

Gender Pay Gap

Is Pay Transparency a tool for reducing the Gender Pay Gap?

BPW Europe Position

The binding legislation proposal on pay transparency introduced by President von der Leyen in her political guidelines is a step forward. It brings a practical outlook to the review of the Directive 2006/54/EC on 'equal pay', the European Commission's Recommendations on pay transparency to Member States, and Initiatives on Equal Pay Day.

In this time of Covid-19 pandemic, impacting the health, economic and social structures of society in general, and in particular women's rights and their role in society, the public consultation on Pay Transparency is very relevant. This public health crisis has highlighted more so than ever, women's contribution to keeping society functioning; it has never been so visible that women are the backbone of our society. As we see women leading in the provision of frontline and essential services - many of whom are largely underpaid - and balancing care and work responsibilities at home, we are reminded that their invaluable paid and unpaid care work is essential to the well-being and functioning of our societies and planet.

BPW Europe welcomes the Pay Transparency initiative and consultation.

Business and Professional Women (BPW) Europe is a women's organisation representing more than 18.000 business and professional women across Europe, advocating for Gender Equality and Equal Opportunities worldwide since 1930. BPW Europe is co-founder member of the European Women Lobby and support the EWL position. BPW Europe focuses on equality in the workplace and parity in decision-making positions and thus can bring practical proposals to Pay Transparency questions.

BPW Equal Pay Day Campaign reaches members all over the world for the past 11 years. In 2009, the International Federation of Business and Professional Women launched the global raising awareness campaign on Equal Pay Day at a side-event of the CSW in New York.

Our common aim is that women reach equal rights and opportunities in business and all professions in Europe for the benefits of Society, Economy and Growth in Europe.

You will find [BPW Europe Equal Pay 2020 Report](#):

https://www.bpw-europe.org/wp-content/uploads/2020/05/EPD_Report_May_2020.pdf

The gender gaps in pay and subsequent structural, life-long gender inequalities (life-long earnings, career development, pensions, poverty) have also become more visible than ever over the pandemic time.



The gender pay gap has remained worryingly stable over the past ten years, at 16% on average in the EU and varies considerably among Member States: from over 25% in Estonia (the highest) to less than 4% in Romania. The gender pension and life-long earnings gap, which should be seen as the extension of the gender pay gap, remain similar at an astonishing 40%, more than double the gender pay gap. These gaps demonstrate the cumulative effect of the persistent gender pay gap and of inequalities between women and men over the life-cycle, both in paid and unpaid work.

Transparency in pay composition will make it easier for women to identify pay discrimination, detect gaps and discrimination and provide the necessary proof that they are being underpaid, to enable them to challenge this through legal redress. Pay transparency should cover all aspects: basic salary, cash compensations, shares or stock options, bonuses, profit-sharing schemes, etc.

As the European Commission rightly points out, the issue of ‘equal value’ remains challenging. There is now an opportunity to change this as the future pay transparency legislative framework must imperatively address the issue of ‘equal pay for equal work and work of equal value’.

We recognise that pay transparency alone will not address the deep-rooted gender inequalities, but it is a first step in the right direction. An encompassing legislative and policy framework are necessary to close the gender pay, long life earnings, pension and subsequent poverty gaps. BPW Europe joined in the EWL’s call for the European Commission to seize the opportunity to move beyond pay transparency and to propose a new revised all-encompassing Directive, which would aim at closing the gender pay, pension, care and poverty gaps.

BPW Europe would like to raise awareness on key aspects presented within the pay transparency consultation:

- Defining pay for work of ‘equal value’
- Aligning pay for part time work with full-time pay
- Creating obligations of mandatory reporting and auditing for (all) companies
- Introducing an intersectional approach through positive measures and non-discriminatory recruitment practices
- Making equal pay a condition of all public procurement contracts at European and national levels
- Developing and promoting certified and recognised EU/National Gender neutral job evaluation and classification guidance, tools and training
- Developing policy coherence (including with GDPR requirements to deal with personal data issues)
- Seizing the opportunity to move beyond pay transparency and to propose a new revised all-encompassing Directive



You will find below examples highlighting some of the key aspects:

1. SMEs and companies up to 500 employees have to benefit at national level from support in the form of training, financial and human resources help in order to create a culture of reporting and auditing on gender issues in the workplace, in particular gender pay gap, parity in decision-making positions.
2. We ask for the creation of compulsory training for members of Chambers of commerce, chambers of agriculture, European and national employers organisations and trade-unions. They should be trained regarding tools and methodologies for assessing and implementing pay transparency strategies and actions in all sectors, including training for staff of their own organisations. These obligations have to include quantified targets and yearly reports sent by MS to the European Commission. The trainings have to be developed in coordination with MS labour ministries, equality bodies and women's NGOs in order to ensure uptake of existing know-how and avoid vulture consultancies and pink-washing.
3. Gender budgeting in companies should be implemented in order to find funding for those training activities, because by evaluating the companies' yearly projects using gender budgeting methodologies, it will be seen that any project which increases parity and diversity in decision-making positions leads to better financial results for companies.
4. Pay transparency tools have been developed in a random manner in many MS, by businesses, equality bodies, sometimes public services. There are often several differing methods of calculations and tools in a single MS. A European assessment of the existing tools should lead to the improvement and uptake of one single tool per MS, which would ensure its visibility and the possibility to train employers, recruiters and employees in its proper use.
5. Pay transparency should be a compulsory part of collective negotiations between employers' organisations and trade unions or even third parties helping them. Participants to these negotiations should be trained on gender matters, including proven methodologies and solutions to gender pay gap and pension gap of which pay transparency is one.
6. Equality bodies and women's NGOs with a track record regarding equality in the workplace should be mandatory paid experts to the employers' organisations and trade unions in the context of collective negotiations. EIGE should be coordinating a European-wide certification scheme of trainers to ensure quality training and implementation of pay transparency.
7. Any European research/ studies on the topic of pay transparency should involve equality bodies and women's NGOs not as unpaid sources of information for academics and consultants, but as fully paid members of research teams.



8. Guidance documents developed at European level by the European Commission, EIGE and EU-OSHA should be disseminated and resources allocated for adaptation at national level.
9. Training should be compulsory at national and local level for people involved in recruitment processes: representatives of employers, employees, and professional recruiters and headhunters.
10. Pay Transparency could be, after a transitory phase, compulsory for companies bidding for public tenders at European, national and local levels. It should not be possible to benefit from public funding without sharing democratic values, of which an important one is gender equality.

Business Professional Women (BPW) International was founded in 1930 in Geneva. It has grown to an international network of 30000 members in 100 countries. BPW Europe is the strongest region with 20,000 members in Europe. BPW is a Founder Member of the European Women Lobby (EWL) and is accredited to the Council of Europe with a consultative status. BPW has obtained a consultative status with the United Nations Economic and Social Council (ECOSOC) since 1947. BPW develops the professional, business and leadership potential of women through skill building, networking, advocacy and mentoring around the world. For more information, contact BPW Europe - <http://bpw-europe.org>. 