

Ref. 22-3595

2 December 2022

**23<sup>rd</sup> MEETING OF THE EEA EFTA FORUM**

**EFTA House, Brussels**

**1-2 December 2022**

**Opinion on the Proposal for a Directive on Pay transparency to  
promote equal pay between men and women**

**Rapporteur: Kari-Anne Opsal**

The EEA EFTA Forum of Local and Regional Authorities:

A. Having regard to the European Commission's 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 (COM/2021/93 final);

B. Noting the role of the Forum as a body in the EFTA structure.

1. Highlights the fact that there are significant differences between European Economic Area Member States in terms of both the wage level and wage setting systems;

2. Notes that the systems used to set wages in Europe can be divided into two broad categories: statutory systems and collective bargaining systems where wages are determined through collective bargaining by social partners;

3. Agrees with the overall objective of strengthening the principle of equal pay between men and women;

4. Emphasises the importance of considering the collective bargaining autonomy of the collective bargaining parties, which is a prerequisite for building up an organised working life;

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## FORUM OF LOCAL AND REGIONAL AUTHORITIES OF THE EEA EFTA STATES

5. Points to the fact that autonomous negotiations between social partners have proven to be successful in ensuring the priorities and security of both employers and workers and in contributing to a flexible working market;
6. Stresses the need to consider the wage-setting mechanisms in collective agreements in countries such as Norway and Iceland when comparisons with other businesses and industries, and hypothetical comparisons, are made;
7. The most important reasons for wage differences in Norway and Iceland are the gender-segregated labour market and educational choice, not discrimination in working life;
8. Highlights that current legislation in Norway prohibits discriminatory practices based on gender;
9. Highlights that Iceland has developed an equal pay certification system and according to art. 7 of the Act on gender equality from 2020, all companies and institutions with 25 or more employees have to earn an Equal Pay Certification;
10. Notes that the reversed burden of proof in favour of employees and the general rule that the employer does not get to cover legal costs even if collective right of action has been granted to trade unions and equality organisations, can be demanding;
11. Stresses the need for the European Commission to identify measures that do not influence the autonomy of social partners in countries with well-functioning collective bargaining systems;
12. Believes the EU should aim at supporting the role of the social partners and the outcome of their decisions, and work to strengthen social partners and coverage of collective agreements, as the main tool to obtain equal pay between men and women;
13. Encourages further strengthening of social dialogue in the EEA and Norway Grants;
14. Notices that the draft directive is not marked as EEA relevant.