

Equal Pay Standard ÍST 85 As window of opportunity



Directorate of Equality
Iceland

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The focus of this presentation:

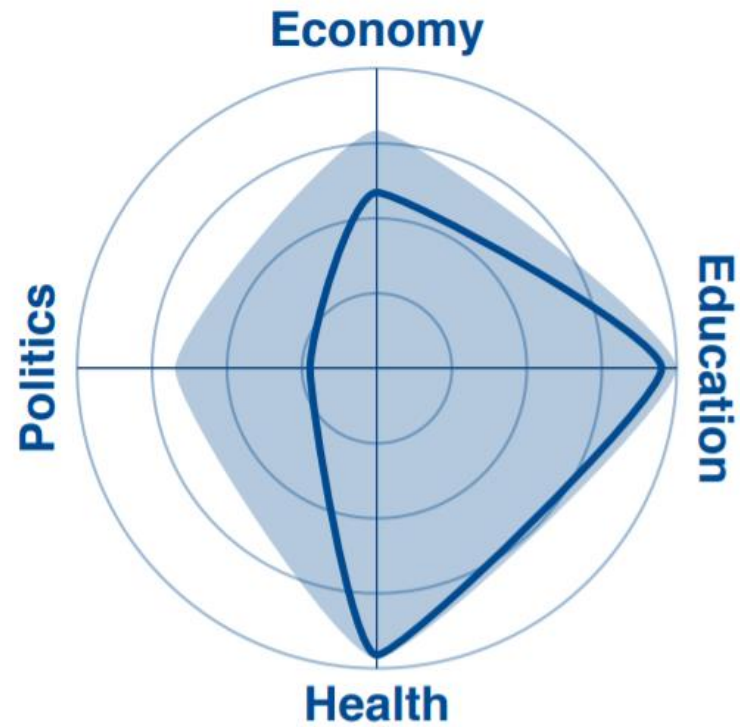
- **What is there to be learned from the “Icelandic case”**
 - Gender Equality in Iceland – status & stepping stones leading to this
- **Organizational structures focusing on equal pay**
 - Lessons learned – focusing on the Directorate of Equality
- **Legislation on Equal Pay Certification, approved by the Icelandic Parliament in June 2017**
 - Equal Pay Standard ÍST 85 and Implementation
 - Gender equality is multi variant

Gender Equality in Iceland

- Topped the World Economic Forum's Gender Gap Index for the last ten years
- The main reasons; equal rights and equal opportunities in education, good health, as well as women's success for the last 30 years in increasing their political power
- Iceland is not yet a gender equality paradise!

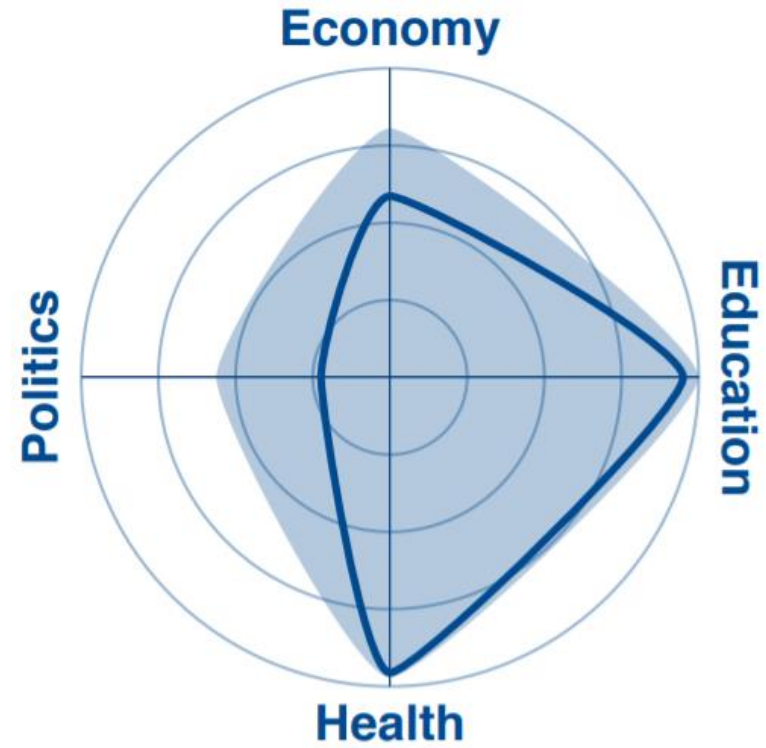
The weakest link is the labour market

Iceland



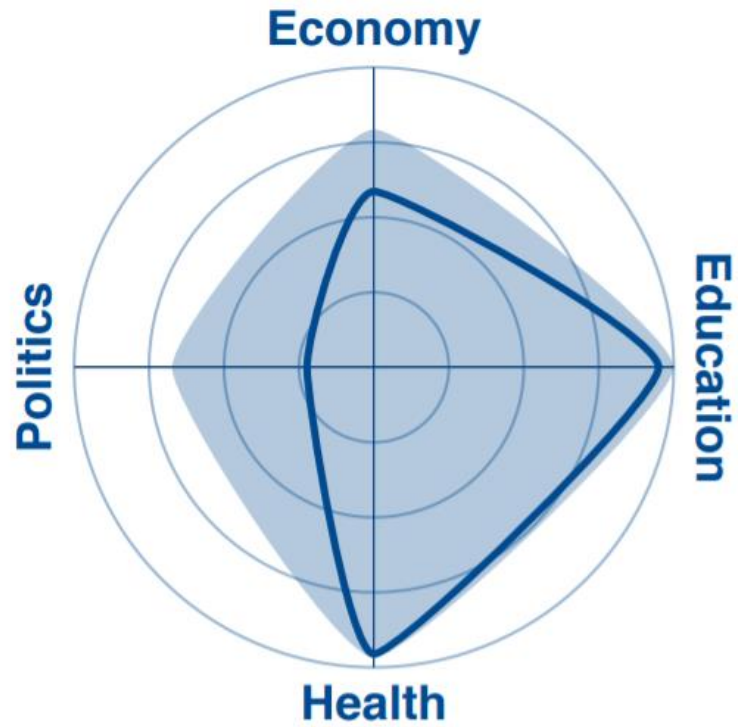
■ Iceland score
— average score

Norway



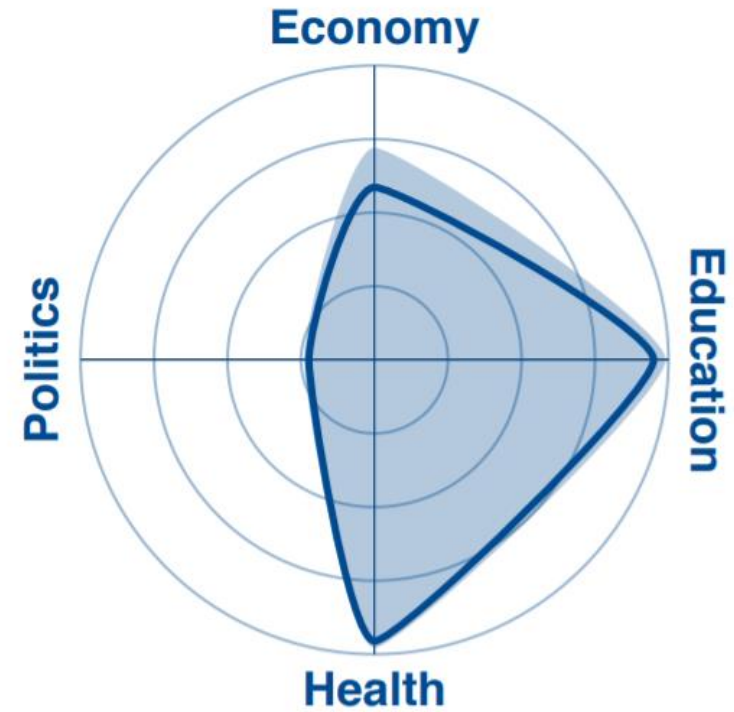
■ Norway score
— average score

Iceland



■ Iceland score
— average score

Portugal



■ Portugal score
— average score

Gender equality is multi variat

Iceland has topped the Global Gender Gap for the last ten years.

79% of women active in the labour market.
34% of women work part time.

Since 2000:
Legislation on parental leave ensuring equal rights of mothers and fathers.

90% of Children aged 1–5 in day care.
Municipalities pay 85% of costs.

Women make up two thirds of university students.

Since 2008–2013:
Gender quotas on public committees and companies boards.

Parliament: Women
48% (2016),
37% (2017)
Local governments
43%

**June 2017:
Law requiring certification of equal pay**

**Unadjusted gender pay gap 17%-21%.
Adjusted pay gap 7.6%**

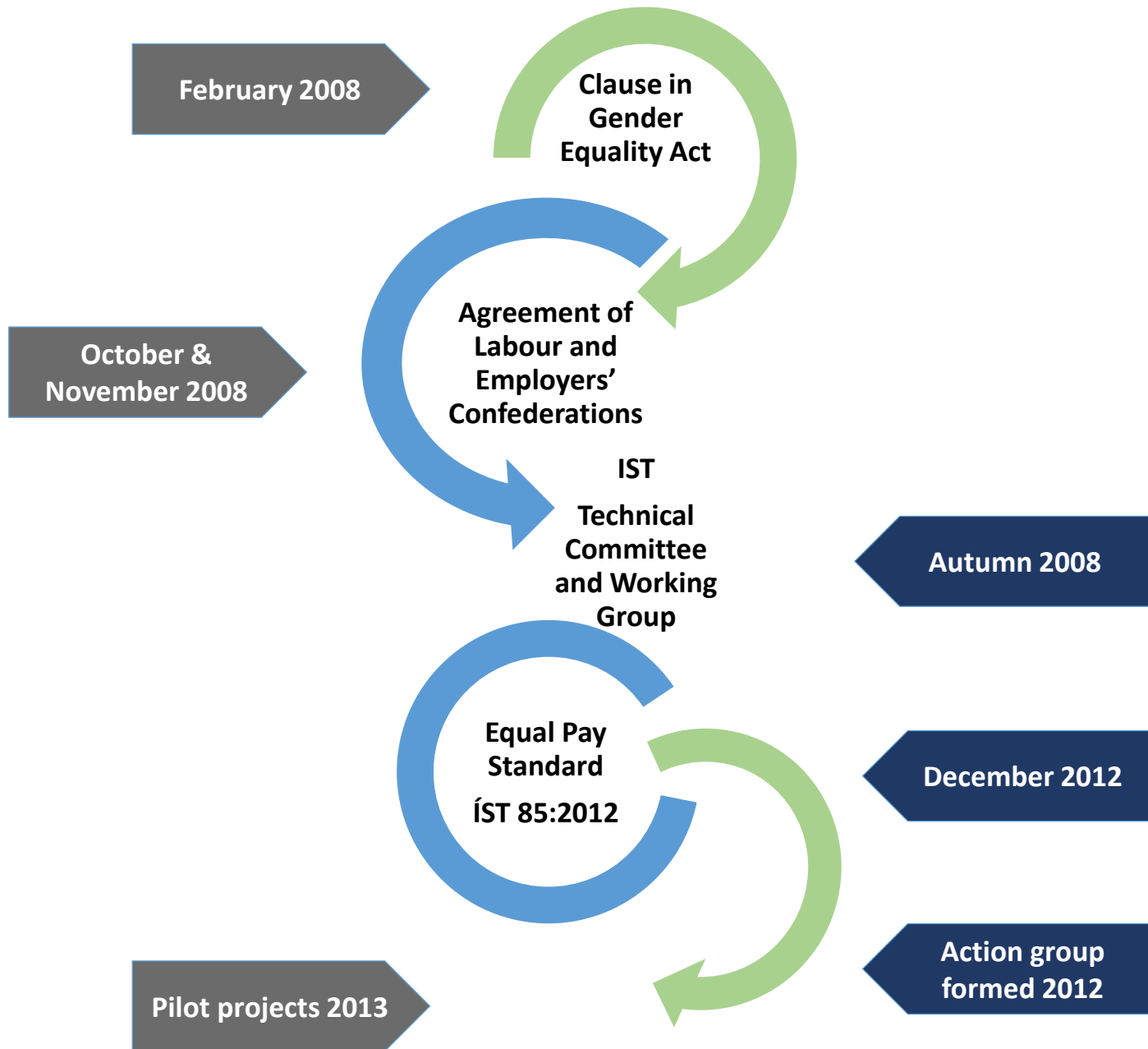
**Labour market highly segregated by gender.
Inbalances in economic life.**

Where did it come from?

- In 2008 when  Directorate of Equality Iceland was to get more powers...

Interim Provisions:

*[The Minister]1) shall ensure that a **special certification system is developed in collaboration with the organisations of the social partners** to certify the implementation of the policy of wage equality and equality in connection with employment and dismissal. This project shall be **completed by 1 January 2010**, when a review of this Act shall be undertaken.*



Why make it a legal requirement?

Persistent Gender Pay Gap!

Despite...

Legislation on Equal Pay
from 1961
International Conventions
(ILO) and Treaties (CEDAW)

Being “World Champion” in
Gender Equality

What does the legislation mean?

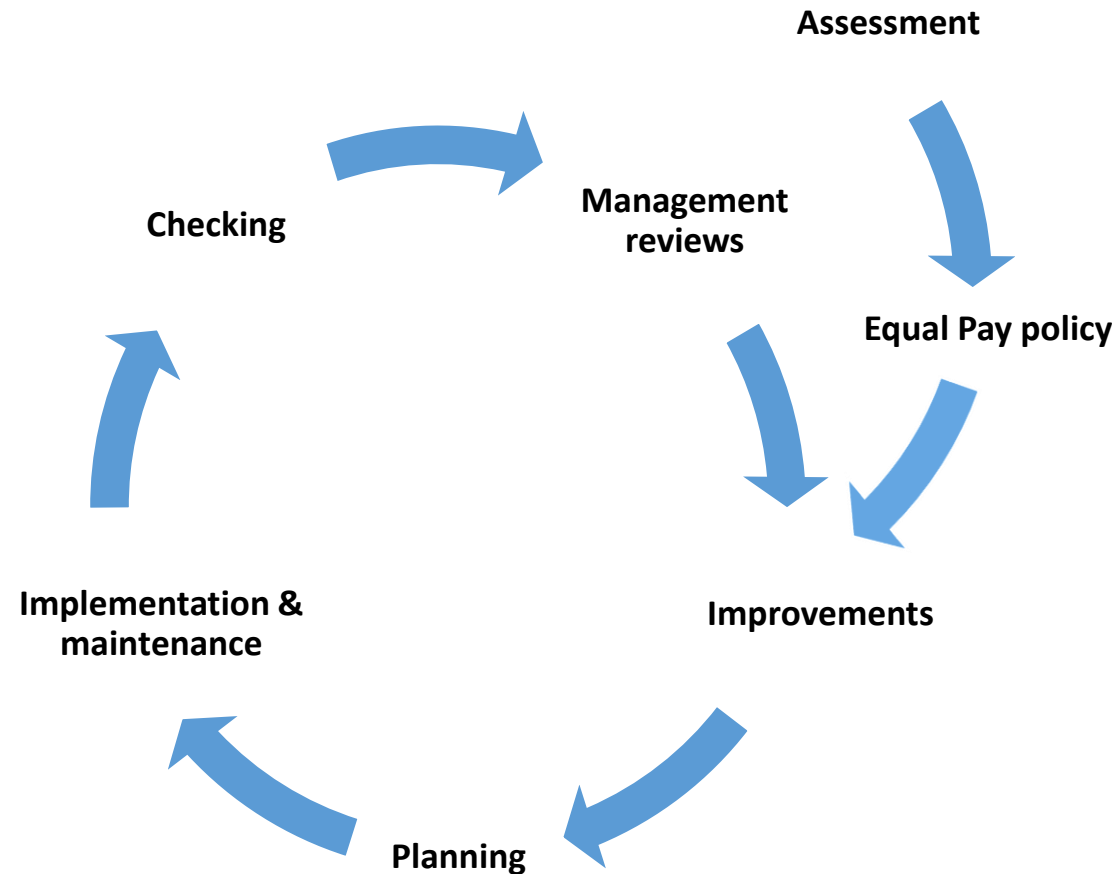
- **Act on Equal Status and Equal Rights of Women and Men No.10/2008.**
 - *Legislation on Equal Pay Certification (No.56/2017), approved by the Icelandic Parliament on June 1st, 2017.*
 - Came into force on January 1st, 2018.
- Approved amendments entailed changes to Article 19 on Equal Pay.
 - Obligation for companies with 25+ employees, on an annual basis, to have their salary systems certificated following the certification body's audit.
 - Administration of the Standard ÍST 85:2012
 - **Regulation No. 1030/2017 (and changing)**

The role out

- Aims to introduce an obligatory Equal pay standard in stages over a period of four years.
- Without prejudice to the provisions of the fourth and fifth para. of Article 19, companies and institutions with an average of:
 - 250+ employees / December 31st, 2019
 - 150-249 employees / December 31st, 2020
 - 90-149 employees / December 31st, 2021
 - 25-89 employees / December 31st, 2022

But what is it?

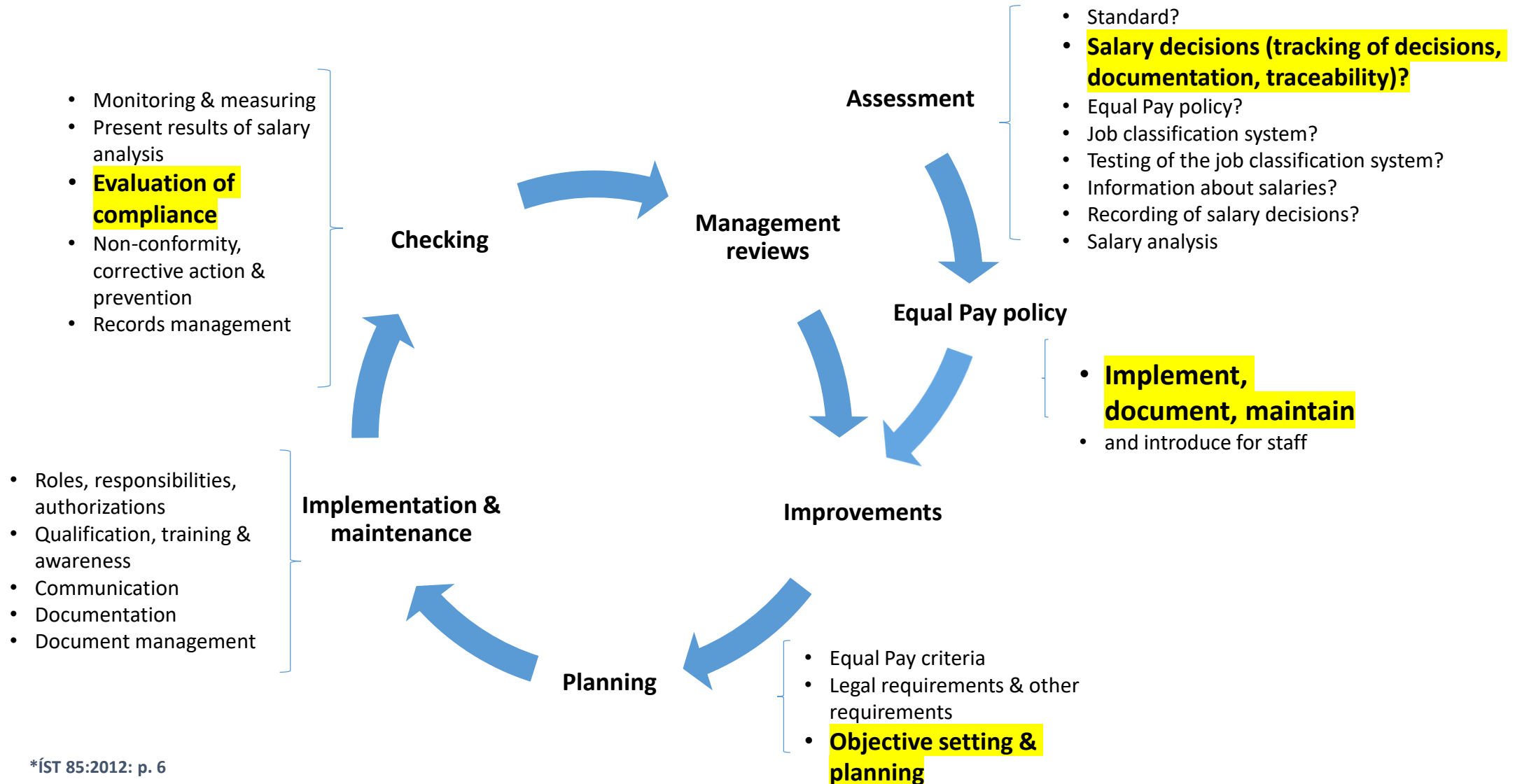
Implementation – How to get certification



*IST 85:2012: p. 6

Maintainance and continuous development

Implementation – How to get certification



Equal Pay Standard ÍST 85:2012	Environmental Management Systems ISO 14001
4.2 Equal Pay Policy	4.2 Environmental Policy
4.3 Planning	4.3 Planning
4.3.1 Equal Pay criteria	4.3.1 Environmental elements
4.3.2 Legal & other requirements	4.3.2 Legal & other requirements
4.3.3 Goals & plans	4.3.3 Goals & plans
4.4.1 Roles, responsibilities & authority	4.4.1 Resources, roles, responsibilities & authority
4.4.2 Competency, training, awareness	4.4.2 Competency, training, awareness
4.4.3 Communication	4.4.3 Communication
4.4.4 Documentation	4.4.4 Documentation
4.4.5 Document management	4.4.5 Document management
4.5.1 Monitoring & measurement	4.5.1 Monitoring & measurement
4.5.2 Evaluation of compliance	4.5.2 Evaluation of compliance
4.5.3 Abnormalities, improvements & prevention	4.5.3 Abnormalities, improvements & prevention
4.5.4 Control of records	4.5.4 Control of records
4.5.5 Internal audit	4.5.5 Internal audit
4.6 Management review	4.6 Management review

* Compared to the ISO 14001 Environmental management systems

Advantages

Gives a new perspective to the salary system

- Points to “hidden” salary differences
- Brings out facts about salary structure & decisions
- Base for discussions

Increases the credibility of the salary system:

- Legitimacy
- Traceability

Job classification is useful in HR management systems in general

- HR Analysis & Planning
- Recruitment Processes
- Job Evolution Plans
- Review of Performances

Challenges

Extensive and expensive project

Requires support of top management

Still faces “change readiness”

Tackles Complex Issues:

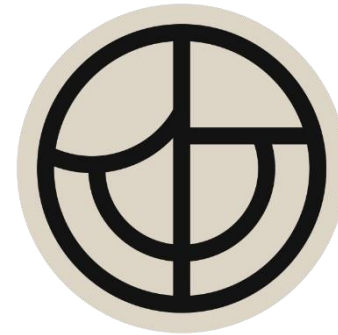
- Ex-Managers turned specialists
- Employees who “create” their own jobs (description)
- Pre – conceived notions on the values given to “female-type” v. “male-type” jobs (the gendered system)

Was making it mandatory a „Window of opportunity“?

- The whole process was all about making it good PR – and progressive gender equality work.
- Right of centre coalition in 2017
- Minister for gender equality – former head of “Business Iceland”
 - Proof of equal pay – in a system that still does not have “open books”
- Opening one window when closing others?
 - What does the Gender Equality Act say about equal pay?

The future of equal pay work –the role of social partners

- There are problems with the Equal Pay Standard ÍST 85
 - Transparency issues - for employees
 - Enforcement issues – will “we” get reports on offenders
 - ISO – and criticism
- There are opportunities that exceed the negatives
 - Gender equality “freed from” traditional feminist circles
 - Equal pay as part of “good PR”



Recap....

- **2008 – Interim provision in “Gender Equality Act”**

Standards Iceland is asked to advise on the development of the standard

Technical Committee appointed who establishes working group

Working Group is responsible for drafting the text of the standard with the aid of experts in selected fields

- 2012: Action Group is formed
- 2013: Pilot project starts
- 2015 First institution gets “certified” and pilot project ends
- 2017: New government is formed; bill passes making the Equal Pay Standard mandatory
- **2018: Law is implemented**
- **2019: And here we are today**