.
- Initiatives e.g. in the financial and insurance sector should focus on the topic of intransparent flexible payment and bonus schemes, which seem to be very disadvantageous for women and contribute considerably to the pronounced vertical segregation in this sector.

More discussion and consciousness about the **value of work** and the huge pay differences between occupations and sectors is needed. The Equal Pay Day could be used to address the pay differences between private and public sector and between different occupational groups.

Pay rates, bonuses and other supplements are mostly negotiated on an individual basis, discrimination in this field constitutes one of the most severe problems of the unequal remuneration of women and men. The experiences of the Ombud for Equal Treatment in Austria showed that the **publication of cases** in order to document concrete practices of direct and indirect discrimination would be a useful tool.

⁵ For more evidence see <http://www.genderpaygap.eu>

References

Bergmann, N., Danzer, L. & Sorger, S. (eds.) (2016): Gender Pay Gap. New Solutions for an Old Problem: Developing Transnational Strategies Together with Trade Unions and Gender Equality Units to Tackle the Gender Pay Gap. Comparative Report, available at:

http://genderpaygap.eu/documents/GPG_comparative%20report_add%20EGG%20final.pdf

BMBF, Bundesministerium für Bildung und Frauen (2015), Einkommenstransparenz: Gleiches Entgelt für gleiche und gleichwertige Arbeit, available at:

<https://www.bmbf.gv.at/frauen/ewam/einkommenstransparenz.html>

Geisberger, T. & Glaser, T. (2014). Geschlechtsspezifische Verdienstunterschiede. Analysen zum „Gender Pay Gap“ auf Basis der Verdienststrukturerhebung 2010. [Analyses of the gender pay gap based on the Structure of Earnings Survey 2010] Statistische Nachrichten, 3/2014, 1-12

Sporrer, A. (2007): Austria. In: European Commission (ed.): Legal Aspects of the Gender Pay Gap, Report by the Commission's Network of legal experts in the fields of employment, social affairs and equality between men and women, Employment & Social Affairs, available at:

http://ec.europa.eu/justice/gender-equality/files/2007report_on_equal_pay_for_pub_final_en.pdf