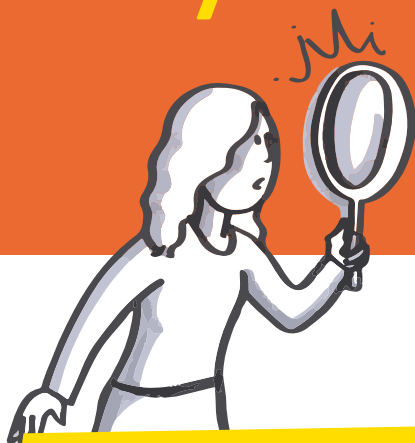


Pay Transparency

Time to see the gap!

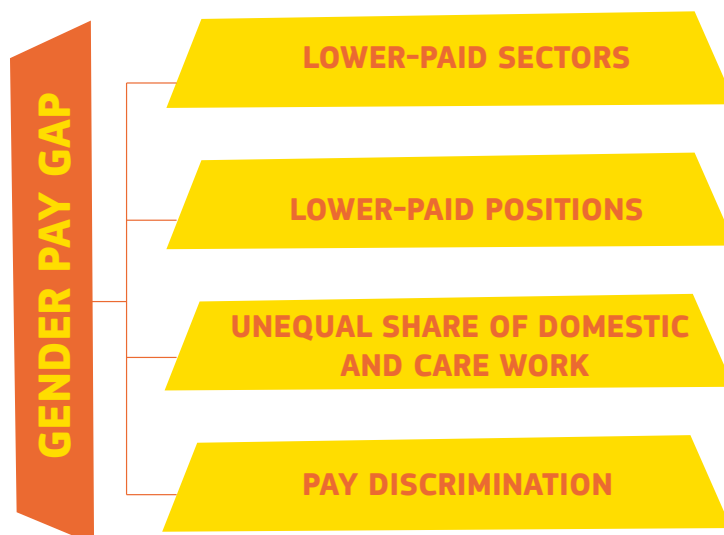


WHY IS THERE A GENDER PAY GAP? ?!

The gender pay gap is the difference between the gross hourly earnings between working men and working women.

The pay gap is partly caused by women taking up a bigger share of unpaid domestic and care responsibilities than men, mostly due to social norms. Women tend to adapt their work life to this larger share of care responsibilities. This influences their career pattern, the time spent outside of the job market, but also their “choice” for part-time work and for the sector they go for. In addition, women are often working in lower-paid sectors or lower-paid positions.

Finally, pay discrimination also contributes to the gender pay gap.



PRIORITIES AND CHALLENGES

FACTS ABOUT PAY DISCRIMINATION

What is the legal situation on pay discrimination at the EU level?

The Treaty provides the *Principle of Equal Pay for the same work and work of equal value for women and men*. The EU Directive on the equal treatment of men and women in matters of employment and occupation prohibits direct and indirect discrimination on grounds of sex with regard to all aspects and conditions of remuneration.

What is pay discrimination on the grounds of sex?

- ▶ **Direct pay discrimination** is where one person is being paid less because of their sex;
- ▶ **Indirect pay discrimination** is where an apparently neutral provision, criterion or practice puts people of one sex at a particular disadvantage. For instance, if an employer pays 10% less per hour to part-time workers than to full-time workers, where the greatest part of part-time workers are women.

What is 'work of equal value'?

The European Court of Justice concluded that the work of equal value does not necessarily imply doing the exact same job. Different jobs can be of equal value when the educational, professional and training requirements, skills, effort and responsibility, work undertaken and the nature of tasks involved are in reality equivalent.

What is 'pay'?

All forms of pay are covered by equal pay right, including salary, overtime pay, bonuses, any other benefits in cash or kind which the worker receives directly or indirectly, in respect of his/her employment from his/her employer.

PAY TRANSPARENCY: IS IT NECESSARY?

The lack of pay transparency is a key reason that makes pay discrimination to a large extent a hidden phenomenon. Pay discrimination is forbidden in the European Union. However, the effective enforcement of the right to equal pay for the same work and work of equal value for women and men remains a major challenge, partly because of a lack of information on pay.

FACT CHECK

There are very few court cases on equal pay, so there is no problem.

WRONG

The lack of information about pay levels in an organisation makes it difficult for an alleged victim of pay discrimination to prove it. Bringing a legal claim will be too costly and burdensome for the victim without such evidence so many choose not to pursue their case.

Pay transparency is costly for companies.

WRONG

The Commission's Impact Assessment estimates that annually:

- ▶ for a company of more than 1000+ employees, information rights for staff would cost less than €500, which equates to max. 50 cents per employee.
- ▶ for a company of more than 1000+ employees, internal pay reports would cost just over €2000, which equates to max. €2 per employee.

What is more costly is going through legal proceedings in case of pay discrimination.

Employees in the EU do not want to disclose their salaries.

WRONG

A recent Eurobarometer survey showed that almost two-thirds of Europeans are in favour of publishing average wages earned in the organisation or company in which they work by gender and job type. An employer will never be obliged to disclose individual salaries of their employees.

Women do different jobs than men and they are not comparable.

WRONG

Work of "equal value" means comparable but not necessarily the same jobs. In the UK, for example, courts decided jobs of lower-paid shop staff, mostly women, can compare with jobs of higher-paid warehouse workers, mostly men.

**PAY TRANSPARENCY IS AN ESSENTIAL TOOL
TO TACKLE PAY DISCRIMINATION.
THIS IS HOW IT CAN WORK IN PRACTICE:**

A victim of discrimination faces problems in bringing a claim due to the lack of information on pay and of clear legal definitions, clarifying what 'work of equal value' actually means.

Pay transparency can concern wages, but also job classifications, allowing salary comparisons between jobs of equal value.

... and it can also be a powerful tool to motivate staff and improve an employers' reputation.

BEST PRACTICES IN PROMOTING PAY TRANSPARENCY

Certification and measuring tools

In Iceland, companies with more than 25 employees need to obtain a certification proving equal pay for work of equal value regardless of the gender.

Reporting obligations

In France, businesses of 50+ employees must produce an action plan on gender equality and they face sanctions if they fail to do so.

Tools to measure unequal pay

In Poland, the government launched a free application, which can be used by employers to detect and measure the pay gap within their company.

Collective agreements

In Portugal, the Gender Equality Agency in Employment spots collective agreements with clauses causing pay discrimination.

Equality bodies

In Italy, the Labour Inspectorate and the National Equality Adviser have agreed to take various measures to coordinate their activities in the field of anti-discrimination.