



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

### FLASH REPORT

<b>Country:</b>	Estonia
<b>Title:</b>	Problems with equal pay campaign by the rideshare service provider
<b>Date:</b>	29 April 2020
<b>Expert:</b>	Anu Laas
<b><u>Context</u></b>	
<b>Issue at stake:</b>	Gender discrimination in service provision
<b>Grounds of discrimination:</b>	Gender
<b>Field of application:</b>	Goods and services
<b>Source:</b>	National equality body
<b>Applicable law:</b>	Gender Equality Act

### **Content**

**Policy development:** The Gender Equality and Equal Treatment Commissioner has explained to Bolt Technology OÜ (rideshare service provider Bolt) that initiatives focusing on awareness-raising campaigns should be carried out responsibly and that gender discrimination in the provision of goods and services is prohibited. For this year's Women's day, Bolt<sup>1</sup> promised five rides with a 25 % discount to women, quoting the high gender pay gap in Estonia as the rationale for this campaign. Due to several complaints about Bolt's unequal pricing for women and men, the Gender Equality and Equal Treatment Commissioner issued a position paper on principles of gender equality promotion campaigns. The Commissioner explained that the cheaper cost of a taxi ride to one sex, albeit in the short term, cannot be seen as a positive special measure that corrects gender inequalities.

The Commissioner pointed out the need to be careful in interpreting Article 5(2) of the Gender Equality Act about initiatives and activities which are not deemed to be direct or indirect discrimination based on sex. Article 5(2)(4.1) provides that a difference in the provision of goods and services based on sex is permitted only if it is justified by a legitimate aim, is proportionate to that aim and the aim itself is not considered to constitute direct or indirect discrimination.

**Key points of analysis:** In Estonia, employers are legally obliged to raise employees' awareness of gender equality and take concrete steps to improve gender equality within the company.

On 4 March 2020, Bolt Technology OÜ sent an email to their clients, offering a discount for women for their next five taxi rides and claiming that they wanted to raise awareness. The

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<sup>1</sup> The Bolt Technology OÜ started as a transportation platform, with its predecessors being Taxify and MTakso, but has since developed its business in several other areas. The Estonian ride-hailing app Taxify launched its platform in many countries around the Globe, and the app is widely used in the Middle East and Africa.

Gender Equality and Equal Treatment Commissioner commented the following in her position paper:

*According to Eurostat, the gender pay gap is 25.6 % in Estonia, which means that women unfairly earn a quarter less than men for doing the same job. To celebrate Women's Day, Bolt wants to offer female travellers a 25.6 % discount on the next five taxi rides, allegedly to raise awareness. To get the reward, you have to go to the company's Instagram account and upload a photo of yourself with the company's marketing messages on social media.<sup>2</sup>*

The company added that they know that a 25.6 % discount does not solve the gender pay gap, but they think raising awareness is a good starting point.

The Commissioner has not initiated proceedings and expects the company to act responsibly. The Commissioner highlighted the main points of responsible behaviour in this case. Firstly, effectively addressing the gender pay gap in your company is a legal obligation. Secondly, providing the same service and price list to the ride service users irrespective of their gender. And last, but not least, providing correct information on the pay gap during the information campaign.

The position paper by the Commissioner listed employers' legal obligations for promoting gender equality and asked Bolt to take the necessary measures to ensure gender equality and to carry out a pay analysis from a gender perspective in their own company. Moreover, the Commissioner pointed out that a gender pay gap exists within the company Uber.<sup>3</sup>

Cook et al. (2019) have conducted research in which they concluded that jobs offering complete flexibility are still likely to contain a gender wage gap, much like the traditional workforce. The survey found that women are not disadvantaged in respect to three factors which one might expect to contribute to the gender wage gap: 1) being able to return to the same work intensity after taking leave, 2) having their preferences for specific hours met, and 3) discrimination from customers leading to less earnings. The survey states that even in the gender-blind, transactional, flexible environment of the gig economy, gender-based preferences (especially the value of time not spent at paid work and, for drivers, preferences for driving speed) can open gender pay gaps.

Bolt launched similar campaigns also for clients in Croatia, Czech Republic, France, Latvia, Lithuania, Poland, Portugal and the UK in March 2020.<sup>4</sup>

**Internet link source:** Seisukoht sama teenuse soo järgi erineva hinnastamise kohta (*Position on different pricing for the same service by gender*), 5 March 2020. Available in Estonian at: <https://volinik.ee/artiklid/seisukoht-sama-teenuse-soo-jargi-erineva-hinnastamise-kohta/>.

Cook, C., Diamond, R., Hall, J. John A. List, A.J. Paul Oyer, P. (2019). The Gender Earnings Gap in the Gig Economy: Evidence from over a Million Rideshare Drivers, <https://web.stanford.edu/~diamondr/UberPayGap.pdf>.

<sup>2</sup> Seisukoht sama teenuse soo järgi erineva hinnastamise kohta (Position on different pricing for the same service by gender), 5 March 2020. Available in Estonian at: <https://volinik.ee/artiklid/seisukoht-sama-teenuse-soo-jargi-erineva-hinnastamise-kohta/>.

<sup>3</sup> Cook, C., Diamond, R., Hall, J. John A. List, A.J. Paul Oyer, P. (2019). The Gender Earnings Gap in the Gig Economy: Evidence from over a Million Rideshare Drivers, <https://web.stanford.edu/~diamondr/UberPayGap.pdf>.

<sup>4</sup> Bolt (2020), This discount code shouldn't even exist...but it does, <https://blog.bolt.eu/en-gb/this-discount-code-shouldnt-even-exist-but-it-does/>; <https://blog.bolt.eu/lt/sio-nuolaidos-kodo-neturetu-buti-bet-yra/>; <https://blog.bolt.eu/pt-pt/este-codigo-de-desconto-nem-devia-existir-mas-existe/>; <https://blog.bolt.eu/lv/sanem-promo-kodu-bet-tikai-tad-ja-esi-sieviete/>; <https://blog.bolt.eu/cs/tahle-sleva-by-vubec-nemela-existovat-ale-existuje/>; <https://blog.bolt.eu/fr/la-reduction-qui-naurait-jamais-du-exister/>; <https://blog.bolt.eu/hr/ovaj-popust-ne-bi-trebao-niti-postojati-ali-postoji/>; <https://blog.bolt.eu/pl/znizka-ktora-nie-powinna-istniec-ale-istnieje/>.