

Public consultation on a legislative initiative on strengthening the principle of equal pay between men and women through pay transparency

The summary of ANE's answer

The effective implementation and enforcement of the equal pay principle remain a major challenge in the EU. The gender pay gap is the difference between the average gross hourly earnings of men and women expressed as a percentage of the average gross hourly earnings of men. The persistence of the gender pay gap at around 16% and its slow rate of decrease points to structural inequalities.

The explanatory factors behind the gender pay gap are complex and mutually reinforcing, but part of the difference can be attributed to gender-based pay discrimination. Here is the summary of the ANE's answer to the EU consultation on pay transparency, which expresses what we believe would be the most effective measures to strengthen equal pay between men and women and combat the challenge of gender pay gaps.

We agree that there is an issue with the gender pay gap across all sectors; men and women are not paid equally for the same work or work of equal value which is pointed out by concrete cases of pay discrimination based on gender experienced by our members from member organisations to help employees act in case of gender-based pay discrimination, ANE points to several supportive measures:

- 1) there should be easily accessible information on how to lodge a complaint or about other legal procedures.
- 2) the litigation costs should be low, and there should be a certainty of no professional consequences or adverse treatment in case of lodging a complaint or taking other legal action.

Pay transparency

Pay transparency is crucial to better enforce the principle of equal pay, and in ANE's view, it must be part of wider equal pay policies. As we see it, the most effective measures to secure pay transparency are gender-neutrality of job evaluation and classification systems, as well as an obligation to include equal pay provisions in collective bargaining.

The positive impacts of pay transparency are a reduction of pay discrimination, awareness-raising on equal pay issues, and it is a powerful tool to support employees in defending their rights to equal pay. It may also encourage employers to take action in implementing equal pay. We do not believe it results in salaries flattening or decreasing, nor does it make it difficult to reward high-performing employees. In our opinion, it does not create significant additional administrative burdens for organisations.

The information resulting from pay transparency should include average pay levels and gender pay gaps. The information should be made accessible to both employees and the trade union or equality body and should be received upon request from the employer.

The employees' right to access pay information should be a norm in all organisations regardless of the size of the organisation.

Pay report

To improve pay transparency, all employers, regardless of the size of their organisation, should report pay levels by category of employee or position, broken down by gender. The pay report should be accessible to employees or employees' representatives, to the equality body or labour inspectorate, and the information should be presented in a format that has clear explanations to ensure understanding.

The same measures will be efficient regarding the reporting of gender pay gaps, which is equally necessary. If significantly unjustified gender-based pay differences are detected, a follow-up action by the labour inspectorate/equality body must be initiated. The pay level report should be available within the organisation, to the employees and the labour inspectorate/equality body to be used effectively

Pay audit

The information received through the mentioned pay transparency measures should be analysed by employer and employees' representatives regularly in a pay audit. All organisations, regardless of their size, should implement a pay audit, and the results should be accessible to employees or employees' representatives as well as the equality body or labour inspectorate.

The audit should include information on pay levels and gender pay gaps, an analysis of the criteria used to establish pay levels and reasons explaining differences in pay levels. Moreover, there should be a follow-up on measures set in previous audits, and the audit should include the possibility of follow-up action by a labour inspectorate/equality body if significantly unjustified gender-based pay differences or gender pay gaps are detected.

Gender-neutral job evaluation and classification systems

To be able to establish a rational pay structure in an organisation, it is necessary to have a systematic way of determining the value of a job in relation to other jobs in the organisation.

The most effective modalities would be training on job evaluation and classification both in general and on how to apply gender neutrality. Another effective modality would be a gender equality labelling system for organisations and including matters related to gender neutrality of job evaluation and classification systems in collective bargaining.

Suggestions from ANE

In a forthcoming European Commission initiative, we would like to see the following measures included:

- Employees' right to access pay information
- Employers' obligation to report on pay levels
- Obligation to include equal pay provisions in collective bargaining
- A more active role of labour inspectorates as regards gender equality issues in employment matters