



European network of legal experts in gender equality and non-discrimination

NEWS REPORT

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| Country: | Iceland |
| Title: | Narrowing gender pay gap |
| Date: | 08 May 2018 |
| Expert: | Herdís Thorgeirsdóttir |
| <u>Context</u> | |
| Issue at stake: | Equal pay |
| Ground of discrimination: | Sex |
| Source: | Miscellaneous |
| Field: | Employment |
| Applicable law: | Gender Equality Act No. 10/2008, Art. 19 |

Content

An analysis of the gender pay gap performed by Statistics Iceland in cooperation with an action group on equal pay appointed by the government and the social partners, shows a narrowing gender pay gap during the period 2008-2016.

The adjusted gender pay gap measured 6.6% in 2008 but was down to 4.5% in 2016 using an ordinary least squares method for each year. By using the whole dataset, a less biased estimate can be decomposed into explained and unexplained parts. The unexplained part of the pay difference was estimated to be 4.8% for the years 2008-2016 while the explained part was 7.4%. The unexplained pay gap means that it must be attributable to pay discrimination by employers while the explained pay gap may be due to the fact that men are in senior roles and also because women are working part-time, which is paid less per hour.

If the whole period is broken down into three-year periods, the unexplained part of the gender pay gap has decreased from 4.8% in the years 2008-2010 to 3.6% in the years 2014-2016.

Internet link source: <https://www.statice.is/publications/news-archive/wages-and-income/analysis-on-gender-pay-gap-2008-2016/>.