European Commission

# The EU Mutual Learning Programme in Gender Equality

## Pay Transparency

**Slovenia, 6-7 October 2026**

## Comments paper – Hungary




Ein Unternehmen der ÖSB Gruppe.

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*This publication is supported by the European Union Citizens, Equality, Rights and Values Programme (2021-2027).*

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# Alternative Strategies for Pay Transparency: Civil Society Initiatives Supporting the Implementation of the EU Pay Transparency Directive

**Fanni Csernus**

Amnesty International Hungary

## Abstract

Hungary continues to record one of the widest gender pay gaps in the European Union. This disparity is rooted in structural factors that require comprehensive policy interventions. In this process, the necessary first step would be the introduction of pay transparency. However, recent policy measures have not contributed to improving the financial recognition of women's work or expanding their professional opportunities. Furthermore, no publicly available legislative proposal has been prepared for the transposition of Directive (EU) 2023/970 on pay transparency (the "Directive") and the role of the authority responsible for enforcing equal treatment between women and men has also diminished.

In the absence of meaningful policy action, it became necessary to develop alternative tools to support the preparatory and awareness-raising processes outlined in the Directive. Over the past years, these efforts could only be advanced through bottom-up civil society initiatives, including policy recommendations, informational materials, and public mobilisation.

With the recent shift in the political landscape, the introduction of pay transparency may become possible. It is essential, however, that implementation be accompanied by the establishment of adequate institutional and supervisory structures, the adoption of effective sanctions, and measures that strengthen workers' ability to exercise their rights. In parallel, a long-term strategy to promote women's labour-market equality must also be developed.

## 1. Relevant country context

According to the latest Eurostat data, the gender pay gap in Hungary is 16.9%, the fourth highest in the European Union, and has remained largely unchanged since 2020 (17.1%), indicating a lack of meaningful progress.

Data from the Hungarian Central Statistical Office show that women spend almost twice as much time (1.8 times more) on unpaid household and childcaring work as men, while the 2024 Eurobarometer indicates that 70–71% of Hungarians believe a woman's primary role is to take care of the home and family, while a man's role is to earn money.

Occupational segregation is also significant. According to the responses of the Central Statistical Office, based on Amnesty International Hungary's public interest data request: over 90% of nurses, early childhood educators and social caregivers are women, while women make up 9-11% of electrical engineers and IT professionals, despite these professions offering two to three times higher salaries.

According to the European Institute for Gender Equality (EIGE) Gender Equality Index, Hungary has ranked last in the EU in the “power” domain for the past decade. Women hold only 11% of board member positions in the largest quoted companies. This value is the lowest in the EU.

Although the principle of equal pay for equal work formally applies, often women earn less in the same position. At the same time, salary information is often treated as a business secret, making pay discrimination difficult to detect.

Although women’s overall employment rate has increased by 2.7 percentage points over the past five years, recent data highlight persistent intersectional disparities. Employment among women with three or more children living in the household remains 18.5 percentage points lower than among women with no children living in the household, while Roma women continue to be significantly underrepresented in the labour market. Based on data from the Hungarian Central Statistical Office, only 40.7% of Roma women aged 15-64 were employed in formal settings in Hungary in 2024. The previous government did not adopt effective measures to address these inequalities.

Although recent years have seen the introduction of measures aimed at improving women’s financial situation through state support, these policies have been tied to motherhood and have primarily benefited women in more favourable economic positions.[1] Their objective was to encourage childbirth rather than to raise women’s gross earnings, strengthen their financial independence, or expand their professional opportunities.

In the following, I briefly outline the policy framework that hinders the implementation of the Directive in the Hungarian context, as well as the regulatory elements that facilitate its adaptation, and I also address the additional steps that remain necessary.

# 2. Policy debate

The requirement of equal treatment is regulated by law[2] which sets out the prohibition of direct and indirect discrimination based on protected characteristics. Such protected characteristics include, among others, sex – which the 2025 constitutional amendment fixed strictly as a biological attribute determined at birth (either a man or a woman), excluding any legal recognition of gender identity –, age, sexual orientation, health status, marital status, motherhood, and pregnancy.

[1] Introduction of personal income tax exemption for women raising at least two children.
[2] Act CXXV of 2003 on equal treatment and the promotion of equal opportunities

Under Hungary's Labour Code[3], equal treatment must be observed in employment relationships, particularly regarding remuneration. Yet, salary often remains a business secret, meaning cases of pay discrimination rarely surface. Proceedings are further hindered by the 2021 integration of the Equal Treatment Authority into the Office of the Commissioner for Fundamental Rights, where its tasks are now carried out by the Directorate General for Equal Treatment. This restructuring has weakened enforcement capacity, reflected in fewer cases, lower success rates and repeatedly extended procedural deadlines.

Although the authority's independence and effectiveness are currently lacking, Hungarian law would allow it to play a key role in enforcing the rights guaranteed by Directive (EU) 2023/970: by advancing procedural costs so that complainants pay no fees, ordering employers to remedy confirmed violations, and imposing fines. Its findings can also support subsequent labour litigation, enabling employees to seek compensation. Hungarian law further aligns with the Directive through a reversed burden of proof: applicants need only demonstrate the likelihood of the disadvantage experienced and of possessing, or being presumed to possess, a protected characteristic. Transposition will require, among other measures, an independent authority with sufficient capacity to carry out its tasks effectively, and genuinely effective and deterrent sanctions. Pay information should not be confidential where this prevents workers from exercising their rights under pay transparency legislation, and employers should be prohibited from asking applicants about their current or previous pay. Employer-level whistleblowing systems must also be introduced and monitored, and employees must receive clear, complete information about their rights.

The introduction of these measures would be urgent; however, under the previous government several directives adopted within the framework of the EU Gender Equality Strategy 2020-2025 – or scheduled for implementation during this period – were not transposed on time. For example, the transposition of Directive (EU) 2019/1158 on work-life balance for parents and carers was delayed and did not adequately fulfil its purpose. Directive (EU) 2022/2381 on improving gender balance among directors of listed companies was accompanied by a draft law in Hungary; however, the Parliament ultimately did not adopt it, and the directive was therefore not implemented. Nor was the Pay Transparency Directive, for which no official draft law has been published. For this reason, the following practical examples present the practices through which a civil society organisation has worked, in the absence of practical transposition measures, to support the introduction of the Directive and to inform employees, employers, employee representatives and decision-makers.

# 3. Practical examples

Since 2020, Amnesty International Hungary has been working to eliminate the gender pay gap. In the last three years we developed a four-tier programme designed to support the introduction of pay transparency at the levels of i) employees, ii) employee representatives, iii) employers, and iv) decision-makers.

[3] Act I of 2012 on the Labor Code

## 3.1 Employee awareness-raising and mobilisation

For years, we have developed training programmes to reduce women's structural disadvantages and promote inclusive, safe and equality-based workplaces. To support pay transparency, we developed lectures and trainings explaining employees' rights under the Directive. To reach workers beyond formal workplace settings, we organized open events and produced accessible materials – an online legal awareness platform, video content and blogs – covering key rights such as access to information, transparency in recruitment and initial pay, transparent criteria for pay progression, the role of workers' representatives and available redress mechanisms. These topics were embedded in a broader, systemic approach to workplace gender equality. Alongside providing information, we aimed to strengthen commitment to closing the gender pay gap and advancing pay transparency. In March 2025, we launched a national campaign including an online pay-gap calculator and a public petition that collected 11,000 signatures within three months.

## 3.2 Information for employers and employee representatives

We conducted a preliminary needs assessment related to the implementation of the Directive with HR professionals and trade unions. The discussions revealed sector-wide challenges related to reporting obligations, job classification systems, informing employees, and the limited preparedness of smaller companies. Trade unions highlighted structural problems in pay systems and the lack of transparency and oversight. We developed a white paper for employers on adapting Directive (EU) 2023/970 and delivered targeted trainings for HR professionals and trade union representatives. We also organised professional discussions to share best practices and provided interviews to HR portals. The project aimed to support companies in the effective application of the Directive and to provide information and training to HR professionals and employee representatives.

## 3.3 Information provision for national and local decision-makers and their role in implementation

In 2025, we submitted a policy paper to the Ministry for National Economy outlining recommendations for the effective implementation and necessary legislative amendments of the Directive. Since the Ministry did not provide a substantive response to our work, we turned to local leadership. As part of our campaign's pilot programme, ten municipalities joined and, with our support, published their gender pay gap data. By doing so, they endorsed pay transparency and provided a model for employers to follow. We supported them with lectures, workshops and forums in developing job classification systems based on the EIGE toolkit and improving internal and external communication practices. Our further objective is to support them in the adaptation of a comprehensive workplace gender-equality strategies and support the training of leaders of municipally owned companies in this field.

Following the April 2026 parliamentary elections and the change of government, space for conversation has gradually opened. According to the publicly available legislative plans of the Parliament, it intends to advance the implementation of the

Directive. In August, we held consultations with the Ministry of Social and Family Affairs on the introduction of the Directive, addressing gender-equality and employment-policy considerations. We hope this will serve as a first step and that we will have further opportunities to discuss the recommendations set out in our policy paper.

If the national transposition of the Directive begins, the sharing of good practices amongst Member States will become essential. All relevant stakeholders will have a key role in this process, and the assessment of how foreign practices can be adapted to the Hungarian context will gain greater prominence. The following section briefly summarises the transferability of selected elements of the PAY DAY project.

# 4. Transferability aspects

The online company-level tool developed under the PAY DAY project is particularly valuable and forward-looking in that it integrates both a gender pay gap calculation module and a gender-neutral job evaluation and worker categorisation module. In the calculation module, the reuse of data that employers have already submitted to the state offers a fast and efficient solution. At the same time, this approach can only provide a fully accurate picture if the national authority responsible for monitoring remuneration data applies reliable figures and has comprehensive insight into all forms of remuneration beyond monetary pay that an employee receives as part of their employment relationship. Otherwise, it may be necessary to request specific data from employers on a regular basis for the purpose of implementing pay transparency.

Regarding the job evaluation and categorisation system, the development of a tool that is adaptable to small, medium-sized and large enterprises, and that follows an approach supported by EIGE, is highly promising. Training materials that go beyond the EIGE toolkit and incorporate national and sector-specific considerations – particularly when developed with the involvement of employee representatives and experts specialised in identifying gender discrimination – can be especially valuable.

A further potential strength of the project is its sensitivity to the specific challenges of the public sector. In Hungary, a major challenge to implementation is adapting pay transparency requirements to the often highly fragmented remuneration systems of the public sector, compounded by the fact that public employees fall under different legal statuses. These challenges, however, must not become an obstacle to implementation, they call for tailored solutions. Another important issue is not only the capacity of the authority responsible for reporting, but also the strengthening of the competences of the body to which complainants can report pay discrimination. It is essential that both the ex-post monitoring and the investigation of pay reports and complaints are comprehensive, independent and reliable, and that genuinely deterrent sanctions are introduced and effectively applied.

The structure of the training materials in the PAY DAY project reflects the values embedded in the Directive, building on the roles of both employers and social partners. The “from obligation to responsibility” approach is forward-looking, as is the parallel use of online and offline learning methods. In addition to strengthening analytical, argumentation and evaluation skills, it is particularly important that the

programme also covers the monitoring of corrective measures. The codified nature of the training contributes to higher participation and uptake. For cross-country adaptation, a detailed content review, alignment with the specific legal framework of the respective country, and appropriate codification (state approval) are essential.

Alongside the involvement of the relevant ministry, employers and social partners, it is essential that employees receive comprehensive information about their rights. This includes the prohibition of asking about previous salaries, the right to be informed about the conditions for pay progression (for employees of organisations with at least 50 employees), the specific data they may request, the deadlines for receiving a response, and the measures they could take if the information provided is incomplete or incorrect. Employees must also be aware of their right to report discrimination, the role of employee representatives in acting on their behalf, the reversed burden of proof in legal proceedings, and the options available when no comparable worker exists in their job category. Such knowledge enables the Directive to have an impact not only through top-down implementation but also through bottom-up rights enforcement. An effective national information campaign should therefore address all these elements.

# 5. Conclusions and recommendations

The implementation of the Directive (EU) 2023/970 is an essential step toward closing the gender pay gap. However, it is equally important that Member States go beyond meeting data-collection obligations and establish the necessary infrastructure and capacity, including equality and monitoring bodies capable of conducting regular, transparent and independent monitoring. Member States should introduce sanctions that are genuinely deterrent, while also considering positive incentives for employers who exceed minimum requirements.

At the same time, effective implementation cannot rely solely on top-down regulation. Pay transparency will only have real impact if workers themselves are able to exert pressure and actively enforce their rights, which requires comprehensive awareness-raising, accessible information and an easily accessible reporting system. The State bears primary responsibility for providing this information and these channels, but civil society organisations, experts and employee representatives also play a crucial role in ensuring that employees know their rights under the Directive and can use them.

At EU level, the sharing of good practices and experiences is essential, alongside funding instruments that support legal awareness-raising and information activities in countries where political or employer commitment is limited. It is also important that the EU supports tools and initiatives that go beyond pay transparency and contribute to broader workplace culture transformation.

A dual approach – combining top-down regulation with bottom-up rights enforcement – is necessary to initiate long-term, systemic change toward workplace gender equality.

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