

7.2.2024

REPORT

for the period 1 June 2019 to 31 May 2023 prepared by the Government of Iceland under Art. 22 of the Constitution of the International Labour Organization (ILO) on measures to give effect to provisions of the

EQUAL REMUNERATION CONVENTION, 1951 (No. 100)

of which ratification was registered on the 17 February 1958.

I.

Reference is made to previous reports.

II.

Reply to Request on Article 1 and 2 of the Convention.

The Icelandic business sector and the country's employment market have undergone great change in the past few decades. A welfare system which supports a high degree of participation in the job market and occupations that require large numbers of workers has created the conditions for a high level of employment. The Icelandic labour market is gender segregated which leads to a horizontal, division of the labour market. Women and men work in dissimilar occupations and gender-based choice of education and training is still very much apparent. In recent years the gender pay gap has reduced, and it continues to narrow from year to year.

Participation by women in the labour market as increased steadily over the past few decades and the difference between the genders in this respect has been reduced. Working hours have shortened somewhat and the gap between hours worked by men and women has been reduced; nevertheless, men still work longer hours than women. In 2022 the average number of full working hours per week for 25-64 years old workers was 41,1, being 34,4 hours for women and 42,9 hours for men.¹

Generally, when it is said that the labour market is divided by gender, what is meant is that one gender is in a large majority in particular sectors of the market. The terms 'horizontal' and 'vertical' divides are frequently used. A horizontal divide means that women and men work in different occupations, with a conspicuous division of the market along gender lines. A vertical divide refers to the genders being employed in dissimilar positions within occupations and workplaces; men are more often in positions of power or responsibility than women. Horizontal divides are evident in occupations that are connected with caregiving and education; here, women are in the vast majority. Men's occupations have tended, traditionally, to be connected with industrial production, technical occupations and manufacturing.

The current legislation on gender equality is the Act on Equal Status and Equal Rights Irrespective of Gender, No. 150/2020 and the Act on the Administration of Matters Concerning Equality, No. 151/ 2020.

¹ See numbers from Statistics Iceland for the year 2022, https://px.hagstofa.is/pxis/pxweb/is/Samfelag/Samfelag_vinumarkadur_vinumarkadsrannsokn_3_arstolur/VIN00941.px/table/tableViewLayout2/

The English translation of the legislation can be found here:

<https://www.government.is/library/04-Legislation/Act%20on%20Equal%20Status%20and%20Equal%20Rights%20Irrespective%20of%20Gender.pdf>

<https://www.government.is/library/04-Legislation/Act%20on%20the%20Administration%20of%20Matters%20Concerning%20Equality.pdf>

The objective of Act 150/2020 is to prevent discrimination on the basis of gender and to maintain gender equality and equal opportunities for the genders in all spheres of society. All people shall have equal opportunities to benefit from their own enterprise and to develop their skills irrespective of gender. The term “gender” in the Act means women, men and persons whose gender is registered as neutral in Registers Iceland unless otherwise stated.

Regarding the request by the Committee to provide information on the results achieved in terms of addressing the gender pay gap followed by the development of Equal Pay Standard IST 85:2012 and a certification system on equal pay the Government notes that there are limitations to the Equal Pay Standard, as it is presented in Icelandic legislation, in addressing the gender pay gap. It is first and foremost a management requirement standard; an administrative tool designed to establish and maintain gender equality in pay systems within a company or an institution. It is not promoted and designed to tackle wage differences between companies and institutions and the implementation of the Equal Pay Standard does therefore not address gender-segregated labour market.

Research done by Statistic Iceland in collaboration with the Prime Minister's Office, published in 2021, shows that the gender pay gap is decreasing. In the research Statistic Iceland used three parameters for the gender pay gap: The difference in total income which has decreased from 32,9% in 2010 to 25,5% in 2019. The unadjusted pay gap has decreased from 17,5% to 13,9% in the same period. The adjusted pay gap has decreased from 6,2% to 4,3% in the same period. The gap is biggest in the private market but the municipalities have had the most success and there the pay gap has decreased the most and is 2,7% in 2020 (adjusted pay gap). The research shows that the main reason for the unadjusted wage gap is gender segregation in the labour market and possible undervaluation of women-dominated job sectors. It must be noted that at the time of the research, not all institutions and only a small number of companies in the private labour market had implemented the Equal Pay Standard and therefore it is not possible to draw a general conclusion on the impact of the Equal Pay Standard on the gender pay gap.

Further information can be found on the Statistics Iceland's website:

<http://hagstofan.s3.amazonaws.com/media/public/2021/2b7b1b12-47b5-4dfd-b1af-97437a20c243.pdf>

To address the situation of the gender-segregated labour market and undervaluation of women dominated jobs, the Government and the social partners appointed a working group. Its role is to submit proposals for measures to re-evaluate female-dominated

functions and eliminate the wage gap that is explained by the gender-segregated labour market. The working group will deliver its proposals before the end of 2023.

Regarding the request by the Committee to provide a plan for ensuring that the principle of equal pay is applied beyond the same employer, sectors and enterprises, the Government notes the following: With the new Act on gender equality, No. 150/2020, on Equal Status and Equal Rights Irrespective of Gender the principle of equal pay is no longer limited to the situation where the genders work for the same employer as can be seen in paragraph 6 of the Act.

The English translation of the Act can be found here: <https://www.government.is/library/04-Legislation/Act%20on%20Equal%20Status%20and%20Equal%20Rights%20Irrespective%20of%20Gender.pdf>

Regarding the request by the Committee to provide information on any studies carried out or exercises undertaken to assess the impact on job evaluation in reducing the gender pay gap and to provide information regarding information on any plans or studies envisaged to consider how objective job evaluation methodology can be better used to reduce the existing gender pay gap, the Government notes the following: The Equal Pay Standard has the potential to increase transparency in pay system within companies and institutions. It can also increase awareness raising in gender neutral wage settings both within companies and institutions and in society as a whole. Furthermore, the Equal pay standard can also address discrimination on other grounds than gender (not obligatory), that is in companies and institutions. It does however not tackle gender-segregated labour market. The implementation of the Equal Pay Standard requires employers to use a job evaluation system that is gender-neutral. The Government has also provided a job classification tool for all employers both in the public and private market. The tool can also be used for pay analyses and is free of charge.

Regarding the request from the Committee to provide information on any decisions or rulings relating to the issue of equal remuneration by the courts or the Gender Equality Complaints Committee the Ministry provides that according to the Equality Complaints Committee, six cases relating to equal remuneration were referred to it from June 1st, 2019 to December 31, 2022 pursuant to Act No. 10/2008 on Equal Status and Equal Rights of Women and Men (which were abrogated in December 2021), and Act No. 150/2020 on the Act on Equal Status and Equal Rights Irrespective of Gender (which entered into force in December 2021). The conclusion in two cases was that the Act had been violated; in two cases no violation had taken place; one case was dismissed, and one case was withdrawn by the complainant.

III.

As provided in Article 1 paragraph 4 of the Presidential Decree, No. 6/2022 on the Division of Government Affairs between Ministries in Iceland the Prime Minister's Office oversees equality affairs, e.g. legislation on equal status and equal rights irrespective of gender, equal treatment outside the labour market, equal treatment on the labour market, gender autonomy, as well as the Directorate of Equality, the Gender Equality Complaints Committee and the Gender Equality Fund.

The Presidential Decree can be found here:
<https://www.althingi.is/lagas/153a/2022006.html>

The English translation of the Act on the Administration of Matters Concerning Equality, No. 151/2020 can be found here: <https://www.government.is/library/04-Legislation/Act%20on%20the%20Administration%20of%20Matters%20Concerning%20Equality.pdf>

IV.

Nothing to report.

V.

Reference is made to previous reports.

VI.

This report was prepared in consultation with the Icelandic Tripartite ILO Committee. Copies of this report have been sent to the Confederation of Icelandic Enterprises (SA), the Association of Local Authorities, the Icelandic Confederation of Labour (ASÍ), the Federation of State and Municipal Employees (BSRB) and the Icelandic Confederation of University Graduates (BHM).