





Consortium for the Regional Support for Women in Disadvantaged and Rural Areas

Response to: Consultation on The Gender Pay Gap Information Regulations

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Women's Regional Consortium: Working to Support Women in Rural Communities and Disadvantaged Urban Areas

1. Introduction

1.1 This response has been undertaken collaboratively by the members of the Consortium for the Regional Support for Women in Disadvantaged and Rural Areas (hereafter, either the Women's Regional Consortium or simply the Consortium), which is funded by the Department for Communities and the Department of Agriculture, Environment and Rural Affairs.

1.2 The Women's Regional Consortium consists of seven established women's sector organisations that are committed to working in partnership with each other, government, statutory organisations and women's organisations, centres and groups in disadvantaged and rural areas, to ensure that organisations working for women are given the best possible support in the work they do in tackling disadvantage and social exclusion.¹ The seven groups are as follows:

- ♀ Training for Women Network (TWN) Project lead
- Women's Resource and Development Agency (WRDA)
- Women's Support Network (WSN)
- P Northern Ireland's Rural Women's Network (NIRWN)
- ♀ Women's TEC
- ♀ Women's Centre Derry
- P Foyle Women's Information Network (FWIN)

¹ Sections 1.2-1.3 represent the official description of the Consortium's work, as agreed and authored by its seven partner organisations.

1.3 The Consortium is the established link and strategic partner between government and statutory agencies and women in disadvantaged and rural areas, including all groups, centres and organisations delivering essential frontline services, advice and support. The Consortium ensures that there is a continuous two-way flow of information between government and the sector. It also ensures that organisations/centres and groups are made aware of consultations, government planning and policy implementation. In turn, the Consortium ascertains the views, needs and aspirations of women in disadvantaged and rural areas and takes these views forward to influence policy development and future government planning, which ultimately results in the empowerment of local women in disadvantaged and rurally isolated communities.

1.4 The Women's Regional Consortium appreciates the opportunity to respond to the Department for Communities (DfC) consultation on The Gender Pay Gap Information Regulations. Alongside our Women's Policy Group colleagues we are concerned that it has taken so long to get to this point despite being promised in the Employment Act (Northern Ireland) 2016.

1.5 We wish to endorse the responses made by the Women's Policy Group and the Northern Ireland Women's Budget Group (NIWBG) both of which we are a members of. We also endorse the response made by The Northern Ireland Committee (NIC) of the Irish Congress of Trade Unions (NIC-ICTU). We endorse their responses and urge the Department to take their evidence fully into consideration.

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2.0 General Information

2.1 International Obligations

Northern Ireland is bound by the international human rights obligations of the UK, as State Party to all key human rights Conventions. The Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) specifically requires States Parties to take action to promote gender equality including on equal pay for equal work. The International Covenant on Economic, Social and Cultural Rights (ICESCR) clearly sets out individuals' right to work with fair pay and equal pay for equal work for all men and women.

As highlighted by our colleagues in Women's Platform, the CEDAW Committee in its Concluding Observations for the UK in 2013 included a recommendation to monitor the gender pay gap, which remains the basis for the proposed Regulations and has been implemented in Great Britain since 2017. In its 2019 Concluding Observations, the CEDAW Committee expressed concern that Northern Ireland is falling behind England, Scotland and Wales, and urged for protections to be put on an equal footing.² This will be reviewed in the forthcoming examination of the UK under CEDAW, which is expected by 2026-27.

2.2 Gendered Issues within the Labour Market

Systemic and structural inequalities across the labour market mean that women are overrepresented in lower paid and precarious jobs and are more likely to work parttime. Existing gender inequalities mean that women are more likely to be in receipt of social security benefits, more likely to be providing care either for children or other family members and more likely to have to make up for cuts to public services through unpaid work. This restricts women's ability to carry out paid work and contributes to keeping women's incomes generally lower over their lifetimes.

There needs to be a range of approaches to tackling gender segregated labour markets which leave women particularly vulnerable to low-paid and insecure work. This must involve improving pay and working conditions in precarious sectors,

² CEDAW Committee (March 2019) Concluding Observations on the 8th periodic report of the UK

tackling gender stereotypes that embed gender segregation, addressing the lack of affordable, accessible childcare and increasing investment in undervalued sectors such as care.

As has long been argued by our colleagues in the Women's Policy Group *"tinkering* around the edges of policy will fail to solve persistent gender equalities. Instead, what is needed is a comprehensive strategy to systematically tackle these issues, including a women's employment strategy, which considers all of the issues that hold women back in work and in society. Part of this consideration must focus on the system of support for working parents and carers." Family friendly and carers policies play a crucial role in getting women into employment and in helping to tackle gender inequality and disadvantage.

2.3 Low Paid Work

Northern Ireland was one of the regions with above average proportion of jobs paid below the Living Wage in April 2023 at 15.6% third in the list behind the North East (15.9%) and the East Midlands (15.7%). Women are significantly more affected by low pay than men with more women earning less than the Living Wage in the UK (15.4% compared to 10.4%). Jobs held by women also accounted for 59.5% of all jobs paid below the Living Wage (2.2million in total). A higher proportion of part-time jobs (28.3%) were paid below the Living Wage in April 2023 than full-time jobs (7.5%).³

Women are also significantly more likely to work part-time than men with almost 7 out of 10 part-time workers being female (69.7%) and nearly two thirds of full-time workers being male (61.8%).⁴ This has a significant impact on women's income as women often struggle to increase their hours of work due to caring responsibilities. Providing care limits both the number of hours a person can work and the distance they travel for work and this can leave many women locked in poverty especially when jobs are low paid.

³ Employee jobs paid below the Living Wage: 2023, Living Wage Foundation, February 2024 https://www.livingwage.org.uk/sites/default/files/2024-

02/Employee%20Jobs%20Below%20The%20Living%20Wage_V7.pdf

⁴ Main statistics for Northern Ireland, Statistical bulletin, Labour market, NISRA, March 2023 https://www.nisra.gov.uk/system/files/statistics/census-2021-main-statistics-for-northern-irelandphase-3-statistical-bulletin-labour-market.pdf

Research has shown that women in both Northern Ireland and the Republic of Ireland are more likely than men to work in low paid jobs.⁵ In 2022, 21% of females and 14% of males were low-paid in Northern Ireland using the definition of earning less than two-thirds of the median hourly pay. This report highlights the policy challenges that exist as a result of the disadvantages faced by lone parents (93% of lone parents in Northern Ireland are women) both in accessing employment and in the conditions of employment: *"The emphasis on labour market activation in the welfare system is stronger in Northern Ireland, yet the participation rate is lower. This points to the persistence of barriers that go beyond welfare disincentives. Tackling low pay among lone parents is a key concern if they are not to be activated into in-work poverty."*

The Women's Regional Consortium believes that much more needs to be done to protect women, their families and communities from low-paid, precarious and involuntary part-time work. These working arrangements have clear implications for gender equality, women's financial wellbeing and their participation and progression within the economy.

2.4 The Gender Pay Gap

Our colleagues in the Women's Policy Group have outlined that *"there is a pervasive public narrative that there is no issue with a gender pay gap in Northern Ireland. This is not only unhelpful, but also untrue."* The Women's Policy Group pointed to research undertaken by NERI which shows that the picture is more complicated and also shows that women continue to earn less than men across most employment sectors.⁶ This research shows that comparing the hourly earnings of all males and all females using median hourly pay shows that women earn 8.1% less per hour than men. However, Dr Lisa Wilson from NERI cautions that merely looking at one measurement hides a much more complex picture. For example, when comparing

⁵ Gender and Labour Market Inclusion on the Island of Ireland, Economic & Social Research Institute, April 2024

https://www.esri.ie/system/files/publications/RS176_0.pdf

⁶ The Gender Pay Gap in Northern Ireland, Nevin Economic Research Institute, 2021 <u>https://www.nerinstitute.net/sites/default/files/research/2021/The%20Gender%20pay%20gap%20in%</u> <u>20Northern%20Ireland%20report%20series%204.pdf</u>

the earnings of part-time female workers to full-time male workers, there is a gap of over 26% in median hourly earnings. This measure is important because it captures the part-time pay penalty - both the fact that part time work is more likely to be lower paid and also that more women are more likely to work part time.

In 2023, the overall gender pay gap for all employees (full-time and part-time combined) stood at 7.8% indicating that female employees earned, on average, 7.8% less than their male counterparts.⁷ In contrast, the overall gender pay gap for the entire UK has narrowed from 20.2% in 2011 to 14.3% in 2023.

Modelling on employees aged 25 years and older showed that after adjusting for age, job-related and personal characteristics, the gender pay gap narrowed from 20.3% to 9.4% in the private sector and from 11.2% to 2.8% in the public sector. As the gender pay gap report outlines: *"While individual occupational choices partially explain the gender pay gap, these choices are influenced by educational, societal, and workplace factors, many of which involve forms of overt or implicit discrimination. For instance, biases in the education system or societal expectations may result in females not being encouraged to pursue maths and science subjects, which often lead to higher paying STEM jobs. In the workplace, overt discrimination can result in women not being given the same opportunities as men, including being passed over for promotion."*

2.5 Gender Pay Gap Reporting Legislation

The Women's Regional Consortium shares the concerns highlighted by our Women's Policy Group colleagues who are *"extremely concerned that Gender Pay Gap reporting legislation and associated measures, which were promised in the Employment Act (Northern Ireland) 2016, are still to be delivered and implemented; despite a commitment to introduce regulations, there is still no clear timetable some five years after the introduction."*

⁷ Gender pay gaps in Northern Ireland, NISRA, August 2024 <u>https://www.nisra.gov.uk/sites/nisra.gov.uk/files/publications/Summary%20report_8.pdf</u>

We support the Women's Policy Group recommendations that urge the swift introduction of reporting regulations and would further recommend that measures outlined in the original schedule are included. These include financial penalties for employers who flout the law as well as a requirement to report on pay gaps on the grounds of disability and race.

We reiterate the comments by our Women's Policy Group colleagues that Gender Pay Gap reporting legislation *"is important but will not, in itself, solve pay inequality. This is why it is vital that the legislation is accompanied by a comprehensive strategy and resourced action plan."*

We also repeat the concerns of the Women's Policy Group that in the context of Brexit important European Directives may not apply in Northern Ireland. Despite the commitment to no diminution of rights, safeguards, and equality of opportunity in Northern Ireland and the 'keeping pace' commitments in article 2 of the Northern Ireland Protocol, we are already seeing divergence in the equality infrastructure. Keeping pace applies to a narrow range of existing Directives and will not apply to important new Directives such as the Work Life Balance Directive and the upcoming Gender Pay Transparency Directive.

As outlined by the Women's Policy Group while the draft Gender Pay Transparency Directive falls short of key demands called for by trade unions, it still promises progressive steps towards pay equality; it is therefore extremely worrying that this Directive will not apply to Northern Ireland and more important than ever that the Northern Ireland Assembly exercise its devolved powers and legislate to ensure that steps are taken to eradicate gender pay inequality.

We support the recommendations from the Women's Policy Group for Gender Pay Gap Reporting legislation:

- Include financial penalties for employers who flout the law by failing to report.
- Require employers to provide a narrative as to how the gender pay gap has arisen and an action plan as to how they are going to tackle it.
- Require reporting for all employers of 10 or more employees.
- Require reporting on pay gaps on grounds of disability and race.

- Ban pay secrecy clauses in contracts so that workers can discuss pay.
- Require information for job evaluation for the purpose of establishing equal pay for equal work.
- Make all employers produce pay information (audits) and annual action plans on pay equality.
- Support unions to negotiate with employers to tackle the pay gap.
- Require job advertisements to include the pay scale.
- Prevent employers hiding behind privacy, data protection or administrative burden to avoid pay transparency.
- Ensure transparency for the whole pay package including benefits, bonuses, pensions, allowances etc.
- Impose sanctions on employers who do not take action.

2.6 Women and Unpaid Care

There are over 220,000 people providing unpaid care for sick or disabled family members in Northern Ireland including over 180,000 unpaid carers of working age.⁸ Prevailing gender norms mean there is often the assumption that women will provide care. In more traditional, patriarchal societies like Northern Ireland providing care is often seen to be *"women's work"*. This leaves many women out of work, under-employed and struggling to juggle their caring responsibilities with work often with little support.

The latest Census figures for Northern Ireland show that nearly 60% of unpaid carers are women and that more than 1 in 6 women in employment are providing unpaid care (approximately 71,000 women). Nationally, statistics show that by the time they are aged 46, half of women have been a carer. Men have the same 50:50 chance by age 57 – eleven years later.⁹ This means that women are more likely to find themselves in a caring role at an age when they would be expected to be in paid work.

⁸ Career or Care: Women, unpaid caring and employment in Northern Ireland, February 2024, Carers NI & the Women's Regional Consortium

https://www.womensregionalconsortiumni.org.uk/wp-content/uploads/2024/02/Career-or-care-Women-unpaid-caring-and-employment-in-Northern-Ireland.pdf

⁹ Will I care? The likelihood of being a carer in adult life, CarersUK, November 2019 http://www.carersuk.org/images/News__campaigns/CarersRightsDay_Nov19_FINAL.pdf Caring affects women's participation in the workforce and can ultimately reduce their earnings over their lifetime. Women are also more likely than men to be forced out of the labour market by caring responsibilities. This has clear implications for gender equality. Research carried out by the Women's Regional Consortium and Carers NI¹⁰

Research by the Women's Regional Consortium and Carers NI¹¹ highlights the issues that women with care responsibilities face in relation to balancing unpaid care with work:

- One in three women have given up work to care (34%).
- One in four women have decreased their working hours due to a caring role (28%).
- One in six women have taken on a less qualified job or turned down a promotion to fit around caring responsibilities (17%).
- Nearly three quarters (73%) have lost out on between £500 and over £1500 per month in wages because of challenges juggling work and care.
- Women "juggle" their caring role and employment often at the detriment of their own career, finances and health and wellbeing.
- The financial impact of stopping/reducing work to provide care is felt by women not only while providing the care but throughout their lives.

2.7 Gender Equality Strategy

Northern Ireland has had no Gender Equality Strategy in place since 2016. We recognise that work was carried out in the last mandate to progress a Gender Equality Strategy. This work is vitally important to address the significant gender inequalities that continue to exist in our society. We, along with our Women's Policy Group colleagues, are concerned about delays to the Gender Equality Strategy

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https://www.womensregionalconsortiumni.org.uk/wp-content/uploads/2024/02/Career-or-care-
Women-unpaid-caring-and-employment-in-Northern-Ireland.pdf
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¹⁰ Career or Care: Women, unpaid caring and employment in Northern Ireland, February 2024, Carers NI & the Women's Regional Consortium

¹¹ Career or Care: Women, unpaid caring and employment in Northern Ireland, February 2024, Carers NI & the Women's Regional Consortium

https://www.womensregionalconsortiumni.org.uk/wp-content/uploads/2024/02/Career-or-care-Women-unpaid-caring-and-employment-in-Northern-Ireland.pdf

despite the work carried out by the Gender Equality Strategy Expert Panel.¹² We are concerned about statements from the Minister for Communities which suggest that work on developing a Gender Equality Strategy is not being prioritised: *"I have decided to take a phased approach to the development of Social inclusion Strategies and the options for next steps and timings for development of the Sexual Orientation and Gender Equality Strategies will be dealt with in due course."*¹³

We want to see the urgent implementation of a Gender Equality Strategy for Northern Ireland which includes recommendations around Gender Pay Gap reporting. The Gender Equality Strategy Advisory Expert Panel report makes specific recommendations in terms of the development of a monitoring and reporting framework to accurately capture the Gender Pay Gap.¹⁴ It stated that the Gender Pay Gap transparency regulations must be robust and include meaningful sanctions for employers who do not report, and for those who fail to take action to address their Gender Pay Gap. In addition, the report recommends that regulations should stipulate that employers must also share data on their Gender Pay Gaps and that explanations and actions to address these should be made in discussions with the appropriate Trade Unions. Importantly, the expert advisory panel report identifies the overrepresentation of women in part-time and low-paid sectors as central to the Gender Pay Gap and calls for these issues to be addressed in efforts to reduce it.

2.8 Gender Budgeting

The primary objective of gender budgeting is to mainstream a gender perspective into policies and budgets. This involves conducting an equality analysis of policies and budgets through a gender lens. There is significant evidence and examples from international best practice to suggest that the use of gender budgeting tools in Northern Ireland could strengthen Section 75 compliance among public authorities and help to embed equality considerations into policy-making processes.¹⁵ As of

¹² Gender Equality Strategy Expert Advisory Panel Report, December 2020 <u>https://www.communities-ni.gov.uk/system/files/publications/communities/dfc-social-inclusion-strategy-gender-expert-advisory-panel-report.pdf</u>

¹³ AQW 15574/22-27

https://aims.niassembly.gov.uk/questions/printquestionsummary.aspx?docid=411184 ¹⁴ Gender Equality Strategy Expert Advisory Panel Report, December 2020 https://www.communities-ni.gov.uk/system/files/publications/communities/dfc-social-inclusionstrategy-gender-expert-advisory-panel-report.pdf

¹⁵ https://www.ark.ac.uk/ARK/projects/Gender Budgeting/

2023, gender budgeting has been used to close gender gaps in over 61% of OECD member states.¹⁶ The OECD estimates that gender budgeting could increase average GDP in Europe by 9.2% and bring material benefits to governments by:

- Encouraging transparency in the budget process
- Strengthening links between policy and budgets
- Encouraging evidence-based policy making
- Facilitating meaningful implementation of equality and human rights duties

Although gender pay gap reporting is not a gender budgeting tool in and of itself, it is directly related to gender budgeting as it involves the collection and publishing of key gender disaggregated data. Gender budgeting heavily relies on the availability of gender disaggregated data as the basis of gender budgeting is gender-based equality analysis. Therefore, gender pay gap reporting would be extremely beneficial to public authorities interested in implementing gender budgeting tools, for example, the Department of Finance who have recently committed to implementing gender budgeting in the 2025-2026 budget year.¹⁷

¹⁶ OECD (2023) Gender Budgeting Report Available at:

https://www.oecd.org/en/publications/gender-budgeting-in-oecd-countries-2023_647d546b-en.html ¹⁷ https://aims.niassembly.gov.uk/officialreport/report.aspx?&eveDate=2025/01/14&docID=422083

3.0 Specific Questions

Scope:

Q 1. Do you agree that the threshold of 250 employees is also appropriate for Northern Ireland? If not, what do you think is an appropriate threshold?

The current proposal considers that all employers who employ 250 employees or more (i.e. in the public, private and voluntary sectors) will fall within the scope of the legislation.

We agree with our colleagues in the Women's Policy Group that the threshold of 250 employees is too high. This is especially the case for Northern Ireland which is predominantly a small business employer. As Dr Lisa Wilson from the Nevin Economic Research Institute (NERI) states: *"At June 2024, this threshold covers approximately 345 employers in Northern Ireland. While this threshold is intended to strike a balance between ensuring meaningful data collection and avoiding excessive administrative burdens on smaller businesses, the reality is that it excludes the vast majority of employers in Northern Ireland, which is characterised by a high concentration of small and medium-sized enterprises (SMEs). While there are legitimate concerns about the potential burden on smaller employers, particularly regarding data protection and confidentiality, it is essential that a mechanism is developed to allow smaller employers to contribute to the effort."¹⁸*

We agree with the Women's Policy Group that the aim should be to move towards the removal of all thresholds. As the Women's Policy Group notes the goal is to change the culture around how we think and talk about pay and the need to drive gender equality – it should be seen as a necessity not a luxury.

As raised by the Women's Policy Group within the provisions of the Pay Transparency Directive, there is an option for smaller organisations to report less regularly (every 3 years). Companies with fewer than 100 employees are not obliged to report although it specifies that this threshold can be reduced by States on

¹⁸ <u>https://www.agendani.com/gender-pay-gap-reporting-in-northern-ireland-transparency-without-progress/</u>

a case-by-case basis. We agree with the Women's Policy Group who have stated that it would be appropriate for Northern Ireland to consider a lower threshold given our economic landscape. NIC-ICTU have recommended lowering the threshold to firms with 10 or more employees which would capture a much broader range of businesses and ensure that a more representative sample of the economy is included in gender pay gap reporting.

Q 2. Do you agree with this aspect of the legislation, i.e. the scope should include all sectors?

Yes. Like our colleagues in the Women's Policy Group we oppose any approach that would mean some sectors are left out of these efforts to help achieve gender equality.

Standardised Methodology:

Q 3. Do you agree that this methodology should be used?

Calculating the Gender Pay Gap: For the purposes of calculating the Gender Pay Gap we have relied on the ONS (Office of National Statistics) definition of calculating 'pay' as this allows for comparability with England, Scotland and Wales.

We support the points made by the Women's Policy Group that it is important not to rely on pay per hour to calculate the Gender Pay Gap, excluding overtime, bonuses and commissions. Men are more likely to work overtime often because they are employed in roles or shifts that require it and because of the gendered expectations around care which mean that women are more likely to be providing care both for children and through providing unpaid care. These gender inequalities mean that women face a lack of access to additional hours, career opportunities and bonuses. As highlighted by the Women's Policy Group excluding or separating these aspects from hourly paid work will have two major flaws – it may make the actual Gender Pay Gap seem smaller than it is in reality and it may have the effect of making the Gender Pay Gap seem to flow from individual choice/natural causes rather than from the gender inequality that the regulations are supposed to address. As NIC-ICTU point out omitting overtime could skew the data making it harder to see the full scope of gender-based inequities.

We support NIC-ICTU's view that a more holistic approach would consider both base pay and the additional earnings that can arise from overtime, commissions, or bonuses.

As NIC-ICTU have outlined that while calculating the Gender Pay Gap using hourly earnings can provide insight into wage differences at a specific point in time, using annual earnings tends to reveal larger gaps due to the structural factors that affect pay over the course of a year. Hourly earnings calculations can overlook important elements that contribute to the Gender Pay Gap such as overtime, bonuses and differences in hours worked. Annual earnings provide a broader view by capturing the cumulative effects of pay differences over a full year. This method reflects longer-term factors such as career progression, access to high-paying roles and unequal distribution of overtime or other additional earnings. These structural elements contribute significantly to gender pay disparities and are better represented in annual earnings data.

We support NIC-ICTU's assertion that using annual earnings allows for a more accurate reflection of the Gender Pay Gap by incorporating the full range of compensation received throughout the year. It highlights systemic issues that may not be immediately apparent when looking only at hourly rates such as differences in job access, career development and working hours.

Q 4. Do you agree that we use the ONS (Office of National Statistics) definition of calculating 'pay'?

In order to identify any Gender Pay Gap and / or gender bonus gap it is proposed that employers will report gender pay using both the mean and median figures.

Please see our answer to Question 3 – we believe that pay should include all forms of pay, including overtime, bonuses and commission. Any exclusion of these elements of pay will simply perpetuate the gender inequalities that these regulations seek to address.

Q 5. Do you agree with the proposal to use mean and median figures?

As highlighted by Dr Lisa Wilson at NERI¹⁹ both measures have merit in assessing the gender pay gap. The median provides a more stable measure of the average than the mean as it is less affected by extreme values and so the impact of a small number of very high or very low earners is minimised. The mean takes into consideration the whole of the earnings distribution and allows the fact that those on very high earnings are predominantly male, and those on very low earnings are predominantly female to be taken into account.

We agree with the Women's Policy Group that the proposals will work better if a wider approach is taken as outlined in our answer to Question 3 so that the figures that are used are indicative of an employee's full earnings and across a longer period of time.

Q 6. For employers that will be within the scope of these regulations, can you currently calculate Gender Pay Gap figures from your systems?

N/A – not an employer.

Q 7. Do you agree with the proposal to use this specified snapshot date when calculating gender pay information?

No. We agree with colleagues in NIC-ICTU that the selection of a single date of the 5 April could present some issues particularly because it can be near a number of public holidays (including St Patrick's Day and Easter) which increase the likelihood of irregular pay patterns which could distort the figures. NIC-ICTU also make the argument that relying on a single date fails to account for the dynamic nature of earnings and working hours across the year. Variable employment patterns (including part-time, temporary and seasonal work) can disproportionately impact women who are more likely to engage in flexible working patterns and reduced working hours due to care responsibilities. We support NIC-ICTU's suggestion that *"a more robust and representative approach would involve averaging earnings over a defined period, such*

¹⁹ The Gender Pay Gap in Northern Ireland, NERI

https://www.nerinstitute.net/sites/default/files/research/2021/The%20Gender%20pay%20gap%20in% 20Northern%20Ireland%20report%20series%204.pdf

as the preceding three months. This would mitigate distortions caused by short-term pay anomalies and provide a clearer, more accurate picture of structural gender pay disparities."

Form, Manner and Timing of publication:

Q 8. Do you think the regulations should specify where the employer publishes their Gender Pay Gap information – for example, a prominent place on their website? (If not on their website, where do you believe the information should be published and why?)

Yes. As highlighted by our colleagues in NIC-ICTU transparency of information is crucial. We agree with NIC-ICTU that the regulations should require employers to publish their gender pay gap information on a prominent location on their website. It must be easy to find and accessible for the public, employees and their representatives. For employers without websites the regulations must provide alternative options to ensure the transparency and accessibility of the information.

We also agree with our Women's Policy Group colleagues that as well as displaying this information prominently on their website the Department should operate a page on their website which also contains this information. This would allow members of the public (including prospective employees, customers, etc) to check a company's Gender Pay Gap before entering into a relationship with them.

Q 9. Do you agree that the publication of Gender Pay Gap information will encourage employers to take action to close the Gender Pay Gap?

We agree to some extent. While the introduction of Gender Pay Gap Reporting is to be welcomed in terms of transparency it must go beyond simply producing the data/publishing reports into tangible actions to close Gender Pay Gaps. As our Women's Policy Group colleagues have highlighted Gender Pay Gap Reporting must not be seen as a burden but a way for employers to embed and promote gender equality and improve their public reputation. We refer the Department to the following from Dr Lisa Wilson at NERI²⁰ who highlights these concerns:

"While the introduction of gender pay gap reporting is undoubtedly a positive step toward transparency, there are substantial limitations which have been identified from other countries who have implemented similar legislation, in driving meaningful change. As Coron (2020) argues, there is a real risk that the act of producing these reports may function as a "performative" exercise, in which simply "saying something" is mistaken for "doing something".

In other words, while employers may fulfil the letter of the law by publishing their gender pay reports, but this does not necessarily translate into substantive action to close the gender pay gap.

Some countries with mandatory GPG reporting, such as the UK, have not seen significant reductions in gender pay gaps. Instead, reporting has frequently amounted to little more than a compliance exercise. Employers identify their pay gaps but fail to take the steps necessary to address them."

Q 10. Do you agree that employers should publish this information on an annual basis?

Yes. As stated by our Women's Policy Group colleagues with appropriate guidance from the Department this is very unlikely to constitute a significant amount of work. Employers already hold a significant amount of the data that will be needed to extract and publish the necessary information.

Ethnicity and Disability:

Section 19 of the Employment Act (Northern Ireland) 2016 stipulates that the information provided by employers on Gender Pay Gap, must include statistics on ethnicity and disability.

²⁰ <u>https://www.agendani.com/gender-pay-gap-reporting-in-northern-ireland-transparency-without-progress/</u>

Q 11. Do you have any comments on providing Gender Pay Gap information relating to a workers a) ethnicity and/or b) disability

Yes. We believe that this is important given longstanding and systemic issues within the labour market which mean that women with disabilities and ethnic minority women face discrimination and intersecting inequalities.

Action Plan:

Employers will be required to produce and publish an action plan setting out what actions they will take to eliminate gender pay differences within their organisations.

Q 12. Do you agree that employers should produce and publish action plans?

Yes. As we have previously stated it is vitally important that Gender Pay Gap Reporting **must** go beyond producing data and publishing reports into tangible actions to close Gender Pay Gaps. We support the following statement from Dr Lisa Wilson from NERI²¹ with regard to action plans:

"Firstly, the real power of gender pay gap reporting lies not in the data itself, but in how that data is used to drive action. Employers must be required to go beyond merely publishing gender pay data and must produce action plans and targets to tackle the root causes of gender pay disparities within their organisations. These action plans must identify barriers to gender equality and outline concrete steps to overcome them and targets for their action. Importantly, these plans should be developed in consultation with workers' representatives – such as trade unions – who can ensure that the plans are realistic and address the real challenges faced by employees."

We also support the assertion by Dr Lisa Wilson at NERI that: *"action plans should be subject to regular scrutiny to ensure they are genuinely addressing the underlying causes of inequality."*²²

We share the concerns of our colleagues in NIC-ICTU that there are no proposals within the consultation document on how the Department will consult with trade unions

²¹ <u>https://www.agendani.com/gender-pay-gap-reporting-in-northern-ireland-transparency-without-progress/</u>

²² <u>https://www.agendani.com/gender-pay-gap-reporting-in-northern-ireland-transparency-without-progress/</u>

and publish a strategy including an action plan on eliminating differences in the pay of male and female employees. We share the disappointment of NIC-ICTU that the Department "does not intend to prescribe the content of action plans.....employers are however, encouraged to produce plans proportionate to the level of Gender Pay Gap within their respective organisations." We agree with NIC-ICTU that without guidance these action plans may just become a performative exercise and not result in any real change. Without the appropriate guidance there are real concerns about the usefulness of these plans and without guidance on the contents and format of any such plan it will be difficult to carry out any overall analysis of the effectiveness of this process.

Dr Lisa Wilson at NERI²³ also raises concerns on the involvement of trade unions in action plans: "A crucial omission in the current proposals is the lack of a specified role for trade unions and worker representatives in developing action plans. Trade unions have a proven track record of negotiating fair pay and career progression opportunities. Their involvement is essential to ensure that action plans are both practical and grounded in the realities of the workplace. Worker representation is key to ensuring that employers' proposed solutions are viable and meaningful."

We agree with the Women's Policy Group that in order to ensure that action plans are meaningful that assistance must be provided. As suggested by the Women's Policy Group a template could be provided to reduce any onerous burdens on employers, to ensure that action plans are meaningful and provide for analytical overview.

Monitoring:

In England, Scotland and Wales, enforcement powers fall within the remit of the Equality and Human Rights Commission (EHRC).

²³ <u>https://www.agendani.com/gender-pay-gap-reporting-in-northern-ireland-transparency-without-progress/</u>

Q13. In your opinion which body / organisation should be responsible for monitoring and enforcing the gender pay information that employers will be expected to calculate and publish, in Northern Ireland?

We agree with colleagues in the Women's Policy Group and NIC-ICTU that the Equality Commission for Northern Ireland (ECNI) should be responsible for monitoring the implementation of the legislation. We stress that ECNI must have proper enforcement powers in order to be able to ensure the effectiveness of the legislation and that they must be adequately resourced to do this work.

Implementation Costs

Q 14. If you are an employer, what is your assessment of the costs to your business of conducting gender pay analysis and publishing the information?

N/A – not an employer.

However, we are concerned about including this question in the consultation. As we have previously stated the goal of Gender Pay Gap reporting should be around the need to drive gender equality and effect cultural change not cost. It must be seen as a necessity regardless of employer's views on the matter. We again stress the need for employers to be given adequate support and guidance to be able to comply with the regulations.

Compliance:

The requirements for the information to be signed off and published by employers are intended to ensure reliability of, and accountability for, the data and to identify for the public record those employers who have complied.

Q 15. What sanctions, other than an offence, do you believe would be appropriate if an employer fails to comply with these regulations?

We believe that there must be sanctions for employers who fail to comply with these regulations. Implementing sanctions sends a message about the importance of the regulations and the overall commitment to furthering gender equality. However, any sanctions should be based on compliance with the regulations rather than punishment so that employers are supported to comply with the regulations and to take action to close gender pay gaps.

We support the proposals around sanctions suggested by NIC-ICTU that in the first instance of non-compliance that sanctions could involve formal warnings and mandatory participation in training/awareness programmes on pay equity which would help to educate and support employers to meet their obligations under the regulations.

Where non-compliance continues financial penalties should be introduced. As NIC-ICTU have suggested this should be scaled according to the turnover of the business to ensure that the penalty effectively acts as a deterrent to non-compliance and is not unnecessarily punitive for smaller organisations. We also support NIC-ICTU's suggestion that for persistent non-compliance additional measures such as public naming and shaming, suspension from public procurement opportunities or restrictions on accessing government grants/funding should also be considered.

We also support the Women's Policy Group suggestion that the ECNI could consider a 'Gender Equal Employers' accreditation to help raise awareness and encourage compliance with the regulations. The ECNI could also publicise the names of employers who fail to comply with the regulations.

Q 16. Is there anything else you would like to add?

We reiterate our support for the recommendations made by the Women's Policy Group and NIC-ICTU.

The Women's Policy Group recommend that Gender Pay Gap Reporting legislation should:

- Include financial penalties for employers who flout the law by failing to report.
- Require employers to provide a narrative as to how the gender pay gap has arisen and an action plan as to how they are going to tackle it.
- Require reporting for all employers of 10 or more employees.
- Require reporting on pay gaps on grounds of disability and race.
- Ban pay secrecy clauses in contracts so that workers can discuss pay.
- Require information for job evaluation for the purpose of establishing equal pay for equal work.

- Make all employers produce pay information (audits) and annual action plans on pay equality.
- Support unions to negotiate with employers to tackle the pay gap.
- Require job advertisements to include the pay scale.
- Prevent employers hiding behind privacy, data protection or administrative burden to avoid pay transparency.
- Ensure transparency for the whole pay package including benefits, bonuses, pensions, allowances etc.
- Impose sanctions on employers who do not take action.

NIC-ICTU recommend:

- At a minimum, the elements of the Gender Pay Transparency Directive must be transposed into NI Law by 2026, however, as detailed in our response, ICTU recommends that the NI Executive go further than the minimum set out in the Directive.
- ICTU recommends that the threshold for pay gap reporting is set at employers with 10 or more employees.
- ICTU recommends that small and medium sized employers are provided with appropriate support and guidance.
- ICTU recommends that monitoring and enforcement is done by the Equality Commission NI. We further recommend that the Commission is provided with the necessary resources and powers, should additional powers be necessary.

We also support the statements made by Dr Lisa Wilson at NERI that while employers play a vital role in addressing the Gender Pay Gap, Government must also play a proactive role by implementing policies that support gender equality in the workplace. In Sections 2.2 and 2.3 of our response we discuss the gendered issues that exist in the labour market that see women over represented in part-time, low-paid and insecure work and issues with low pay in Northern Ireland. In Section 2.6 we outline the issues around women and unpaid care with 60% of unpaid carers being women affecting their participation in the workforce. In Section 2.7 we discuss the need for a Gender Equality Strategy in Northern Ireland and raise concerns that this is not being prioritised by Government. All these issues show the importance of Government action in relation to gender equality. As Dr Lisa Wilson from NERI states: "The Government must play a proactive role by implementing policies that support gender equality in the workplace. These policies must tackle structural barriers, including unequal access to childcare, insufficient support for flexible working, and the overrepresentation of women in lower-paid sectors. Additionally, the Government must ensure that resources are available to support women's education and skills development, particularly in male-dominated industries where higher-paying jobs are concentrated.

Equally, the Government itself must set clear, measurable targets for reducing the gender pay gap. Without such targets, the initiative risks lacking the ambition needed to effect real change. Gender pay gap reporting is a useful tool for identifying disparities, but it must be part of a broader suite of policies aimed at addressing the systemic issues contributing to inequality.

A key aspect of this effort is the need for clear targets and timelines. Employers will need to be held accountable for their gender pay gap reports and the action plans they produce. However, accountability cannot stop with employers. The Government, too, must be held accountable for its role in providing the necessary infrastructure and support to reduce the gender pay gap. Only through a coordinated approach – one in which both employers and the state are responsible – can we hope to make meaningful progress."