



# **Mutual Learning Programme**

DG Employment, Social Affairs and Inclusion

**Peer Country Comments Paper – Czech Republic**

## **Has the Czech Republic reached a turning point?**

**Peer Review on “Reducing the gender pay gap through pay transparency - legislative measures and digital tools targeted at employers”**

**Online, 15-16 April 2021**



**EUROPEAN COMMISSION**

Directorate-General for Employment, Social Affairs and Inclusion

Unit A1

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## 1 Introduction

This paper has been prepared for the Peer Review on "Reducing the gender pay gap through pay transparency: legislative measures and digital tools targeted at employers" within the framework of the Mutual Learning Programme. It provides a comparative overview and assessment of the policy situation in the Czech Republic relative to that in the host country (Estonia). For further information on the host country policy example, please refer to the Host Country Discussion Paper.

### 1.1 Light at the end of the tunnel?

Similar to Estonia, the Czech Republic, belongs to the countries that have been lagging behind in matters related to equal pay between women and men. So far, the Czech Republic has not adopted any of the key transparency measures mentioned in the European Commission's Recommendation 2014/124/EU on pay transparency. Having said so, it does not mean that the Czech Republic has not made any progress towards closing the gender pay gap. The most recent data seem to confirm a positive trend to which the complex and systemic project *22% TOWARDS EQUALITY*<sup>1</sup> implemented by the Ministry of Labour and Social Affairs has undoubtedly contributed. It may appear that the country has reached a turning point and is on the way to closing the gap even further.

Nevertheless, there are some phenomena discussed in the paper that may influence negatively the current positive trend.

## 2 Situation in the peer country

This part of the paper presents the most recent data on the gender pay gap (GPG) in the Czech Republic and briefly describes key factors influencing GPG that are completed by supporting data. On top of that, it argues that the gender pay gap has eventually become a topic of policy debate.

### 2.1 Gender pay gap level

Similarly to the host country, data on the gender pay gap in the Czech Republic had not been very optimistic for years. From 2002 the gender pay gap stagnated over the years around 21-22%.<sup>2</sup> Only very recently a positive trend towards closing the gender pay gap could be discerned. The Czech Republic has not made a big leap ahead; it still remains one of the countries lagging behind in the European Union GPG ladder. All the same, it has to be pointed out that some incremental positive changes have happened. They can be attributed to the achievements of the ministerial project *22% TOWARDS EQUALITY*<sup>3</sup> and also to the positive economic growth of the country that has enabled to increase salaries in sectors with the predominance of women such as education or health care.<sup>4</sup>

According to the Eurostat figures for 2019, GPG in the Czech Republic equalled to 18.9%, thus making the Czech Republic the fifth worst country in the European Union (after Estonia, Latvia, Austria and Germany). The average for the European Union Member States was 14.1%.<sup>5</sup>

In 2019 the highest differences in remuneration were identified for employees in the age bracket 40-44 years, where the gender pay gap reached 25%.<sup>6</sup> In this age bracket

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<sup>1</sup> <https://www.rovnaodmena.cz/?language=EN> [Accessed 3 April 2021].

<sup>2</sup> <https://www.rovnaodmena.cz/www/img/uploads/283b2209.pdf>[Accessed 24 March 2021].

<sup>3</sup> See the good practice fiche.

<sup>4</sup> Information collected through consultation with the government representative on 25 March, 2021.

<sup>5</sup> <https://ec.europa.eu/eurostat/databrowser/view/tesem180/default/table?lang=en> [Accessed 23 March 2021].

<sup>6</sup> <https://www.czso.cz/documents/10180/122733944/11002620a3.pdf/bca60888-6075-4863-b8b7-939af93a7912?version=1.1>[Accessed 24 March 2021].

women are burdened with child-rearing duties or they return to the labour market after parental leave.

In the same year the highest difference in pay between men and women according to educational attainment was found for university educated people, the gap equalled to 26%.<sup>7</sup> Similarly to Estonian university educated women, Czech female university graduates show lower returns on education compared to men.

## 2.2 Causes of GPG

The gender pay gap is a complex phenomenon which is influenced by a number of factors such as: a gender segregated labour market; gender stereotypes on the roles of men and women, resulting e.g. in gender stereotypical career choices and in unequal division of care in households; lack of work-life balance support offered by employers; limited availability of childcare facilities; non-transparent pay systems and also the national educational system perpetuating gender stereotypes.

The Czech Republic has one of the highest differences in the employment level of women and men within the EU. In 2019, this difference was 15.8% to the detriment of women.<sup>8</sup> The large gender gap in the employment rate is mainly due to women's caring for children or other dependents.

Both vertical and horizontal gender segregation persist in the Czech labour market. Women are concentrated in fields such as education, health and social care that tend to offer worse remuneration. According to the Gender Equality Index for 2019, the proportion of Czech women working in education, health and social work is five times higher (25%) than that of men (5%).<sup>9</sup> The same source mentions that fewer women (9%) than men (43%) work in science, technology, engineering and mathematics (STEM) occupations, which is the widest gender gap in the EU.<sup>10</sup> This segregation originates during school days when girls are usually motivated to study humanities and nursing while boys to study technical fields.

In fields and professions with a higher proportion of men, where wages and salaries are higher, women predominantly occupy lower positions. Overall, women are underrepresented in decision-making positions across fields and sectors of the labour market.

Low participation of men in childcare is a long-term problem in the Czech Republic. Since 2010 the share of men receiving parental allowance has been 1.5% to 2%. In 2019 monthly parental allowance was on average received by 279.98 thousand (98.3%) women and 4.96 thousand (1.7%) men.<sup>11</sup>

Another factor contributing to the gender pay gap is low transparency of remuneration systems in organisations. Employees generally have a vague idea of the income level in their profession and/or organisation. Trade union representatives also face the unavailability of remuneration data for individual job positions disaggregated by gender and basic wage/salary, variable components, extra pay and bonuses.<sup>12</sup> Thanks to such a prevailing cultural norm in the Czech labour market, cases of unequal pay between women and men are difficult to detect and solve.

With regard to pay transparency, it is important to draw attention to the so-called non-disclosure clauses which appear in employment contracts or internal regulations of

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<sup>7</sup> <https://www.czso.cz/documents/10180/122733944/11002620a4.pdf/e442ab32-38ce-4629-9260-d1a578154c86?version=1.1> [Accessed 24 March 2021].

<sup>8</sup> [https://www.vlada.cz/assets/ppov/rovne-prilezitosti-zen-a-muzu/Aktuality/Strategie\\_rovnosti\\_zen\\_a\\_muzu.pdf](https://www.vlada.cz/assets/ppov/rovne-prilezitosti-zen-a-muzu/Aktuality/Strategie_rovnosti_zen_a_muzu.pdf) [Accessed 25 March 2021].

<sup>9</sup> <https://eige.europa.eu/gender-equality-index/2019/domain/work/CZ> [Accessed 25 March 2021]

<sup>10</sup> <https://eige.europa.eu/gender-equality-index/2019/domain/work/CZ> [Accessed 25 March 2021]

<sup>11</sup> <https://www.czso.cz/documents/10180/122363204/19002920306.pdf/41143222-9b61-4301-8488-74953431bab5?version=1.1> [Accessed 25 March 2021]

<sup>12</sup> <https://www.rovnaodmena.cz/www/img/uploads/249997466.pdf> [Accessed 25 March 2021]

employers and prohibit employees from disclosing their income, sometimes under threat of sanctions or punishment. This practice of non-disclosure clauses is common also in Estonia.

## 2.3 Policy debate

GPG has been a topic of policy debate for some time in the Czech Republic. Especially two state actors have been active in setting this topic on the political agenda, namely the Ministry of Labour and Social Affairs and the equality body represented by the Office of the Public Defender of Rights.

The Ministry has been running the project *22% TOWARDS EQUALITY* since 2016. A key aspect of the project is raising public awareness which takes the form of conferences, campaigns or updated information on the [project website](#).

In 2015-2016 the Office of the Public Defender of Rights together with a non-governmental organisation, Gender Information Centre NORA, implemented the project *Mind the Gap!* which focused inter alia on awareness raising activities related to GPG. In early 2016 the Office of the Public Defender of Rights organised an international conference devoted to equal pay where representatives of the European Institute for Gender Equality and the European Network of Equality Bodies participated.

State actors have been facilitated in their actions by non-governmental organisations. Activities of all these actors have undoubtedly brought attention to GPG and have aroused interest with quality media (i.e. media not involved in tabloid journalism) that report on the topic and related issues quite regularly.

In early March 2021 key Czech quality media (e.g. *Český rozhlas* and *Hospodářské noviny*) reported on the proposal for a Directive of the European Parliament and of the Council to strengthen the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms.

## 3 Legislative and policy measures to support equal pay

In this part the paper discusses and critically assesses existing legal provisions and policy measures undertaken by key stakeholders in relation to the gender pay gap. Considerable attention is devoted to the major instrument adopted to close the gender pay gap which is represented by the above mentioned project *22% TOWARDS EQUALITY* implemented by the Ministry of Labour and Social Affairs. Examples of several very concrete tools (including the digital ones) are examined. In closing remarks, several key variables are depicted that are at play in the struggle for closing further the gender pay gap in the coming years.

### 3.1 Legal provisions

Czech legislation lays down obligations in relation to the gender pay gap in the provisions of two legal acts, namely Act no. 262/2006 Sb., Labour Code, and Act no. 198/2009 Sb., on Equal Treatment and on Legal Means of Protection Against Discrimination and Amending Certain Laws (Anti-Discrimination Act).

In contrast to Estonia, the Czech Labour Code already elaborates on what constitutes equal pay, specifically in section 110. It specifies what equal work or work of equal value means – it is work of equal or comparable complexity, responsibility and difficulty carried out under the same or comparable working conditions, with the same or comparable work performance and work results (para. 2). It is also explained what the terms complexity, responsibility and difficulty of work mean (para. 3), and how working conditions (para. 4), work performance and work results (para. 5) are assessed.

The current wording of the provision causes a bit of confusion and unfortunately, there is no legal literature available that would comment on the provision and explain its meaning in detail.



Moreover, from inspection activities conducted by the Labour Inspectorate it seems that the criteria listed above are not detailed enough to provide guidance to inspectors.

### **3.2 Ministerial project 22% TOWARDS EQUALITY**

In 2016 the Ministry of Labour and Social Affairs launched the project *22% TOWARDS EQUALITY* that can be in a way perceived as a reaction on the part of the Czech administration to the European Commission's Recommendation 2014/124/EU on pay transparency.

This complex and systemic project is financed under the European Social Fund-Operational Programme Employment. The project activities are very diverse (from legislative analysis and extensive research activities and training events, to awareness raising campaigns and identification of best foreign practices) and involve key stakeholders (Labour Inspectorate, Labour Office, trade unions, representatives of NGOs and employers, Office of the Public Defender of Rights). Several project outputs are presented at length below.

One of the most important project outputs is the Action Plan that has not been finalised yet. The Action Plan is meant to list the measures to be implemented with the aim to close further the gender pay gap. The Action Plan will form a key part of the Strategy on Equality between Men and Women for years 2021-2030.

#### **3.2.1 Wage and Salary Calculator**

Within the ministerial project *22% TOWARDS EQUALITY* a digital tool called Wage and Salary Calculator has been designed. It has been inspired by the Austrian version of the calculator.<sup>13</sup>

The Czech calculator resembles in a way the Estonian digital tool. The Wage and Salary Calculator is to calculate average earnings for individuals with given concrete characteristics and also the percentage difference in earnings between women and men based on these parameters.

The calculator distinguishes spheres of economic activities, i.e. private and public sectors. In each sector, it further distinguishes branches (groups) of economic activities and subsequently professions themselves. Other monitored characteristics include basic sociodemographic data such as the highest educational attainment, age and region. In the private sector, the size of the economic entity (i.e. the number of employees) is also monitored.

The highest educational attainment is divided into the following five groups: basic and unfinished education, secondary education without a school-leaving exam, secondary education with a school-leaving exam, higher vocational education and bachelor degree, university education. The territorial distribution of the Czech Republic into 14 regions is reflected in the calculator. Last but not least, the division according to the size of the economic entity has the following five groups: 1-9 employees, 10-49 employees, 50-249 employees, 250-999 employees and 1000 and more employees.

The calculator works on the basis of a linear regression model. The dependent variable, i.e. the explained variable, is the gross monthly wage/salary. Independent variables, i.e. explanatory variables, are the monitored characteristics mentioned above such as the economic activity, branch, profession, highest educational attainment, age, region and size of the organisation (only for the private sector).

#### **3.2.2 Testing of Logib**

The analytical tool Logib designed by the [Swiss Federal Office for Gender Equality \(FOGE\)](#) is being transferred to the Czech environment within the project *22% TOWARDS EQUALITY*. The translation of the tool into Czech has just been completed and modifications to the tool may be made based on the currently conducted pilot testing.

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<sup>13</sup> <https://www.gehaltsrechner.gv.at/>[Accessed 3 April 2021].

Logib is a self-evaluation tool that allows employers to test the level of equality and fairness of women's and men's remuneration within their own organisations. Logib undoubtedly also strengthens transparency.

Logib has two modules. Module 1 is being tested in the Czech Republic and is suitable for organisations and companies with 50 or more employees. Module 2 is suitable for smaller organisations and companies with 2 to 49 employees. Module 2 is undergoing a technical pilot phase in Switzerland until June 2021. It is possible that also Module 2 will be transferred to the Czech environment.

The tool works on the basis of MS Excel into which personal data is entered in the specified format. The calculation is made using regression analysis which examines objective factors influencing the level of pay (including the so-called human capital, i.e. personal characteristics such as qualification, length of work experience and employment) and other data related to a specific job (skills, responsibility). In addition, the gender perspective is one of the independent variables, thus Logib is able to identify whether or not it affects the amount of women's or men's remuneration for a given employer. If so, employers can calculate the exact difference in remuneration.

In the course of the project, Logib should be tested with altogether thirty employers (both from the public and private sectors). Tested organisations pass on their experience from testing to the Ministry for further modifications of the tool to fit the Czech environment.

It is foreseen in the Strategy on Equality between Men and Women for years 2021-2030 that employers will be incited to use Logib via calls for projects organised by the Ministry of Labour and Social Affairs.

### **3.3 Gender audits**

It is well known that gender audits are a tool for gender mainstreaming. Remuneration is one of analytical areas in gender audits. The first manuals on how to conduct gender audits appeared in the Czech Republic already in 2007.

Within the ESF National Operational Programme Human Resources and Employment (2007-2013) and National Operational Programme Employment (2014-2020), the Ministry of Labour and Social Affairs prepared calls for projects including gender auditing. Unfortunately, such calls were met with low interest from companies and the private sector. In the financial period 2014-2020, the Ministry launched a call for projects to implement recommendations from gender audits which can be considered an important further step to promoting gender equality among employers. Such a call was met with even lesser interest than calls for gender auditing without the implementation phase. All the same, the ministry does not seem to be discouraged by low interest in those calls and plans to announce new ones in the coming programme period.

Regarding the identification of GPG and analysis of its causes, gender audits have certain limitations in the current Czech context. First, gender auditors are not authorised to require background material from audited subjects, hence it can happen that audited institutions refuse to provide information related to pay. Second, gender auditors are not authorised to require remedy from audited subjects if the breach of law is identified.

### **3.4 Equality Body**

The Office of the Public Defender of Rights has been a very active player in the topic of equal pay.

Every year the Office of the Public Defender of Rights has to prepare an Annual Report on its activities and present the report in the House of Representatives of the Czech Parliament. In early 2019, the office made a unique legislative initiative related to pay transparency and to the European Commission's Recommendation 2014/124/EU. In the Annual Report for 2018, the Office of the Public Defender of Rights proposed to the House of Representatives of the Czech Parliament to request the Czech Government to

prepare legal changes implementing measures leading to a higher pay transparency. The Ombudsperson proposed that confidentiality clauses in working agreements would be deemed void. She also proposed to determine the obligation for employers to mention the pay offered in job advertisements, the obligation to inform on average gender segregated pay for equal work at the request of an employee or trade unions and lastly the obligation for employers with a higher number<sup>14</sup> of employees to regularly inform on differences in pay between their male and female employees. If employers did not comply with the information obligation, they would not be eligible for public tenders.<sup>15</sup>

The requirement of the Ombudsperson regarding non-disclosure clauses has already been incorporated in the Strategy on Equality between Men and Women for years 2021-2030. According to this governmental document, the Ministry of Labour and Social Affairs is to propose an amendment of the Labour Code where non-disclosure clauses will be banned. The deadline for this legal proposal is 31 December 2023.<sup>16</sup>

### **3.5 Labour Inspectorate**

Within the ministerial project *22% TOWARDS EQUALITY* the cooperation between the Labour Inspectorate and the Office of the Public Defender of Rights is being promoted. Both institutions participate regularly in the working group devoted to the inspection of equal pay between men and women conducted by the Labour Inspectorate.

The manual for the Labour Inspectorate on how to inspect equal pay between men and women in organisations is being prepared by the working group. On its completion, inspections will have to comply with the manual.

The ministerial project organised workshops where experience from inspection activities was shared and legal advice was given to inspectors. Moreover, inspectors received trainings in gender equality matters.

As can be seen from the practice of the Labour Inspectorate, it receives only a handful of complaints on equal pay between women and men yearly. Most of the inspections that take place in this field stem in fact from the annual plan of inspection activities. The Labour Inspectorate is to make 100 inspections on equal pay between men and women in 2021.

Only recently has the Labour Inspectorate embraced also the notion of work of equal value into its inspection activities. Most of the inspections still focus on compliance with the notion of equal (meaning identical) work.

In 2021 still within the project *22% TOWARDS EQUALITY* the Labour Inspectorate will test the application of Logib in the course of two inspections on equal pay between women and men.

### **3.6 Trade unions**

The role of trade unions remains weak in Czech society also due to reminiscences of their role and position in the past communist regime. Unlike the topic of low pay, equal pay is not high on the priority list of trade unions.

Available data confirm that collective agreements at the company level contribute to closing the gender pay gap. In 2017 at workplaces where a collective agreement was concluded, the difference in pay between men and women amounted to 19.8%. The gender pay gap at workplaces without a collective contract was 22.6%.<sup>17</sup>

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<sup>14</sup> The number of employees was not specified in the proposal.

<sup>15</sup> [https://www.ochrance.cz/uploads-import/zpravy\\_pro\\_poslaneckou\\_snemovnu/Vyrocn\\_i\\_zprava\\_2018.pdf](https://www.ochrance.cz/uploads-import/zpravy_pro_poslaneckou_snemovnu/Vyrocn_i_zprava_2018.pdf) [Accessed 23 March 2021].

<sup>16</sup> [https://www.vlada.cz/assets/ppov/rovne-prilezitosti-zen-a-muzu/Aktuality/Strategie\\_rovnosti\\_zen\\_a\\_muzu.pdf](https://www.vlada.cz/assets/ppov/rovne-prilezitosti-zen-a-muzu/Aktuality/Strategie_rovnosti_zen_a_muzu.pdf) [Accessed 25 March 2021].

<sup>17</sup> <https://www.rovnaodmena.cz/www/img/uploads/249997466.pdf> [Accessed 25 March 2021]

A very particular initiative on the part of trade unions has to be mentioned in regard to equal pay. For quite some time the leadership of trade unions has been calling for changes in the Labour Code in relation to the so-called indexation of pay.

According to the proposal of trade unions, the pay of employees who start work after maternity or parental leave should be increased by the equivalent of the pay increase occurred for the other employees in the relevant period.

### **3.7 Employers**

Similarly to Estonia, Czech employers do not perceive themselves as having an active role in closing the gender pay gap. They are adamant about it.<sup>18</sup> In general, Czech employers do not wish pay information to be disclosed. Allegedly, it would undermine the competitiveness and the social peace within their organisations. They regard transparency measures as additional duties for them that would negatively impact their costs.

The Confederation of Industry and Transport of the Czech Republic is quite vocal about it. According to its spokesperson, any legislation in this area (i.e. pay transparency) would be counterproductive and would not lead to the result. She expressed the view that inequality stemmed from social stereotypes that no legislation would adjust. Instead, awareness raising activities and positive examples are needed.<sup>19</sup>

### **3.8 Uncertain future**

As can be concluded from the description above, the key Czech player in the struggle for closing GPG is the project of the Ministry of Labour and Social Affairs *22% TOWARDS EQUALITY*. The future of the project, that ends at the close of the year 2021, remains in the mist. In October 2021 parliamentary elections will take place in the country. It will be up to a new state administration to decide whether the project will continue or not. It is needless to say that a follow-up project would secure sustainability of the current project results and would give a further impetus to the endeavour to close the gender pay gap.

A future active and positive role of the Office of the Public Defender of Rights is rather questionable as a result of changes in the leadership of the institution.

In this regard, it has to be emphasized that in the context of the Czech political culture topics such as the gender pay gap are often dependant on very few personalities who dare take them up. Such is e.g. also the project *22% TOWARDS EQUALITY* itself. It was launched while the post of the Minister was occupied by Ms Michaela Marksová – Tominová who had happened to be a director of the feminist organisation Gender Studies beforehand.

Last but not least, implications of the current COVID 19 pandemic on gender equality and on the gender pay gap are still to be seen.

## **4 Considerations for future policies and initiatives**

The closing part of the paper presents the Czech policy document that is to guide Czech activities in the field of equal pay between men and women in coming years, namely the Strategy on Equality between Men and Women for years 2021-2030. It also shortly discusses Estonian considerations and intentions expressed in the host country paper.

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<sup>18</sup> Information collected through consultation with the government representative on 25 March, 2021.

<sup>19</sup> <https://www.rovnaodmena.cz/www/img/uploads/4312e63fb.pdf> [Accessed 25 March 2021]

#### 4.1 Strategy on Equality between Men and Women 2021-2030

Future initiatives and intentions related to the gender pay gap in the Czech Republic are incorporated in the brand new governmental strategy which can be perceived as an anchor in rather insecure and possibly troubled waters. The policy document [Strategy on Equality between Men and Women 2021-2030](#) was approved by the Czech government on March 8, 2021.

In the chapter devoted to the thematic field *Work and Care* the governmental strategy clearly identifies the gender pay gap as one of the key areas where concerted efforts towards closing the gap have to be made.

Strategic goal no. 3 in the thematic field *Work and Care* focuses on reducing GPG and on addressing the negative effects of gender pay gaps. Measures to be taken should aim in particular to reduce the horizontal gender labour market segregation, increase pay transparency and to improve protection against pay discrimination. The strategic goal proposes to address the issue of horizontal segregation e.g. by projects motivating girls and boys to study gender non-stereotypical fields or by strengthening competencies of career counsellors in the field of gender equality. Measures aimed at promoting pay transparency include, for example, approving at least one of the key four measures from the European Commission's Recommendation 2014/124/EU on pay transparency, introducing the obligation for large employers to publish information on the basic component of pay in advertisements and banning the negotiation of non-disclosure clauses in the Labour Code.

#### 4.2 Considerations on the Estonian case

First, the host country paper enumerates ideas and intentions that were to be incorporated into the Estonian Gender Equality Act. Second, the Estonian paper discusses two digital tools aimed to improve access to wage data and raise awareness of gender pay gap among employers and employees. While one of the tools is operative, the other digital tool is still in the process of development.

According to the government representative, Estonia seems to be in the same situation as the Czech Republic in 2014 when the decision was taken to prepare and implement a complex and systemic project at the ministerial level to tackle the gender pay gap.<sup>20</sup>

The digital tools discussed in the host country paper and proposals for changes in the Gender Equality Act, with the exception of information duties for employers, already more or less exist and function in the Czech Republic.

Regarding the Estonian wages and salaries application, the fact that the tool features only the comparison with employees of the same gender can be perceived as a certain limitation of the tool. It is recommended that such a tool demonstrates also the comparison between women and men to show the gender dimension of the issue.<sup>21</sup>

From the host country paper, it is not quite clear whether the pay mirror is to be a self-evaluation tool for employers or whether it will be up to a public entity to generate reports for employers.

It is also not quite evident from the paper why Estonia envisages for the Labour Inspectorate to conduct pay comparisons for all public employers instead of charging public employers themselves with such comparisons. The depiction of the role of the Labour Inspectorate vis-à-vis the private sector in this regard remains obscure.

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<sup>20</sup> Information collected through consultation with the government representative on 25 March, 2021.

<sup>21</sup> Information collected through consultation with the government representative on 25 March, 2021.

## **5 Questions**

- Will the envisaged pay mirror be a self-evaluation tool for employers? Or will reports on GPG be generated by a public entity? How will this tool function? What information will the report contain? If the report generated by the pay mirror shows significant differences in pay between women and men, will it have any consequences for employers?
- Does the Estonian wages and salaries application use average or mean pay? Is the comparison of pay between women and men foreseen in the application?
- Most of the enterprises in Estonia (94% in 2017) are micro size companies with fewer than ten employees. Taking into consideration issues related to personal data protection and anonymity, what plans does Estonia foresee for such companies in relation to pay transparency requirements?

## 6 List of references

### Publications

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- Office of the Government of the Czech Republic, 2021, *Strategy on Equality between Men and Women for Years 2021-2030* (Strategie rovnosti žen a mužů na léta 2021-2030) Available at: [https://www.vlada.cz/assets/ppov/rovne-prilezitosti-zen-a-muzu/Aktuality/Strategie\\_rovnosti\\_zen\\_a\\_muzu.pdf](https://www.vlada.cz/assets/ppov/rovne-prilezitosti-zen-a-muzu/Aktuality/Strategie_rovnosti_zen_a_muzu.pdf) [Accessed 25 March 2021].

### Legislation

- Act No. 198/2009 Coll., on equal treatment and on the legal means of protection against discrimination and on amendment to some laws (the Anti-Discrimination Act)
- Act No. 262/2006 Coll., Labour Code, as amended

### Websites

- [www.rovnaodmena.cz](http://www.rovnaodmena.cz)
- [www.ochrance.cz](http://www.ochrance.cz)
- [www.czso.cz](http://www.czso.cz)
- <https://ec.europa.eu/eurostat>
- <https://eige.europa.eu/>

## Annex 1 Summary table

The main points covered by the paper are summarised below.

### Situation in the peer country

- From 2002, the gender pay gap in the Czech Republic stagnated over the years around 21-22%.<sup>22</sup> Recently, the Czech Republic has made some progress towards closing the gender pay gap. According to the Eurostat figures for 2019, GPG in the Czech Republic equalled to 18.9%, the average for the European Union Member States was 14.1%.<sup>23</sup>
- Recent positive changes are to be attributed to the achievements of the ministerial project *22% TOWARDS EQUALITY* and also to the positive economic development of the country that has enabled to increase salaries in fields with the predominance of women such as education or health care.

### Legislative and policy measures to support equal pay

- In 2016 the Ministry of Labour and Social Affairs launched the project *22% TOWARDS EQUALITY* that can be in a way perceived as a reaction on the part of the Czech administration to the European Commission's Recommendation 2014/124/EU on pay transparency.
- The project activities are very diverse (from legislative analysis and research studies, to training events, awareness raising campaigns and identification of best foreign practices) and involve key stakeholders (Labour Inspectorate, Labour Office, trade unions, representatives of NGOs and employers, Office of the Public Defender of Rights).
- The Wage and Salary Calculator has been designed within the project. Another digital tool, namely the Swiss self-evaluation tool Logib, is tested with Czech employers with the aim to transfer it to the Czech environment.
- The Action Plan is to be prepared within the project. The plan is to list measures to be taken with the aim to close further the gender pay gap.
- The positive development is at stake due to the covid-19 pandemic and its long-term economic consequences and also due to uncertainty related to a follow-up project when the project *22% TOWARDS EQUALITY* ends in 2021.

### Considerations for future policies and initiatives

- Future initiatives and intentions related to the gender pay gap in the Czech Republic are incorporated in the brand new governmental strategy (Strategy on Equality between Men and Women for years 2021-2030) which can be perceived as an anchor in rather insecure and possibly troubled waters.
- Estonia seems to be in the situation where the Czech Republic found itself before the decision in 2014 to launch a complex and systemic ministerial project focusing on the gender pay gap.
- The digital tools discussed in the host country paper and proposals for changes in the Gender Equality Act, with the exception of information duties for employers, already more or less exist and function in the Czech Republic.

### Questions

- Will the envisaged pay mirror be a self-evaluation tool for employers? Or will reports on GPG be generated by a public entity? How will this tool function? What

<sup>22</sup> <https://www.rovnaodmena.cz/www/img/uploads/283b2209.pdf> [Accessed 24 March 2021].

<sup>23</sup> <https://ec.europa.eu/eurostat/databrowser/view/tesem180/default/table?lang=en> [Accessed 23 March 2021].



information will the report contain? If the report generated by the pay mirror shows significant differences in pay between women and men, will it have any consequences for employers?

- Does the Estonian wages and salaries application use average or mean pay? Is the comparison of pay between women and men foreseen in the application?
- Most of the enterprises in Estonia (94% in 2017) are micro size companies with fewer than ten employees. Taking into consideration issues related to personal data protection and anonymity, what plans does Estonia foresee for such companies in relation to pay transparency requirements?

## Annex 2 Example of relevant practice

Name of the practice:	Project 22% TOWARDS EQUALITY
Year of implementation:	2016-2021
Coordinating authority:	Ministry of Labour and Social Affairs
Objectives:	To raise awareness of the gender pay gap in the Czech Republic, involve key stakeholders and contribute to closing the gender pay gap
Main activities:	<p>The project activities are very diverse (e.g. legislative analysis, research studies, training events, awareness raising campaigns and identification of best foreign practices) and involve key stakeholders (Labour Inspectorate, Labour Office, trade unions, representatives of NGOs and employers, Office of the Public Defender of Rights).</p> <p>The Wage and Salary Calculator has been designed within the project. Another digital tool, namely the Swiss self-evaluation tool Logib, is tested with Czech employers with the aim to transfer it to the Czech environment.</p> <p>One of the most important project activities is the preparation of the Action Plan. The Plan is to list measures to be taken with the aim to close further the gender pay gap. The Action Plan will form an inseparable part of the Strategy on Equality between Men and Women 2021-2030. The Action Plan will be completed in the duration of the project, i.e. until the end of 2021.</p>
Results so far:	Project activities have undoubtedly contributed to an increased level of awareness of the gender pay gap phenomenon in the Czech Republic – not only with key stakeholders, but also with the media and general public. During the course of the project, the gender pay gap has decreased slightly in the Czech Republic which can, to some extent, be attributed to the project activities. The project evaluation was submitted in late December 2020, however, its results have not been made available yet.

