

Closing the gap - pay transparency for women and men

Average salaries vary across Malta both by sex and district of residence. This is seen in the latest data from the National Statistics Office (NSO)¹. In 2019, the average gross annual basic salary for men was €20,974 whilst for women this was recorded at €17,771.

This is the situation in the majority of the European Union Member States. In fact, the European Commission stepped up its efforts to address this issue. Indeed, in March 2021, the European Commission presented a proposal on pay transparency to ensure that women and men receive equal pay for equal work. The proposal will increase awareness about pay conditions within the company and give more tools to employers and workers to tackle pay discrimination at work.

The European Commissioner for Equality, Helena Dalli, has been leading the EU Pay Transparency Directive proposal. She said that the pay transparency proposal *“is a major step toward the enforcement of the principle of equal pay for equal work or work of equal value between women and men. It will empower workers to enforce their right to equal pay and lead to an end to gender bias in pay... Women deserve due recognition, equal treatment and value for their work, and the Commission is committed to ensuring that workplaces meet this objective.”*

The legislative proposal focuses on two key elements of equal pay; measures to ensure pay transparency for workers and employers, and better access to justice for victims of pay discrimination. Workers will have the right to request information from their employer on their pay levels prior to and during employment. Moreover, employers with at least 250 employees must publicly report on gender pay gaps. Workers will also have the right to get full compensation for gender pay discrimination.

The proposal takes into account the impact of the COVID-19 pandemic *“which is reinforcing gender inequalities and puts women into greater risk of poverty exposure”*.² In fact, it is mainly women who have been shouldering the caring and household responsibilities during the

¹ Source: National Statistics Office (NSO) Regional Statistics Malta 2021 Edition

² https://ec.europa.eu/commission/presscorner/detail/en/ip_21_881

pandemic. Additionally, their over-representation in lower-paid sectors and occupations has made them particularly vulnerable in the labour markets hit by this crisis.³

The National Commission for the Promotion of Equality (NCPE) looks forward to the introduction of the proposed Directive on pay transparency to strengthen the principle of equal pay. As part of its remit, the NCPE is empowered to investigate complaints of alleged gender discrimination in pay.

Indeed, in 2015, the NCPE concluded an investigation on discrimination in the wage of a female employee whereby equal pay was not given for equal work. Following the opinion issued in relation to this complaint, the NCPE was informed that negotiations between employer and the complainant resulted in a substantial increase in salary when compared to her male counterparts⁴.

Work continued on this area of concern. In fact, since 2015, the NCPE has been highlighting the issue of the gender pay gap and the reasons behind it in order that action can be taken for it to be effectively addressed. In 2015, a conference was the first public event during which discussion focused on the gender pay gap in Malta. More recently, at another NCPE conference this matter was discussed from various perspectives including the causes of the gender pay gap in Europe and in Malta; how the gender pay gap is calculated as well as the effects and repercussions of the gender pay gap on pensions.⁵

In addition, in November 2020, the NCPE again organised an online Conference to mark Equal Pay Day focusing on the way forward to closing the gender pay gap and ensuring equal pay for women and men. One of the recommendations concerned the need of pay transparency that was considered to be of vital importance in order to register progress. This recommendation is in line with 'The European Pillar of Social Rights Action Plan'⁶ targets to close the gender gaps in the labour market, pay, and pensions.

³https://ec.europa.eu/commission/presscorner/detail/en/ip_21_881

⁴https://ncpe.gov.mt/en/Documents/News_and_Events/Press_Releases/2015/PR_Equal%20Pay%20Day_02%20Nov%20'15.pdf

⁵https://ncpe.gov.mt/en/Documents/News_and_Events/Press_Releases/2015/Press%20Release_06%20Mar%20'15.pdf

⁶ [The European Pillar of Social Rights Action Plan \(europa.eu\)](https://european-council.europa.eu/media/e3000420/1/16190_en.pdf)

Furthermore, between 2018 and 2020, the NCPE implemented an EU co-funded project, 'Prepare the Ground for Economic Independence' (PGEI), which focused on addressing the gender gaps over the life-cycle.⁷ As part of this work, the NCPE developed an Equal Pay Tool which formed part of the Equality Mark certification. The aim of the Equal Pay Tool is to check the organisation's equal pay for work of equal value between women and men during Equality Mark audits.

The NCPE will continue to raise awareness of the need for effective legislation on pay transparency to address the existing gender pay gaps in our society. More pay transparency should lead to a more diverse and inclusive workplace culture.

*"Equal work deserves equal pay. And for equal pay, you need transparency. Women must know whether their employers treat them fairly. And when this is not the case, they must have the power to fight back and get what they deserve"*⁸, stated the President of the European Commission, Ursula von der Leyen.

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⁷https://ncpe.gov.mt/en/Pages/Projects_and_Specific_Initiatives/Prepare-the-Ground-for-Economic-Independence%E2%80%8B.aspx

⁸https://ec.europa.eu/info/sites/default/files/aid_development_cooperation_fundamental_rights/pay_transparency_factsheet_en.pdf