

The Gender Pay Gap in Austria: Challenges and initiatives

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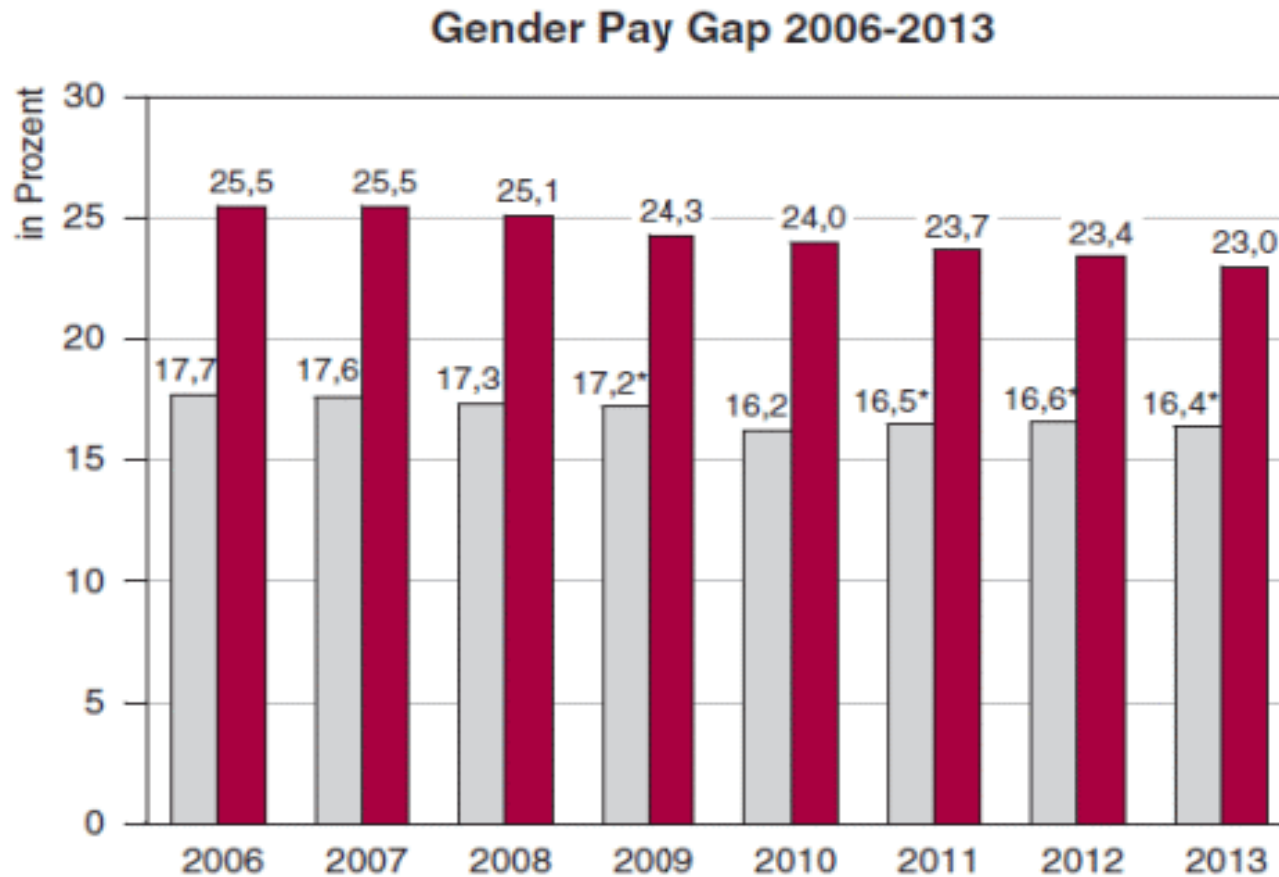
*Austrian Federal Ministry
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Gender Pay Gap in Austria

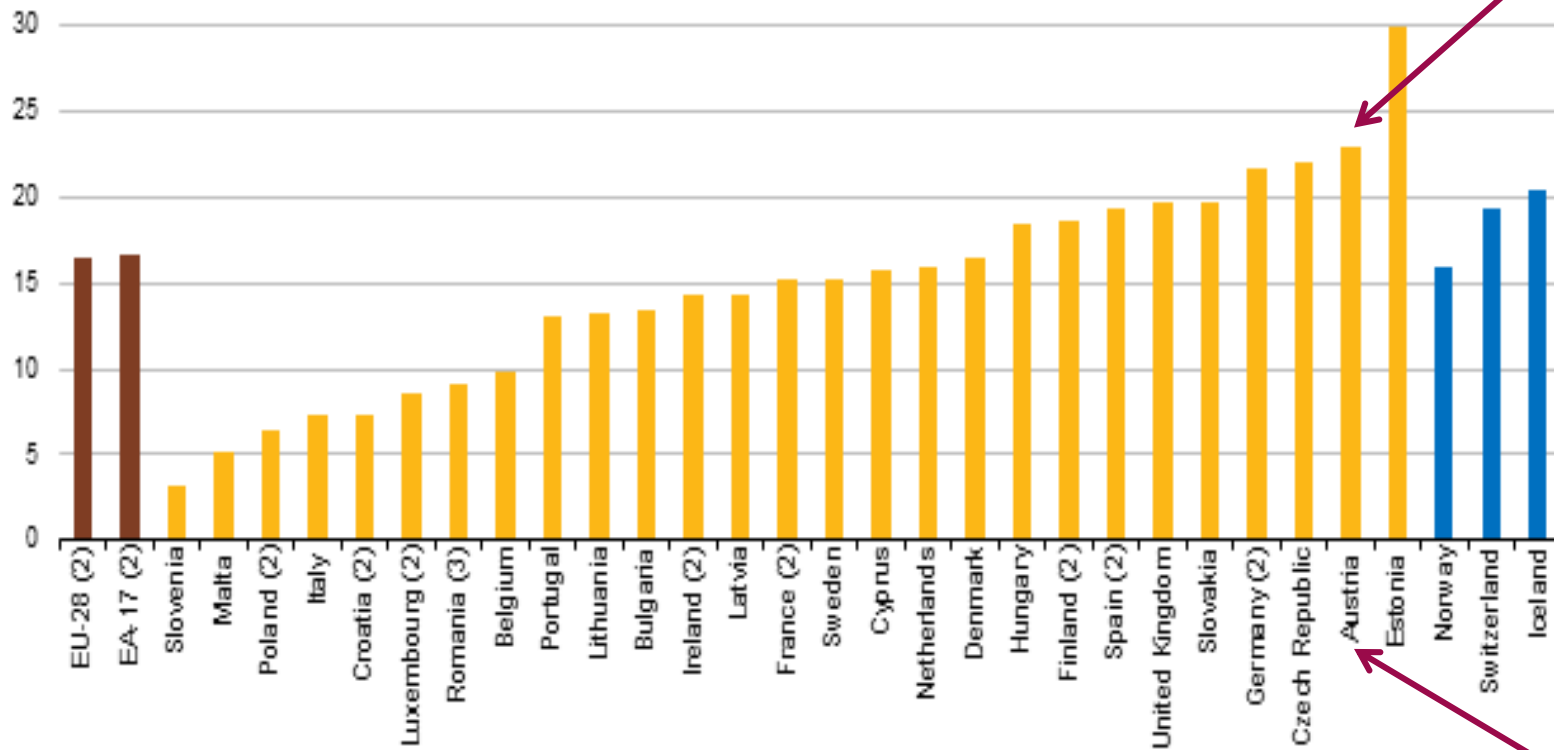
- 23% in 2013 !
- Eurostat indicator: unadjusted gender pay gap → difference between average gross hourly earnings of male and female employees

Gender Pay Gap in Austria



Source: Statistics Austria / Eurostat

Gender Pay Gap in Austria in comparison to the EU-28



Source: Eurostat, <http://ec.europa.eu/eurostat/statistics-explained/index.php>

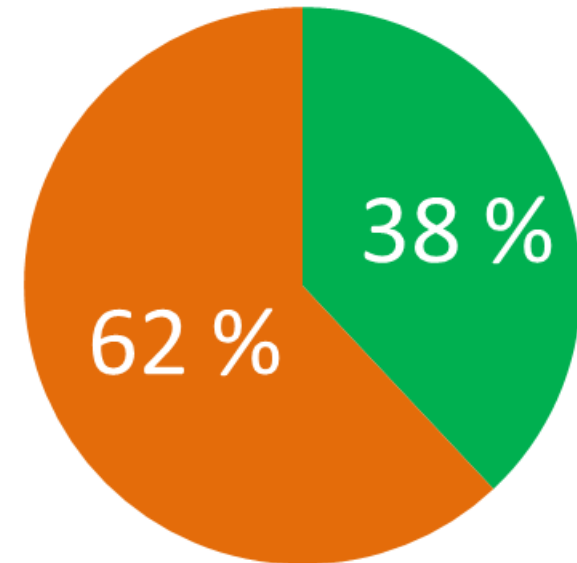
Why is the Gender Pay Gap so large?

- „**Decomposition**“ of the Gender Pay Gap (study carried out by Statistics Austria in 2010)
- Aim → find out about the **determinants to explain** the gender pay gap:
 - branche
 - profession
 - educational attainment
 - age
 - length of service with a company
 - full time/part time work
 - nature of the employment contract

„only“ 38 %

Explainable determinants and unexplained factors

- **38%** explainable determinants = structural inequalities
- **62%** unexplained factors = wage discrimination



→ large part of wage discrimination

→ different means to tackle the gender pay gap

How to tackle the 38 % caused by structural inequalities?

Reduce ...

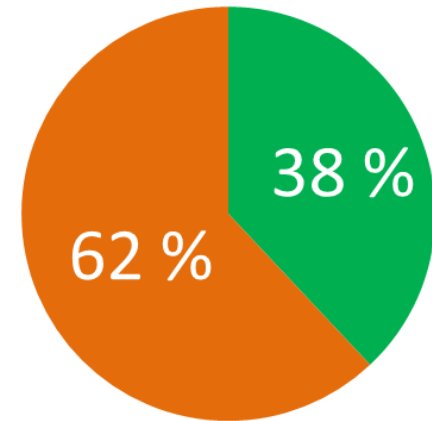
- **horizontal segregation** between branches
- **vertical segregation** → women's underrepresentation in managerial and economic decision-making positions

How to tackle the **38 %** caused by structural inequalities?

Empower women and girls in their access to all occupations and positions, by for example:

- Women and girls in technical professions
→ online information platform „My technology“
- Women in managerial positions
→ quotas for the public service and state-owned companies
→ project „Women are top!“

How to tackle the **62 %** caused by structural inequalities ?



- strengthen income transparency
- raise awareness for wage discrimination

3 initiatives in place since 2011

- Online wage calculator
- Minimum wage in job vacancy advertisements
- Income Reports

Online wage calculator

- online-tool available since October 2011
- calculates average wage and salary benchmarks
- relevant criteria are taken into account:
profession, branch, education and training, work
experience, nature of the work performed

<http://www.gehaltsrechner.gv.at>

→ raise pay transparency and awareness
→ strengthen applicants' position in wage
negotiations

Minimum wage in job vacancy advertisements

- 2011 Amendment of the Austrian Equal Treatment Act
- Legal requirement to state the (collective) minimum wage in job vacancy advertisements + readiness to overpayment
- sanctions in cases where job vacancy advertisements do not comply with these requirements

→ raise pay transparency and awareness
→ strengthen applicants' position in wage negotiations

Income Reports

- 2011 Amendment of the Austrian Equal Treatment Act
- Obligation to produce income reports for companies with:
 - 1000 employees or more – from 2011 on
 - 500 employees or more – from 2012 on
 - 250 employees or more – from 2013 on
 - 150 employees or more – from 2014 on

Income Reports

Income reports have to include:

- pay levels of women and men in each occupation group
- average or median income of women and men by occupation group and levels of pay
- all types of pay: bonuses, premiums, extra hours, benefits in kind, etc.
- full-time equivalents of part time and partial year employment

Income Reports

- Income reports have to be forwarded to the company's Works Council.
- Confidentiality clause → But contents of the report may be discussed within the company.
- Within 3 years the Works Council or individual employees can claim the enforcement of the production of an income report before court.

→ make women and men's pay transparent
→ identify/help close the gender pay gap in a company

Evaluation of the instruments under the Equal Treatment Act

Evaluate legal requirements to...

- state the minimum wage in job vacancy advertisements
- and to produce income reports.

→ evaluate the implementation of the legal requirements

&

→ assess whether these instruments have contributed to an increase of income transparency

Design of the evaluation

Get the full picture by ...

- including views and experience of all relevant stakeholders
- using a variety of methods
- text analysis of 1.024 job advertisements (2011-2014)
- 966 quantitative interviews with employees / applicants
- 40 qualitative interviews with HR managers; members of works councils; experts from the Austrian Public Employment Service, payroll service and personnel leasing companies
- 3 focus group discussions with employees, applicants, HR managers

Results of the evaluation

- **Degree of implementation** of legal requirements generally good: e.g.
 - 90% for all job advertisements from 2014;
 - also high for income reports; though often only minimum legal requirements.
- Stating the **minimum wage in job advertisements** ...
 - makes differences in pay between branches visible;
 - has a positive effect on pay transparency within companies.

Results of the evaluation

- **Little awareness** among employees / applicants, especially regarding the income reports.
- Income reports are **seldomly used** as a basis/tool to initiate structural measures to reduce the gender pay gap **within companies**.
- **Little involvement of works councils** in the set-up and discussion of income reports.
- **Confidentiality clause hinders communication** among employees / within companies.
- **Room for improvement** for both instruments in order to raise income transparency.

„Room for improvement“...

- **Job advertisements**
 - name the relevant collective agreement applicable to the job in the advertisement
 - state salary range instead of only minimum wage
- **Income reports**
 - obligation for companies with less than 150 employees
 - sanctions for not doing the report
 - more detailed reports (salary components)
 - encourage involvement of the works councils
 - encourage discussions within companies

To conclude ...

Promoting equal pay for women and men in Austria means ...

- Further efforts and initiatives in many areas of the Austrian labour market are needed to reduce structural inequalities between women and men.
- Income transparency needs to be strengthened in order to reduce and to raise broader awareness for wage discrimination.

Thank you for your attention!

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