

Joint Committee on Justice and Equality  
Pre-legislative scrutiny of the General Scheme of the Gender Pay Gap  
Information Bill.

November 21, 2018 at 9am  
Committee Room 2, LH2000, Leinster House.

Speaking Notes: Orla O'Connor, Director, NWC

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We thank the Committee for inviting us here today to discuss the *General Scheme of Gender Pay Gap Information Bill*. NWC is Ireland's leading national feminist organisation campaigning for equality and advocating for women's rights. We are a membership organisation that represents over 180 member organisations across the country. Our aim is an Ireland where women and men are treated equally.

We believe that the gap in earnings between women and men, – which stands at almost 14%, goes to the heart of inequality between women and men. It has serious implications for a woman's lifetime earnings, her life and career decisions and her ability to live in older years with a decent income.

There is unfortunately no one solution to closing the gender pay gap. There are many complex and interrelated factors that influence women's employment opportunities and progress at work, factors which directly contribute to its existence. However, we believe, that increased transparency and accountability around pay, are vital tools in tackling the gap, and in that respect we warmly welcome this Bill.

Requiring employers to publish statistics on an organisational level will shine the spotlight, for the first time, on individual organisations.

An employer may be unaware that they even have a gender pay gap until they analyse their pay information. Requiring employers to be more open about gender pay differences should bring pressure to bear on them to explain the reasons for those differences and to consider what they can do to eliminate them. Transparency around pay will ultimately help to remove the question of gender-influenced pay.

And Ireland is not alone in adopting this type of legislation, and while we are not the first to take this path, this is to our advantage, as we now have the opportunity to learn from the trail blazers. So while we warmly welcome the spirit and direction of the Bill, we ask the Committee to consider a number of matters that we believe would serve to strengthen its overall scope.

Currently it is proposed that the legislation will initially apply to companies with 250 or more staff and then, on a phased basis, move to companies employing 50 or more staff. If so, this legislation is much less likely to have the same immediate impact on women in employment as the Bill proposed by Labour, which would have given immediate application to companies employing 50 or more staff, rather than having to wait for a period of time.

Looking at the threshold figures in more detail, NWCi sought to obtain the gender breakdown of those employed in small, medium and large businesses, respectively. Unfortunately, this exact information is

unavailable. And we thank Senator Bacik for raising this matter on our behalf in the Seanad last week.<sup>1</sup>

What we do know, is that according to 2016 CSO figures from the business economy only, - and which cannot be disaggregated by gender - the total number of persons engaged in active small enterprises, namely, those with fewer than 50 persons engaged, was 720,401. The number of persons engaged in active medium enterprises, namely, between 50 and 249 persons engaged, was 290,604. The number of persons engaged in active large enterprises, namely, 250 and more persons engaged, was 467,231.

Clearly, therefore, a large number of people work in small enterprises, and will never be included within the scope of this proposed legislation. Anecdotally, we can say from our own work in this area, and from speaking with women, that they tend to be significantly represented in small and medium enterprises. In light of this, we strenuously query the roll out of this legislation to commence at organisations with over 250 employees, and call for more ambition. This type of legislation has long been signposted; the threshold for reporting should commence at a much lower figure, and extended to all those employers with at least 25 employees, as adopted by our Icelandic neighbours.

Furthermore, organisations should be required to publish, alongside the bald figures, an explanation of any gender pay gap and, most importantly, an action plan for closing the gap, against which they must

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<sup>1</sup> See the full response to the Commencement Matter at this [link](#).

report progress each year, as part of normal reporting requirements. Failure to do this is one of the major criticisms of the UK model.

Civil penalties for noncompliance should be introduced, and set at a level at which the cost of noncompliance is significant.

**We also believe that this legislation provides the ideal opportunity to address the hidden discrimination inherent in wage negotiations.**

An initial salary at an early job can affect salary at a later one because hiring managers often base their offer on previous pay. Research has shown that those who get lower salary offers are often women.

The legislation should prohibit employers (and by extension recruiter agencies) from asking about salary history. Employers should also be prohibited from seeking this information through an agent or from other sources, such as the applicant's former employers.<sup>2</sup>

Employers should also be legally required to state the minimum salary that they are prepared to offer for an advertised role, regardless of whether it is advertised internally or externally. Employers should also be generally prohibited from inserting terms in a contract that prevent employees from disclosing/discussing their wages.

These measures will help to ensure that salaries reflect the qualifications, skills, experience and achievements of the particular

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<sup>2</sup> Numerous laws to this effect have been implemented in the US.

employee. They will also help shift the emphasis from presentism to the quality and output of the work done, so that taking extended periods of time off of work will not unduly affect future wages. This is essential for women as they tend to have more career interruptions than men.

## **Conclusion**

Increased pay transparency will, over time, improve fairness. And a more equal role for women in the workplace will contribute to economic growth.

While the new legislation is not, in itself, enough to tackle the gender pay gap or its underlying causes, it is an extremely important and essential step, and one we completely support.

Thank you.