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# The Gender Pay Gap Law in Belgium

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## Introduction

On 22 April 2012, the Gender Pay Gap Law was enacted in Belgium to close the pay gap between male and female workers. Five different practices of particular importance were emphasised by this law: (1) The inclusion of a section on the gender pay gap in the biannual macro-economic Technical Report of the Central Economic Council; (2) (screening of) gender-neutral job classifications; (3) a gender breakdown of the social balance sheet filed with the National Bank; (4) a biannual company report on the pay structure; and (5) the role of the gender mediator within the company. These practices are expected to increase transparency of wage formation and to increase awareness of the gender pay gap at different levels of wage negotiations (i.e. the national, sectoral and company level). As such, and in spirit of the tradition of social dialogue in Belgium, the social partners (i.e. representatives of trade unions and employers' organisations) are pivotal actors in the implementation of the law. In this discussion paper, we explain in more detail the background, the content and the impact of the Gender Pay Gap Law and discuss strengths and weaknesses. We conclude with some items for further debate.

## 1. The Gender Pay Gap Law

### 1.1. Background

The Gender Pay Gap Law was enacted in 2012 to close the pay gap between male and female workers. According to the Institute for the Equality of Women and Men (henceforth IEWM), when the law was signed in 2012, the pay gap in Belgium among full-time employees amounted to 9 % on an hourly basis and 22 % on an annual basis in favour of men (IEWM, 2015). Participation in part-time work, more often performed by women than men, is an important explanation for a larger disparity on the annual basis than on the hourly basis. These figures are said to be 'unadjusted', i.e. not accounting for differences in characteristics of men and women, such as differences in occupation or human capital.

As reported by Eurostat, the pay gap in 2014 in Belgium on an hourly basis (9.9 %) is relatively small compared to the average pay gap at European level (16.1 %), and according to the corrected figures by the Federal Planning Bureau (IEWM, 2015), it has been gradually declining for more than a decade. Prospects can therefore be optimistic. Still it is believed that the Gender Pay Gap Law may cause a further decline by enforcing the use of gender-neutral job evaluation methods and promoting the gender issues during wage negotiations between social partners.

The Gender Pay Gap Law does not stand on its own. There is a long history of gender awareness within the Belgian institutional wage-setting system. Responding to the European directive no 75/117, in 1975 a collective bargaining agreement (henceforth CBA) at the national level (CBA no 25) demanded equal pay for equal work, regardless of sex, and urged companies and sectors to use gender-neutral job evaluation methods. Job evaluation methods can be helpful to assess the value of

different jobs based on objective criteria. Based on this assessment, jobs are classified and an appropriate pay level can be determined. However, job evaluation methods, even when objective criteria have been applied, can still be subject to gender bias (IEWM, 2006; ILO, 2008). Stereotypes and prejudices with regard to women's work may unconsciously distort the evaluation method. For example, important skills needed in predominantly female jobs might be overlooked, or the same skills can be valued differently in predominantly male jobs than in female jobs (IEWM, 2006; ILO, 2008).

Social partners in Belgium have long been aware of the need for, but also the complexity of job evaluation and classification systems. For instance interprofessional agreements (IPA) were signed in 1998 (IPA 1999-2000), 2000 (IPA 2001-2002), and in 2007 (IPA 2007-2008), revising job evaluation methods in order to make them gender neutral. Based on these agreements, CBA's at the national level in 2001 and 2008 (CBA no 25 bis and CBA no 25 ter) repeated the importance of gender-neutral job classifications. In order to suit the action to the word and to facilitate the revision of the job evaluation methods, the IEWM collaborated with social partners between 2001 and 2005 to produce a manual for gender-neutral job evaluation and classification systems.

Ultimately, the Gender Pay Gap Law of 2012 was an acknowledgment by the federal parliament of these agreements between social partners. It is noteworthy that collective bargaining agreements, if legally extended by the Minister of Labour, already have legal power in Belgium, but in the hierarchy of legal norms they are subordinate to the laws issued by the federal parliament. The Gender Pay Gap Law also provided a step-up from previous agreements in the sense that the screening and revision of job classification systems is now mandatory. In addition, companies need to increase transparency of the pay structure by splitting up the social balance sheets by gender. Also, based on the results of the screening of job classification systems and the information about the pay structure, social partners are now obliged to negotiate at three different levels on gender pay disparities. In the next paragraph, we explain in detail the different practices and measures enforced by the Gender Pay Gap Law, subsequent orders and an amendment in pursuance of the new law. Finally, we show how these practices interact with negotiations of social partners at the national, sectoral and company level.

## **1.2. Five practices and negotiations at three levels**

The Gender Pay Gap Law stipulates five different practices connected to negotiations between social partners at three different levels. In Belgium, social partners, i.e. (representatives of) trade unions and employers' organisations, come together at different levels to discuss and negotiate on terms of employment. At each level, agreements are made by social partners on the terms of employment, including remunerations, and written down in a CBA. At the national level, CBAs are concluded by social partners assembled in the National Labour Council and at the sectoral level by social partners assembled in sectoral joint (sub-)committees. The company level is the lowest level at which a CBA can be signed. Following the superiority principle, CBAs at a lower level need to obey the terms of a CBA, decree, or law at a higher level.

Besides the legal hierarchy of CBAs, there is also a chronological procedural order of negotiations. Importantly, the above-mentioned sector-level CBAs are preceded by a biannual interprofessional agreement (IPA), which is most often a gentleman's agreement signed by the social partners in the so-called informal 'Group of Ten'. The negotiations for this agreement receive support by the Central Economic

Council (CEC) to determine the margins for wage growth motivated in the so-called Technical Report. In absence of an agreement, the government can enforce the margins for wage growth by means of a Royal Decree, as was the case in the last three terms (2011-12, 2013-14, 2015-16).

The five practices enforced by the Gender Pay Gap Law to eliminate the pay gap are: (1) A discussion of the gender pay gap in the Technical Report; (2) (screening of) gender-neutral job classifications; (3) a gender breakdown of the social balance sheet; (4) a biannual company report on the pay structure; and (5) the mediator within the company. These practices interact with negotiations of social partners at the national, sectoral and company level.

### **1.1.1 At the national or interprofessional level: report on the gender pay gap by the Central Economic Council**

The Gender Pay Gap Law requires that social partners include the gender pay gap in their discussions and negotiations at the interprofessional level. Social partners have to negotiate on and have to lay down in writing measures they will take to narrow gender pay disparities, in particular the adoption of gender-neutral job classification systems. From 2014 onwards, the National Labour Council (NLC) and the Central Economic Council (CEC) have to analyse and report every two years on the development of the pay gap between women and men in Belgium, as a part of the so-called Technical Report that is mainly used to advise on the upper margins for wage development. As such, the objective is to facilitate the interprofessional negotiations on measures to narrow the gender pay gap. Interestingly, a gender committee with members of the NLC and CEC that was inactive for over a decade is now functioning again.

### **1.1.2 At the sectoral level: evaluating the nature of gender-neutrality of job classification and evaluation methods**

To guarantee that job classification and evaluation methods, defined by the sectoral joint committees, are gender-neutral, the Gender Pay Gap Law stipulated that job classification and evaluation methods need to be reviewed by the General Directorate Collective Labour Relations of the Belgian Federal Public Service for Employment, Labour and Social Dialogue (henceforth SPF ELSD). Originally, it prescribed that during the review process, the General Directorate needs to take into account the CBA no 25 of 1975 (respecting the principle of equal pay for equal work) and a checklist developed by the IEWM to assess the nature of gender-neutrality of job evaluation and classification methods. According to the Gender Pay Gap Law, the sectoral joint committees need to submit their job classification and evaluation method(s) to the General Directorate six months after the enactment of the Gender Pay Gap Law. Subsequently, the General Directorate needs to offer advice to the committees within six months. If the method appears not to be gender-neutral, the sectoral joint committee has to report how it will make the method gender-neutral within two years. If the sectoral joint committee does not succeed in making the classification and evaluation method gender-neutral within two years, it must report within three months why it could not succeed. Subsequently, this information will be systematically forwarded to the IEWM.

The law was modified in a number of laws and decrees, so that the review process happened as follows. First, the sectoral joint committees were requested to fill in an inquiry form when submitting a 'coordinated' version (i.e. the actual relevant version,

sometimes spanning different CBAs) of their job classification and evaluation method(s)<sup>1</sup>. The committees needed to write down how they developed their methods and whether they were considering a revision. In addition, they were encouraged to use the checklist developed by the IEWM to assess the nature of gender-neutrality of their job evaluation and classification methods. After receiving the coordinated version of the job classification and evaluation methods, the inquiry form and the results of the use of the checklist, the General Directorate conducted the review process. The review process was conducted by means of a tool, developed in collaboration with university researchers. The tool contains twelve key questions to assess the nature of gender-neutrality of the job classification methods. The key questions take into account good practices which may, according to the research literature, contribute positively to the gender-neutrality of job classification and evaluation methods (SPF ELSD, 2014). One of the twelve key questions determines whether a coordinated version of job classification and evaluation methods passes the review process on gender-neutrality: the question regarding the use of gender-neutral job titles. The remaining eleven questions assess to what extent additional good practices have been adopted. This is scored on a scale with a maximum of 15 points to promote further improvement, however, not this score, but only the first question determines the pass/fail decision. According to SPF ELSD, more than three out of four submitted job classifications were gender-neutral in 2015.

### **1.1.3 At the company level: the social balance sheet, analysis report, and gender mediator**

At the company level three different practices are enforced by the Gender Pay Gap Law: (1) a gender breakdown of the social balance sheet; (2) a biannual company report on the pay structure; and (3) the mediator within the company. In particular, the last two practices, a biannual report on the pay structure and the mediator, are considered to be important tools during negotiations on the pay structure by social partners at the company level.

Every year, nearly all Belgian firms with employees, as well as large associations employing over 20 FTE workers, need to submit a 'social balance sheet' as an annex to the annual account to the National Bank of Belgium. This social balance sheet provides information about the workforce regarding the average number of employees, working hours, labour costs, contracts and training opportunities. According to the Gender Pay Gap Law, these figures now need to be reported for men and women separately. For privacy concerns, when a category contains no more than three employees, a gender breakdown for that particular category is not required. These data of most companies, in contrast to data on the pay structure, are made public and are expected to increase transparency on the pay gap.

The Gender Pay Gap Law further stipulates that consultations need to occur at the company level in order to attain a gender-neutral pay structure. To facilitate consultations, the employer, when employing 50 employees or more, needs to produce a biannual report on the pay structure of the company, in accordance with guidelines laid down in royal decrees in 2014. According to these guidelines, the biannual report needs to contain information on remunerations including wage, social benefits and extra-legal benefits for women and men separately, split up by the employees' position (unless the company has less than 100 employees),

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<sup>1</sup> The deadline for the coordinated versions and for job classification systems until November 2014 was 30 April 2015; for recent job classifications, the check should be performed and the classification should be submitted within half a year from the registration of the job classification system.

seniority and qualification level. In addition, the employer needs to mention whether the checklist developed by the IEWM for gender-neutral job evaluation and classification methods was taken into account to define the pay structure. The biannual report must be forwarded to the members of the Works Council, or in the absence of a Works Council, to the representatives of the trade unions. Based on the biannual report, members of the Works Council or members of the trade union delegation consult with the employer and decide together whether it is appropriate to establish an action plan for the implementation of a gender-neutral pay structure in the company. An action plan needs to contain clear targets, tools necessary to attain those targets, the realisation period and a method to check progress. Subsequent biannual reports need to include a progress report with regard to the implementation of a gender-neutral pay structure. If the employer does not submit an analysis report on the pay structure, the employer, his agent or his representative will be punished with a fine of EUR 300 to 6,000.

As a last practice at the company level, the Gender Law enacted in 2007 to eliminate discrimination between men and women, enabled companies with 50 or more employees to designate an employee as a mediator, at the suggestion of the Works Council. According to the more recent Gender Pay Gap Law, this mediator will contribute to the development of an action plan to narrow gender pay disparities and a progress report as a result of consultations at the company level (see previous paragraph). The mediator also listens to employees who believe they are subject to gender discrimination and informs them about informal ways to come to a solution. Any person who denies the mediator access to social data needed to carry out this assignment will be punished with a sentence of six months to three years in jail and/or a fine of EUR 3,600 to 36,000. The employer is liable under civil law for the payment of the fines.

## 2. The impact of the Gender Pay Gap Law

The Gender Pay Gap Law has three different targets: an indirect goal, which is to foster equality between men and women on the labour market, a direct goal, which is to ensure equal pay for equal work, and a strategy to establish this goal, which is raising awareness for the gender pay gap at the different bargaining levels – implicitly even at the individual level. The first two targets may be evaluated statistically by looking at the evolution of the gender pay gap, while the policy strategy, which is arguably the most important target, requires an assessment of the institutional practices.

When evaluating the impact, constraints and challenges appear. We will mention these issues when discussing each practice. On the whole, however, delays and resistance have been the major obstacles. Although social partners have been rather cooperative, the early implementation of the law was troubled by imprecisions in the law, insufficient preparation, and led to a number of adaptations and royal decrees. In spite of initial enthusiasm in Parliament, employers were discouraged by the new formal requirements. The publication of the law was hence delayed in order to allow more time for the design and submission of the adapted social balance sheet. Meanwhile the trade unions insisted on going forward in executing the law and criticised the administrative delays.



## 2.1. Evolution of the gender pay gap

From a statistical point of view, it is too soon to make a proper assessment of the impact of the Gender Pay Gap Law: the latest figures on the gender pay gap in Belgium published by the IEWM and based on figures from the Structure of Earnings Survey date back to 2013.<sup>2</sup> In short, the pay gap among full-time employees amounted in 2013 to 8 % on an hourly basis and 21 % on an annual basis (IEWM, 2016).<sup>3</sup> A decomposition analysis in the report demonstrates that around 30 % of this gap is due to either professional segregation (mainly by occupation and by sector) or to human capital factors (education, age, seniority). As a consequence, taking into account measurement limitations, we can derive that unequal pay for equal work accounts for a gender pay gap of less than 5.6 % on average. The report however shows vastly different figures for different types of workers.

It is clear that in the last decades we have indeed managed to sharply reduce the Gender Pay Gap. Looking at the time trend in the Structure of Earnings data shown in the 2016 Gender Pay Gap Report (IEWM, 2016), we find that on a monthly basis in 1999, women earned 19 % less than men, while this difference has shrunk to 7 % in 2013. As shown above, in this period, social partners became increasingly aware of the need of making job classification methods gender-neutral and acted accordingly. As such, the Gender Pay Gap Law is an evolutionary step which can be expected to further contribute to gender equality when data become available, although it will probably always be difficult to single out its unique effect, as gender awareness, demographic and labour market changes, and policy practices evolve at the same time and in mutual interaction.

## 2.2. Institutional impact

### 2.2.1. Gender-neutrality of job classification and evaluation systems

In 2013 and 2014, 85 sectoral joint (sub)committees submitted some 150 coordinated job classification schemes to the General Directorate Collective Labour Relations of the SPF ELSD (Belgian Federal Public Service for Employment, Labour and Social Dialogue). Of those, three quarters of these versions were considered gender-neutral (SPF ELSD, 2016). However, a large majority of the coordinated versions appeared not to have been developed on the basis of a substantial amount of good practices that may contribute to gender-neutrality and received a score of less than 7,5/15. In addition, one third of the job classification schemes was older than thirty years. More recent job classification systems in new CBAs, submitted between 2013 and 2014, appeared to be more gender-neutral than the 150 coordinated versions mentioned above (see Table 1). On 30 April 2015 the sectoral joint committees were informed about the results of the review process. Those

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<sup>2</sup> The figures published by the IEWM are extrapolated for non-covered sectors and small firms by the Federal Planning Bureau and the Statistics Department of the Federal Public Service Economy, SMEs, Self-Employed and Energy.

<sup>3</sup> Sources differ: Eurostat provides an updated figure for the unadjusted (in the sense of uncontrolled) hourly gender pay gap of 9.9 % for industry, construction, and services in 2014, which is nearly unchanged since 2007, when the gender pay gap was 10.1 %. However, these figures are not corrected for firms with less than 10 employees, nor extrapolated to sectors that are not covered by the survey. Combining different sources (EU-LFS and EU-SILC), Eurostat also provides figures going back to 1994, when the gender pay gap in Belgium was 13 %.



(coordinated versions of) job classification systems that did not pass the review process on gender-neutrality need to be revised in April 2017 at the latest (SPF ELSD, 2016).

In general, social partners are appreciative of the joint efforts to establish function classifications. However, setting up a valuation round and checking the classification is a time consuming task. Social partners therefore ask for a realistic timing for revisions, and more insight in the assessment. A criticism of 'willing' social partners is that the approval or rejection merely depends on the use of non-neutral language, which is admittedly a limited criterion. However, instead of discouraging the social partners, this criticism serves as a starting point for a continued discussion on the criteria, which may be a desired effect.

As a final remark, one needs to take into account that a very large share of function classification systems is defined at the company level and is often outside of the scope of collective bargaining.<sup>4</sup> This is possible as many schemes are not of the analytical type, and therefore leave room to fine-tuning at lower levels, but falling outside of the scope of this practice. Nevertheless, there are no indications of a movement towards decentralisation of wage setting because of the additional requirements for sectoral classifications. Also note that the absence of an extensive function classification is not a sufficient cause for gender discrimination, as demonstrated by Vermandere et al. (2011).

**Table 1: The results of the review process on gender-neutrality of job classification methods**

	Coordinated versions	New CBA's July 2013-November 2014
Not gender-neutral		
Score < 7,5/15	17 %	6 %
Score ≥ 7,5/15	5 %	6 %
Gender-neutral		
Score < 7,5/15	63 %	60 %
Score ≥ 7,5/15	15 %	28 %

Source: SPF ELSD (2016)

### 2.2.2. The report on the pay structure

In the final version of the law, companies were required to complete their biannual analysis report within three months after closing the financial year. For most companies this implies that the first analysis is made in 2015, and that the second will be completed by early 2017. As a result, it is again too soon to make an evaluation of the practice. Moreover, as the biannual report on the pay structure is an internal document, there is no requirement for submission of the report to authorities. However, the social partners can do these checks independently by consulting their representatives in companies, although there is no evidence that this happens systematically. According to a report of the Belgian Socialist Trade Union (ABVV, 2015), the implementation process of the analysis report with regard

<sup>4</sup> According to HR service provider SD Worx, around 70 % of organisations have their own function classification system, while just 26 % stick to the sectoral classification scheme. In other words: companies take the liberty to relabel and fine tune classifications and rewards, although any scheme should be nested within the sectoral classification scheme.

to 2014 was not very successful. In some regions, only one quarter of the companies submitted an analysis report to the Works Council (ABVV, 2015).

Lack of knowledge of the requirement of the gender breakdown among HR management appears to be an important explanation for the non-compliance. For this reason, HR service providers, which do the payroll administration for many companies, have taken over this task. The drawback here is that the document is removed from the negotiation table, where it was intended to launch the dialogue between trade unions and employers.

### **2.2.3. The gender breakdown of the social balance sheet**

The social balance sheets are publicly available and therefore lend themselves to analyses. However, there are some data issues, mentioned in Heuse (2014). The data is often incomplete, as cells with less than three units may be masked for privacy concerns, and sometimes artificial: it appears that in a number of cases, the total female and total male wage cost are divided over all breakdowns, so at any level the pay gap is exactly the same.

The study by Heuse (2014) amongst almost 2,000 firms – a small number considering that around 17,000 companies submitted a full or short version of the social balance sheet – indicates that the labour cost (including fringe benefits) on an hourly basis is on average 13.9 % higher for men than for women – a plausible figure. Interestingly, there are wide variations in the respective situations of women and men depending on the branch. A larger than average positive gap is recorded in trade and transport and in 'other services'; in industry, the gap is considerably smaller. Conversely, in health and social work the wage gap is negative, meaning that men have lower wages. The firms' individual results show that, on average, hourly costs are higher for men than for women in 69 % of the firms. In one in four firms the gap amounts to 15 % or more. These figures show that interesting analyses can be made, if data quality improves.

### **2.2.4. The mediator**

According to a report of the Belgian Socialist Trade Union (ABVV, 2015), notwithstanding the possible sentence sanction in case of obstruction of the procedure, the mediator does not have the same protection by law as a confidential advisor or union delegate has within the company. Moreover, the task of a mediator requires a set of skills for which specific training is recommended, but there is no reward in return. As a consequence, even if there is no monitoring of the practice, there is no indication that the role of mediator is taken up at this stage.

## **3. Strengths and weaknesses of the Gender Pay Gap Law**

We argue that the main strength of the Gender Pay Gap Law lies in its close reliance on social partners for its implementation. Rather than imposing a certain pay structure, the law applies the principle of subsidiarity, and nudges the social partners to engage in negotiations, reminding them not to overlook the gender issue. Moreover, we find that the higher in the institutional system, the more support for the law is found, which may trickle down to lower levels in the future. The explicit target to raise awareness and promote negotiations is therefore met. The visualisation of the gender pay gap through the analysis report and the social balance sheets may

contribute to this, although it does not imply transparency: the image we get from the social balance sheets is fragmented and the analysis reports remain internal documents. The major weakness of the law therefore seems to be that a whole set of practices is required, but there is no mechanism to monitor progress and ensure sustained efforts by the key actors.

Reflecting on the impact and obstacles raised in the previous paragraph, we can answer the SMART criteria for efficient goal-setting and efficient measures:

*Is the goal specific?* While the law is focusing on the strategies for achieving the direct goal (equal pay for equal work) it is often introduced and motivated, even by its authors, as a broader tool to establish unconditional equality between men and women. Either of both aims is justifiable, but confusion on the strategy could be avoided when a clear target is defined.

Perhaps a slightly bigger concern is the targeted population. Following the Law of 1968 on the scope of collective bargaining, the specified employees that form the object of the Gender Pay Gap Law are employees from the private sector, leaving out the public sector. Also, a number of strategies do not apply to small firms, which are most common in Belgium.

*Is the goal measurable?* In theory, the indirect goal, the direct goal, and the strategies, are measurable. However, the statistical data has a significant lag, and provides no straightforward link between the collectively agreed wage and the actual wage and employee receives. This would be easy to implement and realise the aim of transparency immediately. At this stage, however, we need to rely on rather crude decomposition methods to measure the extent to which there is unequal pay for equal work. While the statistical data collection cannot be foreseen by this law, the monitoring of the proposed practices could have been anticipated.

*Is the goal achievable?* The spirit of the law, to increase awareness by making negotiations compulsory, is achievable. Also, as the aggregate gender pay gap is small, it is understandable to rely on closer inspection on the shop floor. However, in practice the law lacks the controlling and monitoring tools to enforce the sanctions that it may issue. While this may be an intentional strategy similar to soft law or guidelines, it remains strange to introduce new rules but to rely on others to ensure implementation. This results in a paradox: what is the added value of a law over a CBA, when the actors executing the law are the same as the parties signing the CBA?

*Is the goal relevant?* There is probably little doubt that the principle of equal pay for equal work is relevant. Whether the social partners should realise this target is a normative, political question. Yet in light of the long tradition of gender awareness in the Belgian social dialogue, and recognising that the system of institutional wage setting in Belgium has led to a comparatively small gender pay gap, the choice appears to be sensible.

*Is the goal time-bound?* The law includes clear time criteria for completing the forms and reports, and following up with action plans. However, from the start these criteria have not been met, and so far no sanctions have been issued for non-compliance or obstruction.

## 4. Main questions and issues for debate at the meeting

We have started this evaluation with a discussion of the context for the current law. In fact we observed a shift from an era of voluntarism and initiatives by the social partners to a stricter legal framework today. This leads to a paradox: the Gender Pay Gap Law acts at multiple levels, but never seems to fully impose itself. We can find contradictions at every level. For instance, the law altered the Technical Report with a thorough discussion, but did not bring improved statistics. The checks for a neutral function classification relied ultimately on one single item. The law aimed for transparency by having the gender breakdown in the social balance sheet, but the missing values make the data poorly suitable for statistical analysis. The analysis report is compulsory, but does not need to be filed or checked. Finally, the mediator intervenes at the lowest level, but it appears to be a risky job. In sum: either these issues are genuine design errors, and there is room for improvement, or this law accepts an imperfect reality and continues the tradition of voluntarism and the free role of social dialogue, albeit with additional incentives and a legal argument to extend its scope to those sectors that did not comply in earlier times. It does appear that the main effect has been to convince, from the top down, the social partners of the necessity to tackle gender inequalities. However, to capitalise on this momentum, a number of issues may need to be addressed.

The first issue we want to address is the relative weight of each practice in realising the reduction of the adjusted gender pay gap. There are two questions in this respect: one, recognising that the sector structure implies a strong sense of fairness, should the focus not shift to the company level and the inequalities originating there between individual workers and not groups of workers? The second question is whether at this stage further reductions in the gender pay gap should not any longer be realised within sector-level collective bargaining, as the means to prevent gender inequalities at the sector level may be nearly exhausted, but through a greater share of collectively agreed wages in the effective total reward package?

The second issue returns to the measurability question. Accepting that the wage mass is already shown in the social balance sheet, and that individual wages are registered by the social security institutions, what is the precise privacy concern of knowing or registering the function of an employee? Could a direct link between actual wages and collectively agreed wages simplify many of the procedures for the screening of gender inequalities and provide insight in the previous question on the locus of gender wage inequality?

The third issue is that the principle of equal pay for equal work, within the current structure, cannot be met as long as there are inter-industry pay differences, for instance resulting from rents. A clear definition of what part of the pay gap, based on the decomposition, one wants to tackle is therefore crucial to proceed. It is known and proven that sector-level bargaining increases inter-sector wage inequalities but that this is more than compensated by intra-sector wage compression. This allows for individual choices, training, and specialisation to individually bridge the pay gap. Alternatively, occupation-based negotiations do imply equal pay for equal work, but likely at the expense of general increases in wage inequalities and larger unadjusted differences to overcome.

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## List of Abbreviations

CBA – Collective bargaining agreement

CEC – Central Economic Council

FTE – Full-time equivalent

IEWM - Institute for the Equality of Women and Men

ILO – International Labour Organisation

IPA – Interprofessional agreement

NLC – National Labour Council

SPF ELSD – Federal Public Service for Employment, Labour and Social Dialogue