Executive summary

The gender wage gap persists in every OECD country. Full-time working women earn, on average, only 88 cents to every dollar or euro earned by full-time working men. Decades of public policies and legal efforts in education, labour markets and social protection systems have helped to narrow the gap, but governments and employers must work even harder to overcome the negative income effects of horizontal and vertical segregation, inequalities in unpaid work, and discrimination against women.

To target this longstanding gender inequality, OECD governments are increasingly implementing practical policy measures under the umbrella of pay transparency.

This report, ***Reporting Gender Pay Gaps in OECD Countries: Guidance for Pay Transparency Implementation, Monitoring, and Reform***, presents an in-depth assessment of the most commonly mandated pay transparency measure for private sector firms across OECD countries: gender pay gap reporting. Over half of OECD countries (21 of 38, or 55%) now require private sector employers to analyse their pay data and report gender-disaggregated pay information to stakeholders like workers, workers' representatives, the government, and/or the public.

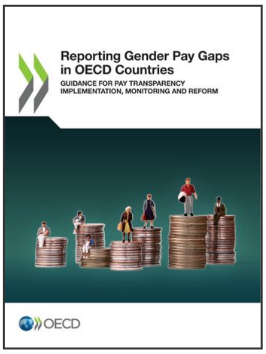
Proponents of pay transparency argue that analysing, presenting, and publicising pay gender gaps should raise stakeholder awareness of this inequity and motivate employers to close the gap. While this is a somewhat optimistic perspective – in reality, the burden of elevating and addressing unfair pay still too often rests on individual employees – it is true that accurate information about pay inequity is a critical first step to fixing it. To help ensure that awareness leads to a reduction in the pay gap, ten OECD countries (Canada, Finland, France, Iceland, Ireland, Norway, Portugal, Spain, Sweden and Switzerland) have embedded pay reporting requirements within more comprehensive, mandatory, equal pay auditing processes that require follow-up action to address inequalities.

This report offers practical guidance to countries interested in implementing or reforming their gender pay gap reporting systems. It offers a stocktaking of different aspects of pay gap reporting regimes – including data reporting requirements, enforcement mechanisms, and new digital tools – and identifies good practices and areas for improvement across pay gap reporting systems. The report also offers a straightforward policy checklist for countries.

The following recommendations are offered to governments:

- **Understand the wage gap**: Require firms to report gender-disaggregated pay statistics at both the aggregate firm-level and for key subgroups, e.g. by job category, parental status or seniority. These subgroup analyses can enable a better understanding of the drivers of the pay gap in a firm and how to address them.
- **Provide transparency to more workers**: Ensure that the firms covered by pay gap reporting rules – typically based on company headcounts – cover a sufficient number of workers in the country. Many countries exclude small and medium-sized firms from reporting requirements and carve out temporary and part-time workers from company headcounts. This means that some groups, and especially more precarious workers, are missed in reporting in many countries.

- **Exploit digital tools and pre-existing data**: Facilitate gender pay gap reporting and ease administrative burden by providing free and accessible reporting tools to employers. These could include online guidance, software for firms to calculate gaps themselves, software for firms to submit data to the government, or the use of pre-existing data enabling the government to calculate gender-disaggregated wage statistics for firms.
- **Enforce pay gap reporting**: Improve the enforcement of pay gap reporting rules – including sanctions – to ensure that the mandated companies participate in pay reporting, provide the correct data, and share results appropriately. Very few countries have systematic compliance mechanisms in place, and sanctions against non-compliant firms are generally weak.
- **Take action to close the reported gap**: Consider mandating equal pay auditing processes, similar to what is called "joint pay assessments" in EU legislation, combined with pay gap reporting. Equal pay audits assess gaps more closely and recommend targeted action to try to address inequalities that have been found.
- **Assess what works**: Conduct more frequent and more rigorous evaluations of the effects of pay gap reporting rules. While pay gap reporting measures are increasingly common, only a handful of national programmes have been analysed quantitatively to assess effects on the gender wage gap. Regular evaluations of programme functioning, e.g. compliance and awareness, should also be increased across countries.
- **Generate buy-in to close the gender wage gap**: Raise awareness of pay gap reporting rules and results among firms, employees, their representatives, and the public. Good communication around pay gap reporting regimes improves effectiveness.
- **Embrace complementary policy tools**: Pay transparency alone cannot end gender inequality in workplaces. Governments must embed gender pay gap reporting in broader, holistic efforts to end gender inequalities in labour markets, society and at home.



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