

SOCIAL AND ECONOMIC BENEFITS OF EQUAL PAY BETWEEN WOMEN AND MEN

*Policy Brief and Economic Case
(Abbreviated version)*

Iceland 
Liechtenstein
Norway grants

1. Normative context and questions for discussion

In the European Union

Amongst its main objectives, the European gender equality strategy '[Striving for a Union of Equality – the Gender Equality Strategy 2020-2025](#)' includes bridging the pay and pension gaps between men and women.

On 4 March 2021, the European Commission presented a [proposed directive](#) on pay transparency.

On 6 December 2021, the Council of the European Union adopted its [position](#) on the proposed directive of the European Parliament and the EU Council, which strengthens the application of the principle of equal pay for equal work or work of equal value between men and women, through pay transparency and enforcement mechanisms.

Most Member States of the Employment, Social Policy, Health and Consumer Affairs Council (EPSCO), including Portugal, expressed their agreement on the text (with five abstentions: Germany, Austria, Hungary, Sweden, Slovakia).

The text that was adopted will be used as the basis for negotiations with the European Parliament; but there is one topic in particular that has led to disagreements: the minimum threshold of employees beyond which employers will be subject to transparency obligations.

The proposed directive covers essential topics, ranging from pay setting

mechanisms or pay structures that assess the value of work based on objective and gender-neutral criteria, to the job applicant's right to be provided with prior information about pay and not to be questioned about their pay history, to the worker's right to request information about her/his own individual pay level and average pay levels, as well as to the duty of employers of a certain size to provide information about the respective pay gaps and, in cooperation with their workers' representatives, to evaluate and correct unjustified pay differences.

In Portugal

The principle of "equal work, equal pay" has been enshrined in the [Constitution of the Portuguese Republic](#) since 1976.

The [Labour Code](#) (Law No. 7/2009, of 12 February) establishes the rights of male and female workers to equal conditions of employment, in particular regarding remuneration, and the elements that determine it must not contain any discrimination based on sex. This clause safeguards the possibility of certain differences in remuneration not representing discrimination when they are based on objective criteria, common to men and women, in particular, based on merit, productivity, attendance or seniority. The right to equal pay between men

and women observes the principle of “equal pay for equal work or work of equal value” (Box 1).

The [National Strategy for Equality and Non-Discrimination 2018-2030 – “Portugal + Igual” \(ENIND\)](#) (Resolution of the Council of Ministers No. 61/2018, of 21 May) includes the ‘Action Plan for Equality between Women and Men, 2018-2021’, of which it is an integral part. Eliminating pay differences between women and men is one of the specific aims of this action plan, under the scope of the strategic objective of guaranteeing the conditions for a full and equal participation of women and men in the labour market and in professional activity.

In order to promote compliance with the right to remuneration in accordance with the principle of “equal pay for equal work or work of equal value”, measures for the promotion of equal pay between women and men for equal work or work of equal value were approved by [Law No. 60/2018, of 21 August](#) (which has been in force since 22 February 2019). This law establishes as follows:

- The department responsible for overseeing statistics at the employment ministry will be given the mission of annually providing statistical information relating to: i) a general sectoral barometer of the pay differences between women and men; ii) a review of the pay differences between women and men by company, occupation and qualification levels. This information must be sent to the inspection services of the labour

ministry, which will publish regularly updated versions of the data on the Internet.

- After receiving the review of the gender pay differences by company, occupation and qualification levels, the inspection service of the labour ministry must notify each organisation to present a plan for assessing the gender pay differences that it practises, which must implement and communicate the respective results.

- A procedure will be established to enable the authority responsible for the area of equal opportunities between men and women to issue its opinion about the existence of gender pay discrimination in relation to equal work or work of equal value, at the request of the worker or their trade union representative.

The Portuguese Standard ‘Equal Pay for Women and Men Management System’ is being elaborated by the Technical Committee for Standardisation CT 216 “Equal Pay for Women and Men”, coordinated by the Portuguese Quality Institute, I.P. (IPQ), the National Standardization Body.

The elaboration of the Portuguese Standard corresponds to one of the main objectives of the [Equality Platform and Standard Project](#), funded by the Work-life Balance and Gender Equality Programme – EEA Grants 2014-2021. The Portuguese Standard ‘Equal Pay for Women and Men Management System’ is due to be published by February 2023.

Box 1 – Basic concepts

Equal work

In which the functions performed at the service of the same employer are equal or objectively similar in nature, quality and quantity (based on paragraph 1 a) of Article 23 of the Labour Code).

Work of equal value

In which the functions performed at the service of the same employer are equivalent, considering, in particular, the qualification or experience required, the responsibilities attributed, the physical and psychological effort and the conditions under which the work is performed (based on paragraph 1 d) of Article 23 of the Labour Code).

2. Contextualisation: the gender pay gap in Portugal

Notwithstanding the increased educational capital of female workers and their relatively high rate of employment, associated with a pattern of continuous full-time work in the course of women's active life¹, the pay gap in their disfavour is one of the phenomena that most clearly reflects gender-based structural inequalities.

The average gender pay gap fell from 36% in 1974 to 25% in 1978, a drop frequently linked to the improvement in women's pay levels, resulting from the introduction of a minimum wage in Portugal after the April Revolution.² A more recent study, published in 2016 and covering a time span of 23 years, reported a sharp decrease in the gender pay gap (earnings) (calculated in its unadjusted simple formula) – from 32% (in 1991) to 20% (in 2013). This reduction is basically attributed to an improvement in women's wages and, at the same time, in their qualifications and the growing investment in human capital. In 2013, women had observable characteristics that were identical to those of men; however, the adjusted pay gap (an indicator that is calculated through a statistical regression controlling for the effect of the observed characteristics of men and women) remained relatively constant throughout the ample period under analysis (approximately 25%) (Cardoso *et al.*, 2016).

¹ For a more detailed development of this theme, see Casaca, Sara Falcão; Bastos, Amélia; Perista, Heloísa; Proença, Isabel; Amaro, Maria Francisca; and Cruz, João (2022/in press). "Desigualdades entre mulheres e homens no mercado de trabalho". In *Mercado de Trabalho em Portugal – do Salário Mínimo ao Teletrabalho*, organised by Nádia Simões and Nuno Crespo. Coimbra: Almedina.

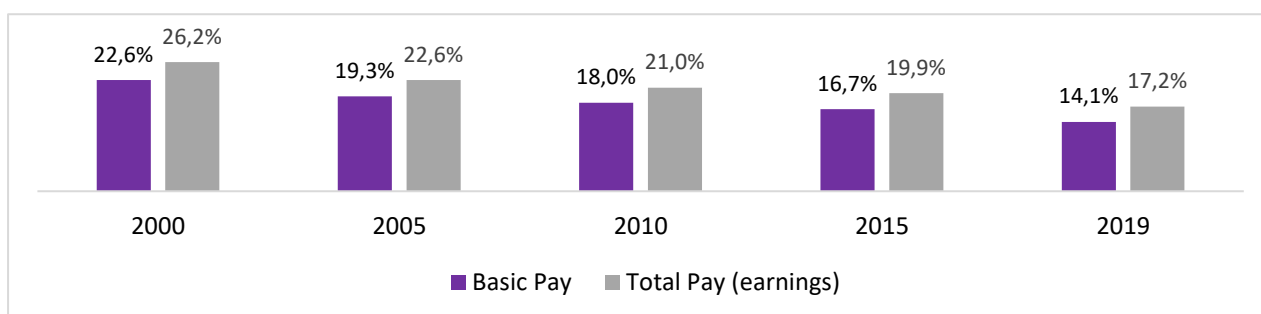
² A systematisation of the literature supporting this conclusion can be found in Casaca, Sara Falcão and Perista, Heloísa (2014). [Estudo Qualitativo a partir do I Relatório sobre diferenciações salariais por ramos de actividade](#), Commission for Citizenship and Gender Equality and the Office of the Secretary of State for Parliamentary Affairs and Equality (text prepared in accordance with paragraph 1 a) of the Resolution of the Council of Ministers No. 13/2013).

Results of the GPG_E Project

In line with the already-mentioned study, a decrease is to be noted in the (unadjusted) pay gap between men and women in relation to both basic pay and total pay (earnings³) – a component in which the gap has been particularly wide. The gap in

earnings fell from 26.2%, in 2000, to 17.2%, in 2019 (the last year for which statistical data are available). This result is necessarily linked to the progressive increase in the national minimum wage, since this is received, above all, by women.

Figure 1. Evolution of the (unadjusted) Gender Pay Gap



Source: GEP/MTSS – Strategy and Planning Office/Ministry of Labour and Social Solidarity (Monthly remunerations of male and female workers, employed full time and on full pay)

In order to be able to take a longitudinal approach to the gender pay gap, the GPG_E project adopted the already-mentioned research methodology⁴ – which covered the period from 1991-2013 – and used the same database (Personnel Records), having then calculated the gap for [2018](#) and 2019.

In the latter year, the adjusted GPG remained higher than the unadjusted GPG. This means that, when we control for the effect of factors such as age, seniority and educational level (the observed

characteristics of women and men), the value of the gap stripped of the effect of these factors is notably large (fundamentally in the case of female and male workers employed on a full-time basis). **This value does not, in itself, determine the existence of discrimination, but it is undoubtedly a warning sign: the gap between women and men with similar attributes in terms of human capital is greater than when these attributes are not included in the formula used for its calculation.**

³ Total earnings express the remunerations effectively received by female and male workers (see Box 2). The principle of equal pay applies to total pay and not only to basic pay. Convention No. 100/ILO – Convention concerning Equal Remuneration for Men and Women Workers for Work of Equal Value, Article 1: “the term “remuneration” includes the ordinary, basic or minimum wage or salary and any additional emoluments whatsoever payable directly or indirectly, whether in cash or in kind, by the employer

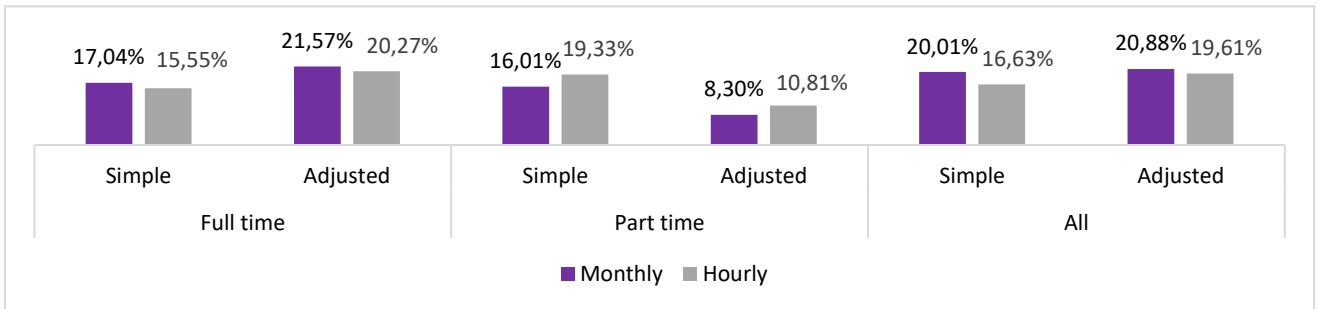
to the worker and arising out of the worker's employment”.

⁴ Cardoso, Ana Rute; Guimarães, Paulo; Portugal, Pedro; and Raposo, Pedro (2016). “Sobre a discriminação sexual na formação dos salários”. *Revista de Estudos Económicos do Banco de Portugal*, 2, pp. 47-68.

The reverse situation is found, most notably, in Iceland. It should be noted that, in this country the adjusted GPG (4.1%) is

lower than the unadjusted GPG (12.6%) (values relating to 2020, remuneration/hour).⁵

Figure 2. Simple and adjusted GPG, male and female workers employed full time and part time and all male and female workers, in 2019

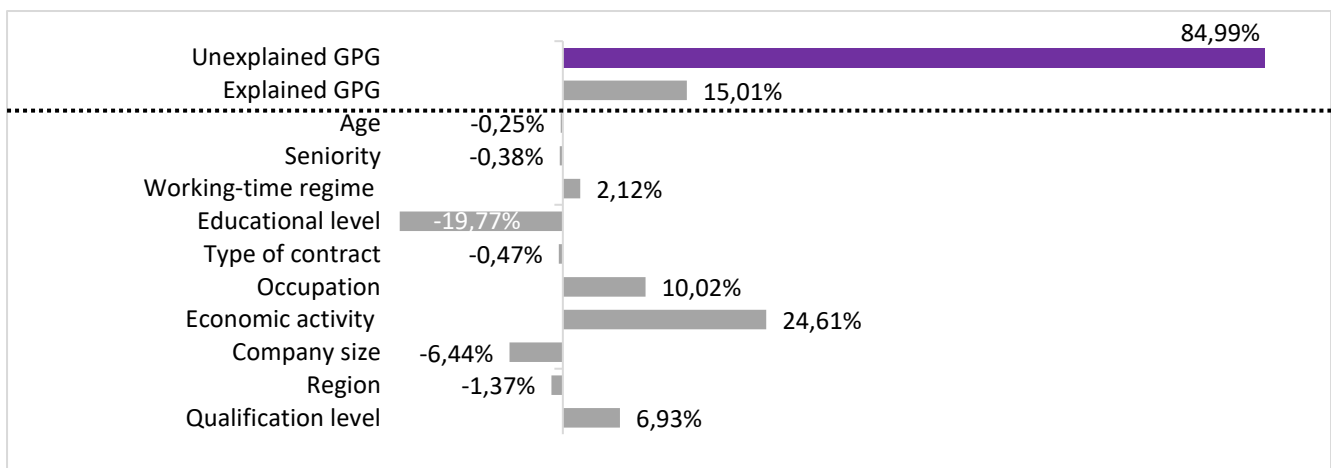


Source: Own calculations from the GEP/MTSS database, *Employment Records*

The decomposition method (see p. 5) made it possible to estimate that the **explained portion of the pay gap (hourly earnings) between women and men working full-time, in 2019, is just 15%, whereas the unexplained portion is particularly**

expressive – 85% (Figure 4). Even admitting that not all of this unexplained portion can be interpreted as discrimination based on sex⁶, such a score undoubtedly merits closer reflection and analysis.

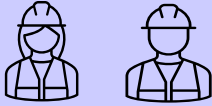
Figure 3. Decomposition of the GPG, hourly earnings, in 2019



Source: Own calculations (unadjusted GPG – application of the Blinder-Oaxaca *decomposition method*) from the GEP/MTSS database, *Employment Records*

⁵ Information provided by Stefán Ólafsson, EDDA Centre, University of Iceland (partner in the GPG_E Project).

⁶ The explained portion could, however, have a higher score if the database were to include other equally important variables, as described in the following section.



The higher educational level of female workers in comparison with male workers contributes to a reduction of practically 20% in the pay gap.

If female and male employment were equally distributed by areas of economic activity, occupations and qualification levels, the pay gap would fall by 42%.

Which factors most explain the gender pay gap?

✓ **Horizontal gender segregation**, which expresses the asymmetrical allocation of men and women to different sectors of economic activity and occupations, makes the largest contribution to the explained component. Its elimination would reduce the pay gap by 35% (24.6% in the case of economic activity and 10% in relation to occupation – see Figure 4). It therefore shows that women are overrepresented in the least valued and lowest paid sectors of economic activity and occupations.

✓ **The allocation of women and men to different qualification levels** is another significant factor contributing to the explained component (practically 7% – see Figure 3). It is, however, important to mention that the available data do not enable us to fully apprehend the phenomenon of **vertical gender segregation**, as it is not possible to know the exact positions of women and men in the functional and hierarchical structure of employers.

If the factors highlighted by the decomposition method – and considered fundamental in wage determination – only explain a residual portion of the gender pay gap, which other factors (not contemplated in the analysis) can help to sustain such a persistent asymmetry?

Besides the effect of the already-mentioned horizontal gender segregation, resulting from the devaluation of the work undertaken by women and the attributes required for its performance, the following factors should also be highlighted:

- The under-representation of women in top management positions. Not only do salaries become higher as male and female workers occupy more important positions in the functional and hierarchical structure of organisations, but there is also a tendency to add bonuses in jobs that have greater responsibility at the management level.
- The **gender stereotypes** that associate men with the role of the primary breadwinners of families and women with the role of the main providers of care and well-being lie at the basis of the asymmetries between the two genders. Although the model of analysis adopted in the study controls for the effect of different working-time regimes, part-time work is regarded as a female working regime, whereas night work – which grants the right to specific bonuses (a component reflected in earnings) – is predominantly a male preserve.
- The lower amounts received by women as productivity or attendance bonuses, compared with men, may result from the **asymmetry – sustained by gender stereotypes – that is still to be noted in the allocation of work (unpaid care and domestic work)** and which enables men to be more available for extending their work schedules, record fewer absences (or even no absences at all) because of the need to attend to family responsibilities, enjoy access to parental leaves or take less time off to support the family. (It should, however, be noted that there are no data available in the Personnel Records, or in any other alternative source, that enable us to establish any correlation of variables in the context of the same universe of male and female workers).
- The methods and practices used for assessing job components may reflect gender biases. Occupations with a greater predominance of male workers, for example, tend to be more detailed in their job description than those where there is a greater preponderance of women. Thus, in the first case, for example, there is a greater likelihood of men receiving bonuses for painful, dangerous or dirty work. On the contrary, the job descriptions in occupations that are mainly performed by women tend to be vaguer and less detailed. As the components and subcomponents of the jobs are not described, they remain invisible or undervalued in determining the

respective level of pay and its associated complements⁷. This happens, for example, in the undervaluation of the dangerous conditions that certain jobs may involve, together with the undervaluation of other job components: skills in the field of interpersonal relations; provision of emotional and psychological support to other people, including children and old people; the physical effort required in lifting and carrying old people or people in a fragile state; exposure to psycho-social risks, among others.

- The criteria for assessing productivity may also reflect biases arising from gender stereotypes

about the social roles of women and men, their characteristics and behaviours, which penalise women more. These (formal or informal) criteria also tend to be based on the ideal standard of a ‘worker’ who is exempt from family responsibilities, which can lead to situations of indirect discrimination against women in terms of the related bonuses.

- Women are more affected by the precariousness of their employment contracts, job insecurity and part-time work – all of which makes them more vulnerable in terms of negotiating their working conditions.



In short:

The unexplained portion of the gender pay gap **suggests the persistence of gender stereotypes** that create a bias in the assessment of job components and the respective value of work.

⁷ Chicha, Marie-Thérèse (2011). *A Promoção da Igualdade. Avaliação dos Postos de Trabalho sem Enviesamento de Género: Guia Prático*. Geneva: International Labour Office. It should be remembered that, in discussing the case of Portugal, Virgínia Ferreira warned that women’s occupations tend to be classified in fairly undifferentiated groups, whereas traditionally male occupations – in particular those

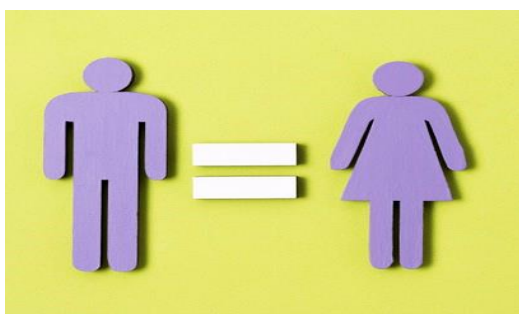
associated with industrial work – tend to be classified with a greater level of detail and more specific categories [as later repeated in Coelho, Lina and Ferreira, Virgínia (2018). “Segregação sexual do emprego em Portugal no último quarto de século – agravamento ou abrandamento?”. *e-cadernos CES*, 29, 77-98].

3. Social and economic benefits of eliminating the gender pay gap

Equal pay between women and men is a fundamental right. Article 23, paragraph 2 of the [Universal Declaration of Human Rights](#) states that “Everyone, without any discrimination, has the right to equal pay for equal work”.

This right is reaffirmed by the United Nations through Agenda 2030 and the

[Sustainable Development Goals](#) (SDG), which define the priorities and aspirations of global sustainable development for 2030, in particular by SDG 8 – Decent Work and Economic Growth, but also by SDG 5 – Gender Equality and SDG 10 – Reduced Inequalities.



Socio-economic effects directly arising from the elimination of the GPG:

- The elimination of the GPG protects against monetary poverty, as shown in the [study undertaken](#).
- Tackling the GPG favours women’s participation in economic activity. Portugal already has a relatively high female employment rate, but the elimination of the pay gap – resulting in the raising of women’s pay levels – would lead to a fall in the
- There would be an increase in investment, which, notwithstanding the need for a more profound analysis, may be associated with the strengthening of family savings (greater disposable income as a result of equal pay between women and men).

number of women of an active age that currently find themselves outside the labour market. Although part-time work in Portugal is low and the time spent by women and men in paid work is closer than in most European Union countries, the elimination of the GPG would promote an even more equal pattern of labour participation between men and women.

- The elimination of the GPG has a positive effect on the birth rate – a result that is particularly important in view of the demographic challenges facing the country. This effect would, in turn, be associated with the strengthening of the active population – an indispensable condition for the growth of economies, relieving pressure

on the social security system and increasing the sustainability of Portuguese society.

And what can we infer from this and other studies?

In line with our conclusions, other studies demonstrate the beneficial effects of the elimination of the GPG on the economy of countries, the productivity of companies, the disposable income of households and the improvement in the well-being and quality of life of families.⁸ The following positive effects have been noted:

- Improvement in competitiveness. Given that (in many countries, including Portugal) the educational qualifications of women are greater than those of men, it can be assumed that they have human capital that can greatly favour the performance of organisations in general, as well as of companies, namely those that base their competitiveness on creativity and innovation.⁹

- Stimulus for the growth of the economy, by increasing the purchasing power of women and the disposable income of the respective families (promotion of internal consumption).

- Strengthening of the taxation and social security systems, including the pensions system, due to the increase in the value of contributions.

- Greater protection of women in relation to domestic and gender-based violence, resulting from their greater economic independence.¹⁰

- Improvement of the well-being and quality of life of families, and of children in particular. Women, more so than men, tend to reinvest a portion of their income in their respective families, namely in the health and education of their children.¹¹

- Virtuous cycle of economic benefits (more qualified human capital) and social benefits (better material living conditions and improved well-being, which will be replicated and strengthened in future generations), arising from the reinvestment that women tend to make in the health and education of their children.

⁸ See, for example, O'Donnell, Megan; Nwankwo, Ugonma; Calderon, Ania; and Strickland, Callie (2020). [Closing Gender Pay Gaps: Identifying roles for government and the private sector](#). Centre For Global Development.

⁹ ILO (2019). [Women in business and management: The business case for change](#). Geneva: International Labour Office.

¹⁰ Ballegooij, Wouter van (2018). [Equality and the Fight against Racism and Xenophobia: Cost of Non-](#)

[Europe Report](#). European Parliamentary Research Service.

¹¹ Oxfam International (2012). [Gender equality: it's your business](#). United Kingdom: Oxfam International. UN Secretary-General's High-Level Panel (2016). [Leave No One Behind – A Call to Action for Gender Equality and Women's Economic Empowerment](#). OECD (2010). [Investing in Women and Girls: The Breakthrough Strategy for Achieving the MDGs](#). OECD Development Centre.

POLICY BRIEF

This document seeks to systematise a series of recommendations designed to eliminate the gender pay gap (GPG). It is based both on the results of the GPG_E project, systematised in the *Economic Case*, and on discussions with academic/research peers, managers from public organisations, employers, social partners and civil society organisations, in particular non-governmental organisations for women's rights.¹² It is also inspired by the collection and analysis of benchmark practices

in the European Union area¹³, as well as by the experience of Iceland – a country where there has been significant progress in reducing the gender pay gap.¹⁴

The extensive and participated study, inherent in the project's development, enabled us to conclude that the **elimination of the GPG requires the mobilisation of concrete action on the part of different strategic actors.**

The Role of the State / Public Policies

Need for an integrated legislative instrument

Portugal would benefit from the existence of an integrated legislative instrument that coherently links together measures promoting gender equality in the labour market, namely equal pay measures, in the light of Article 9 h) of the Portuguese Constitution.

This instrument would enable us to overcome the limited range of sundry rules – whether they are related to education/training, access to employment and occupations, working and pay conditions, places of decision/management, protection of parenting, or the reconciliation between professional and family life.

- ✓ **The deconstruction of gender stereotypes** should be made a structuring and guiding principle in all the areas covered by that instrument, as well as in all public policies. A very particular focus should be given to initiatives, similarly interlinked, which make it possible to ensure the equal participation of women and men in paid work and unpaid domestic and caring work. One of the ways of achieving this aim more quickly involves the progressive increase of compulsory leave – exclusive, non-transferable and fully paid – for men when they are fathers, in order to equalise the exercise of rights for maternity and paternity.

¹² See the Identification of participants in the appendix. Although the consultation process has been particularly useful, all the recommendations gathered together here are only binding on the project team (Sara Falcão Casaca and Heloísa Perista are responsible for the management of this activity).

¹³ Casaca, Sara Falcão and Perista, Heloísa (2021). [Beyond a Progressive Normative Framework: Challenges to](#)

[Increase Pay Transparency and Tackle the GPG](#). Mutual Learning Programme, European Commission, DG Employment, Social Affairs and Inclusion.

¹⁴ This is the reason why this project has been developed in partnership with the EDDA Centre – University of Iceland.

- ✓ Knowing that one of the structural causes of the GPG is rooted in the processes of horizontal gender segregation (see *Economic Case*), this legislative instrument should **provide for measures that can counter this form of segregation, including measures of positive action for the hiring of members of the underrepresented sex in predominantly female or predominantly male occupations.**¹⁵ By the same token, we stress **the need to counter vertical gender**

segregation, including within the context of national public policies.

- ✓ In view of the impacts of **gender segregation in the labour market and career choices** on the economic and social inequalities between women and men, the integrated legislative instrument that we propose should place particular emphasis on measures designed to desegregate the labour market and the education/training system, and thus mitigate the effects of the so-called “glass boundaries”.¹⁶

Guaranteeing pay transparency

Although the Equal Pay Law ([Law No. 60/2018, of 21 August](#)) binds large-sized companies (in 2019 and 2020) and those employing 50 or more people (since 2021) to the need for a **greater transparency in pay policy**, the disaggregated information about individual pay levels still remains reserved and protected, making it difficult to compare pay levels between peers in situations of equal work or work of equal value. The following measures must therefore be guaranteed:

- ✓ **The regular disclosure by employers of information about the pay levels that they practise** (basic pay and total earnings), guaranteeing the protection of personal data and the debureaucratisation of processes but also **guaranteeing the transparency of pay policies and the right to information**, both for female and male

workers and for their representative structures. Although organisations with fewer than 50 employees might not be obliged to meet this requirement (in line with the recommendation made by the [European Commission – 2014|124|UE](#)), they should be encouraged to contemplate it in their good management practices (as we shall see later on).

- ✓ **The definition of the concept of pay transparency and the provision of instruments that permit its respective implementation** (as in Spain, for example¹⁷).
- ✓ The incorporation into the **Portuguese legal framework of all the terms of the [proposed directive](#) about pay**

¹⁵ Measures tending towards the gender desegregation of the labour market, beyond the provisions of [Ordinance No. 84/2015](#), of 20 March.

¹⁶ These measures should be linked to the conclusions of the project [Glass Boundaries – Gendering the labour market - costs of occupational and educational](#)

[segregation](#), promoted by the Centre for Social Studies of the University of Coimbra.

¹⁷ [Royal Decree 902/2020](#) on equal pay between women and men, of 13 October 2020, in force since 14 April 2021.

transparency, presented by the European Commission on 4 March 2021. This directive strengthens the application of the principle of equal pay between men and women for equal work or work of equal value, through pay transparency and compliance monitoring mechanisms. On 6 December 2021, the European Council adopted a position in relation to this question. The adopted text will

form the basis for negotiations with the European Parliament. Although the Portuguese legal framework already incorporates many of these terms, consideration should be given, for example, to the mandatory requirement for all employers to provide information, in job advertisements or before the selection interview, about the respective pay levels.

The Role of Public Organisations

Public organisations are responsible for:

- ✓ **Providing duly tested user-friendly tools** that can be used as support instruments, above all to employers and social partners.
- ✓ **Providing employers, in the very near future, with a guide** so that they can make an assessment of job components based on objective criteria and free of gender stereotypes (generalised, simplistic concepts that tend to sustain practices of – direct or indirect – gender discrimination).
- ✓ **Designing a guide, in partnership with the social partners, that can be used in negotiations and collective bargaining to facilitate** the operationalisation of the principle of equal pay for equal work or work of equal value.
- ✓ **Investing in the sharing of good practices and the dissemination of methodologies and the results achieved.** It is important to guarantee that the products of projects that have already been implemented with the coordination and/or participation of the social partners, as well as the methodologies and experiences achieved, enhance the development of **other project in other sectors of activity.**

The role of the social partners and social dialogue

✓ Deepening the debate about the GPG in the social consultation process,

- A Sectoral Working Group should be formed, entrusted with the task of preparing, implementing and monitoring a sectoral plan for gender equality. In such a context, the elimination of the GPG should be considered one of the priorities and (most) mobilising aims of the action of the social partners).¹⁸
- Besides having an exhaustive knowledge of the respective sectors of economic activity, it would be important for the members of the group to also be skilled in the area of gender equality, particularly with regard to intervention methodologies and instruments. The group's composition should be tripartite, including representatives of the employers' associations and trade unions at the sectoral level. It is further suggested that the group should include experts in gender equality and a balanced number of female and male participants.

✓ Promoting the role of collective bargaining in the elimination of the GPG

- When defining the groups and occupational levels at the collective bargaining table, it is important to ensure that there are no gender biases in the assessment of jobs.
- It is also necessary, at the level of collective bargaining, to have negotiators with the capacity to innovate in this area. The role played by the commissions for equality between women and men from the trade union and business structures may be decisive at this level.

The promotion of collective bargaining can effectively contribute to the elimination of the GPG, as demonstrated by the experiences in other countries where social dialogue is strongly implanted, namely when negotiating gender equality in the labour market. An example of this is the Icelandic Standard ÍST 85:2012 – *Equal wage management system – Requirements and guidance*, later regulated by ÍST 85 No. 1030/2017 – Regulation on the certification of equal pay systems of companies and institutions according to the ÍST 85:2012 Standard. It was, in fact, a close collaboration between the government and the confederations of employers and trade unions that ensured the development of

¹⁸ This proposal is also defended by Ferreira, Virgínia (coord.); Silveirinha, Maria José; Portugal, Sílvia; Vieira, Cristina; Monteiro, Rosa; Duarte, Madalena, Lopes, Mónica (2010). [Estudo de Avaliação do III Plano Nacional](#)

[Para A Igualdade – Cidadania e Género \(2007-2010\)](#), APEU-FEUC.

the Icelandic Standard between 2008 and 2012. With the standard having entered into force on 1 January 2018, a decision by the Icelandic Parliament made the standard mandatory for companies and institutions employing more than 25 workers (full-time, on an annual basis). The requirement to

design fair and transparent pay structures at companies and public institutions, without gender biases, is set to be fully implemented in Iceland by the end of 2022¹⁹.

The role of employers

As mentioned above, organisations from the state corporate sector and the public administration must lead by example in the field of gender equality policies and practices, including pay transparency.

Besides the legal responsibilities already suggested for organisations employing 50 or more workers, the following proposals are made:

The GEP must be viewed as a strategic instrument for promoting *de facto* equality between women and men at the workplace.

- ✓ **Voluntary elaboration of regular gender pay audits.**
- ✓ **Voluntary elaboration of Gender Equality Plans-**
 - Employers must also make an **internal disclosure** of the results of the diagnosis and Gender Equality Plan (GEP) to male and female workers, as well as to their representative structures, should these exist.
- ✓ Participation in **training/skill upgrading** initiatives in the field of gender equality, as well as the **sharing of organisational good practices**, including in the field of equal pay.

¹⁹ According to the report drawn up by the representative of the Icelandic partner organisation (EDDA Centre/University of Iceland), Stefán Ólafsson.

The role of educational institutions and legal institutions

Countering the gender stereotypes that sustain gender segregation processes in the labour market requires their deconstruction at the earliest possible stage. Socio-educational and teaching institutions therefore have a fundamental role to play. Subjects relating to gender equality, namely in the areas of studies and occupations, must be included in the syllabuses.

Higher education institutions are also very important stakeholders in the elimination of the GPG.

- ✓ By way of example, it is important to remember that the institutions geared towards the teaching of Business and Management offer specific training in human resources management and, consequently, they are expected to

provide training in methodologies for the evaluation of job components and the design of reward policies free of gender bias. Law Schools are also particularly important, so that this topic must also be included in the training provided.²⁰

- ✓ Another fundamental feature of the postgraduate training plan is the role of the Centre for Judicial Studies (CEJ), in qualifying male and female magistrates in the implementation of the principle of equal pay for equal work or work of equal value.

²⁰ Palma Ramalho, Maria do Rosário (2003). *Garantir a Igualdade Remuneratória entre Mulheres e Homens na União Europeia*. Lisbon: CITE.

Appendix – Identification of participants - Focus Groups

Four discussion groups were created, consisting of:

(1) Representatives of State bodies:

President of CIG – Commission for Citizenship and Gender Equality, Sandra Ribeiro;

President of CITE – Commission for Equality in Labour and Employment, Carla Tavares;

Director-General of GEP/MTSSS – Strategy and Planning Office of the Ministry of Labour, Solidarity and Social Security, José Luís Albuquerque;

Inspector-General of ACT – Authority for Working Conditions, Maria Fernanda Campos.

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CAP - Confederation of Portuguese Farmers, Alexandra Freire;

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For more information about the project, visit: <https://genderpaygap-elimination.pt/>

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