



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

NEWS REPORT

Country: Estonia
Title: Legal amendments to reduce the gender pay gap
Date: 6 November 2018
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Context
Issue at stake: Draft law amending the Gender Equality Act and related legal acts
Ground of discrimination: Sex
Source: Law
Field: Employment, equal pay
Applicable law: Gender Equality Act

Content

Legal development: In 2017-2018, with the aim to reduce the gender pay gap, the Ministry of Social Affairs developed a draft amendment to the Gender Equality Act. The draft was ready for consultation in February 2018. On 24 August 2018, the Government submitted the draft of the Gender Equality Act and the Other Acts Amendment Act to the Parliament. Legal amendments are planned to enter into force on 1 July 2020.

The draft's main objective is to help public sector employers to more effectively analyse the pay of women and men. A competence centre for equal pay will be established at the Labour Inspectorate. The centre will aim to provide support and advice to employers. The Labour Inspectorate is also granted the right to carry out supervision to ensure that public sector employers implement the principle of equal pay for equal work. If there is a suspicion that public sector employers with 10 or more employees do not pay men and women equally for a work of equal value, the employers can be requested to conduct a wage audit. If objective reasons for the pay gap are found, a public sector employer should make an action plan to reduce and eliminate the discrepancies discovered. The action plan for the implementation of these measures will start no later than one year after a wage gap has been discovered. An employer may extend the implementation of the measures planned in the action plan by one year.

Several organisations (e.g. Estonian Women's Roundtable, Gender Equality and Equal Treatment Commissioner, Estonian Chamber of Commerce) opposed the draft because they suspected that it would give employers an opportunity to justify why men should be paid more than women. Arguments against this draft also related to the sector selection (why the public sector only?), the creation of an increased administrative burden (employers with 10 and more employees are targeted), the poor use already existing

capacities, i.e. gender equality bodies and agencies (questioning the necessity to establish yet another institution in the form of the compe10ce centre).

Estonia has the highest gender pay gap in EU. Different numbers are used to describe the gender pay gap in Estonia. According to Statistics Estonia, the gender pay gap in recent years was 20.9 % and 25.3 % according to Eurostat. This difference is due to the use of different methods of calculation. Eurostat statistics do not include the pay gap in companies and institutions with less than 10 employees.

Key points of analysis: The draft Act is planned to tackle the gender pay gap, gives more responsibilities and rights to the Labour Inspectorate and directly targets public sector employers with 10 and more employees. The private sector is not targeted, there are some hopes that wage audits could lead to a change in attitudes. The public sector would be an example for the private sector. Additional funds are also planned to monitor the implementation of the principle of equal pay.

Internet link source: Soolise võrdõiguslikkuse seaduse ja teiste seaduste muutmise seadus (*The Gender Equality Act and Other Acts Amendment Act*), <http://eelroud.valitsus.ee/main/mount/docList/92d5645d-2c32-415e-8844-bfe6d8dc881d#yw2RzeuG>.

Blog of the Ministry of Social Affairs (2018), Soolise palgalõhe vähendamine peab olema eesmärgiks igal kalendripäeval (*Reducing gender pay gap should be targeted every day*), <https://somblogi.wordpress.com/2018/04/03/soolise-palgalohe-vahendamine-peab-olema-eesmargiks-igal-kalendripaeval/>.

ERR (2018), Estonia's 2017 gender pay gap remains at same level on year, News, 14 May 2018, <https://news.err.ee/831218/estonia-s-2017-gender-pay-gap-remains-at-same-level-on-year>.

ERR (2018), Estonia to target gender pay gap in public sector, News, 10 February 2018, <https://news.err.ee/682168/estonia-to-target-gender-pay-gap-in-public-sector>.