

## WTO Committee on Trade and Gender

Is mandatory regulation a key to gender equality in businesses?

The impact of Icelandic laws on gender quotas on company boards, the Equal Pay Certification, and other special measures.

Rósa Guðrún Erlingsdóttir



# Background information – Gender Equality in Iceland, 2020

Iceland has topped the Global Gender Gap for the last ten years.

79% of women active in the labour market.  
34% of women work part time.

Since 2000:  
Legislation on parental leave ensuring equal rights of mothers and fathers.

90% of Children aged 1–5 in day care. Municipalities pay 85% of costs.

Women make up two thirds of university students.

Gender quotas on public committees and companies boards.

Parliament:  
Women 38% (2017)  
Local governments  
44% (2018)

January 2018:  
Law requiring certification of equal pay

Unadjusted gender pay gap 17% (2016)  
Adjusted pay gap 4,8% (2008-2016)

Labour market highly segregated by gender.  
Inbalances in power in economic life.



## Vöskuðu sjálfir upp eftir sig



Kvenfélakið er sótuneyti Útvegubankans fór allt í hef-  
jann 24... svo karlmenirnir þvoðu diskana sína bara  
upp eftir. Hér sé til eins þann allra fjarlægasta.



Það var algeng sjón á föstudaginn  
að sjá fedur með börn sín á götum  
úti.

*„Women walked out –  
men needed to do the  
dishes.”*

*„Men accompanied by their  
children were a common  
sight in the public .”*



# Quotas on company boards

Icelandic financial crisis in 2008 the main force for changes in the economic sector

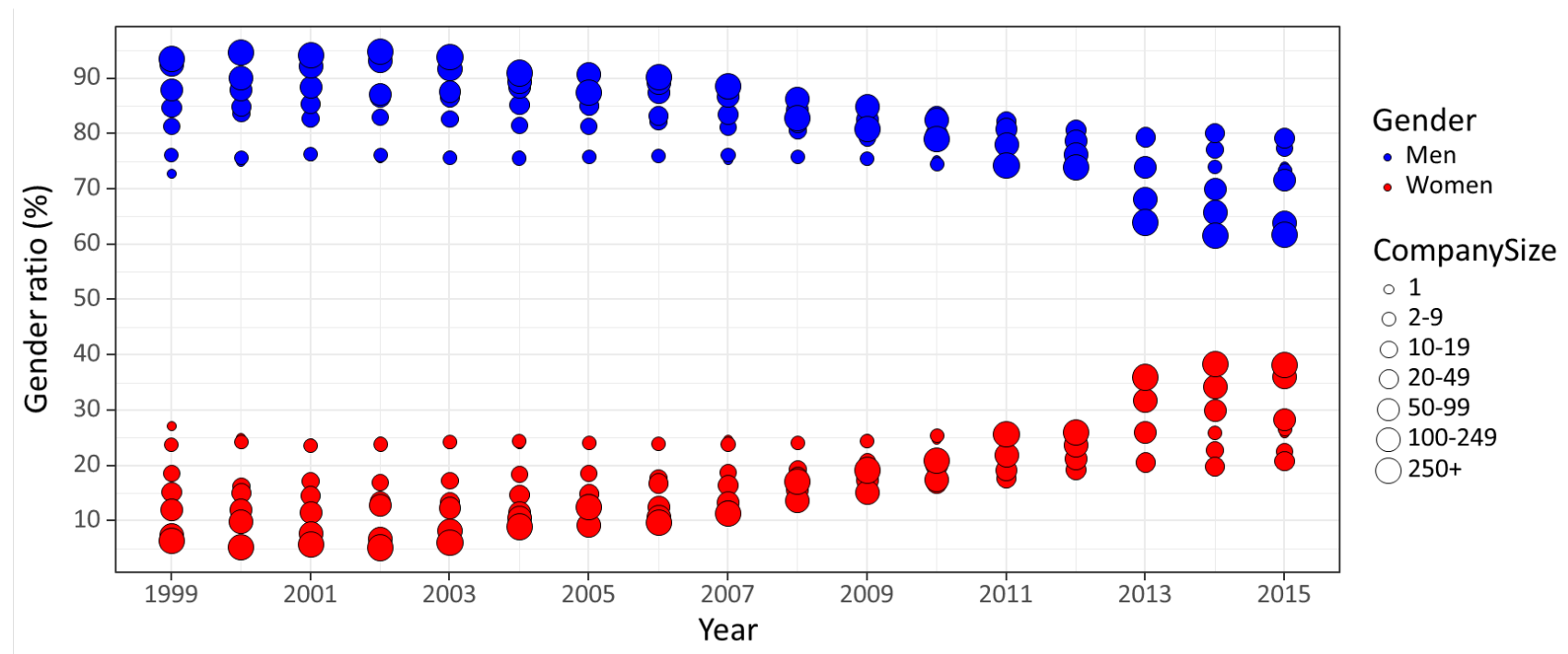
- The business life too male dominated
- Focus on different power relations between the genders

Key investments to achieve gender balance in leadership was the quota provisions 40/ 60 on corporate boards that came into force in 2013.



# Women and men in corporate boards

(source: Statistics Iceland, 2017)





## *Impact of the gender quota legislation*

- Increase in the number of women on company boards but no spill over effect
- More age distribution in the board rooms; younger women entering the board rooms
- More varied background of board members women with education in sociology, human resources as well as business and law
- Attitudes towards gender quota have become more positive according to research especially among older men and women
- Pension Funds have began advertising open board member positions
- Intensive seminars now offered by Universities and private enterprises on skills and necessary knowledge for board members



## *Impact of the gender quota legislation*

- Increased public discussion on:
  - Competence needed on company boards
  - Increased transparency and more professional board procedures
  - Recruitment processes which have until now taken place behind closed doors are expected to be more transparent and professional using selection committees
  - Diversity in the boardrooms acknowledged in public debate, by directors of companies and the media
- Many questions are still under consideration





## Equal pay certification law - Implementation in 4 steps

Obligatory equal pay certification is to be implemented in stages over a period of 4 years. Before 2020, 223 companies and institutions have to have an equal pay certification. Today, **89** companies and institutions have been certified.

1. **250+** employees / **December 31<sup>st</sup>, 2019** => 83 companies and institutions  
Governmental owned institutions with 25+ employees / **Dec 31<sup>st</sup> 2019** => 130 institutions
2. **150-249** employees / **December 31<sup>st</sup>, 2020** => 57
3. **90-149** employees / **December 31<sup>st</sup>, 2021** => 86
4. **25+** employees / **December 31<sup>st</sup>, 2022** => 800+

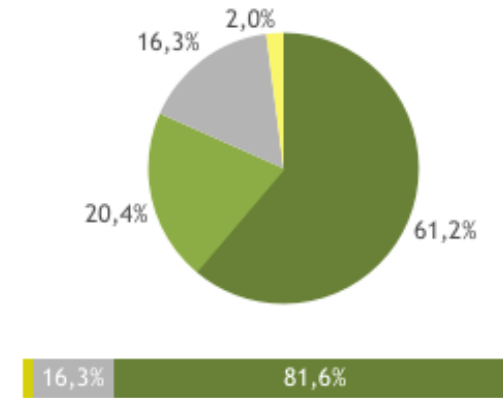
Around 1.200 employers with about 147 thousand employees  
(about 80% of Icelandic workforce)



## How content/discontent were you about implementing the standard?

1. ■ Very content
2. ■ Rather content
3. ■ Neutral
4. ■ Rather discontent
5. ■ Very discontent

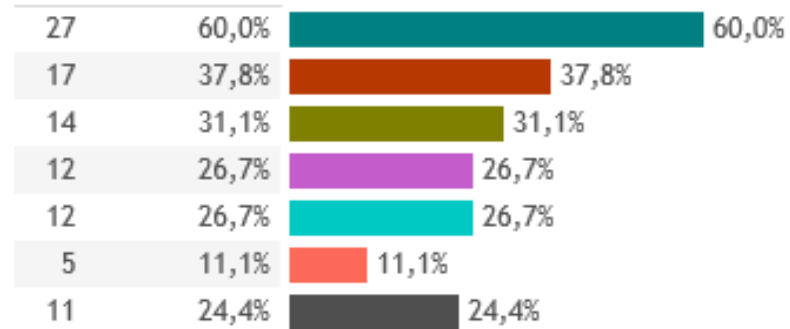
Fjöldi	%
30	61,2%
10	20,4%
8	16,3%
1	2,0%
49	100,0%
9	15,5%
58	100,0%



81% were content about implementing the standard!

## How were the outcomes of the pay analyze used to improve the EP system?

1. ■ Corrected too low salaries
2. ■ Improvements of the valuation system
3. ■ Salary system reviewed
4. ■ Change job titles
5. ■ Perks and bonuses reviewed
6. ■ Corrected too low salaries of groups
7. ■ Other – what?





## Other outcomes - Effects

➤64% of respondents felt that equal pay certification had a positive effect on job satisfaction, while 36% considered the certification to have no special effect.

➤75% of respondents felt that the introduction of the equal pay scheme would increase their visibility and efficiency.

➤One-third of respondents looked at more equality factors than was expected from the standard, e.g. number of women's administrators, appointment to boards and committees, gender ratio in job classification, retraining etc.

➤51% of respondents had not previously obtained management or quality standard certifications. And over 30% did not previously have any written procedures or quality system.

# The emotional scale of implementing changes for gender equality

