Equal pay for equal work or work of equal value: Swiss practices

Buenos Aires Declaration on Trade and Women's Economic Empowerment: Enhancing the Participation of Women Entrepreneurs and Traders in Government Procurement

Geneva, Switzerland

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1. Introduction
Gender pay gap in Switzerland
private and public sectors combined

Gender wage gap
Total, % of male median wage, 2012
Art. 8 Equality before the law

1. Everyone shall be equal before the law.

2. No one may be discriminated against, in particular on grounds of origin, race, gender, age, language, social position, way of life, religious, ideological, or political convictions, or because of a physical, mental or psychological disability.

3. Men and women shall have equal rights. The law shall ensure their equality, both in law and in practice, most particularly in the family, in education, and in the workplace. Men and women shall have the right to equal pay for work of equal value.

4. The law shall provide for the elimination of inequalities that affect persons with disabilities.
Art. 3 Prohibition of discrimination

1. Employees must not be discriminated against on the basis of their sex, whether directly or indirectly, including on the basis of their marital status, their family situation or, in the case of female employees, of pregnancy.

2. This prohibition applies in particular to hiring, allocation of duties, setting of working conditions, pay, basic and advanced training, promotion and dismissal.

3. Appropriate measures aimed at achieving true equality are not regarded as discriminatory.
Need of a practical tool

- **Autonomy**: Logib can be downloaded anonymously and free of charge (online tutorials, detailed instructions and a helpline are available);
- **Cost-efficiency**: Logib is based on Excel;
- **Feasibility**: only standard data needed, suitable for all businesses with at least 50 employees;
- **Reliability**: solid scientific method (OLS regression analysis);
- **Transparency**: the tool, all technical details about the method used and instructions are available in German, French, Italian and English;
- **Established international practice**: Germany, France, United Kingdom, Belgium, Netherlands, Luxemburg, Finland, Poland and Portugal made available a similar tool ([www.equal-pace.eu](http://www.equal-pace.eu)).

- [www.logib.ch](http://www.logib.ch)
2. Controls in relation with public procurements
Switzerland (central government):

- Companies involved: 30’000
- Financial volume: 5,6 (billion CHF)

Public procurement accounts for a large slice of economic activity in most OECD countries.
Equal pay in public procurements (1)

The Federal Government only gives its mandates for services provided in Switzerland to companies that respect the Federal Act on public procurement (including ILO Core Convention No. 100). This includes conditions of employment, working regulations as well as equal pay between women and men.

The aim of these safeguards is:

• to ensure social gains
• maintain industrial peace
• prevent undesired socio-political repercussions and
• distortion of competition.

Those who respect these safeguards should not be disadvantaged in comparison to those who do not. Distortion of competition to the disadvantage of employers who respect equal pay should thus be avoided.
• Mandatory above WTO-threshold

• Suppliers with **over 50 employees** each have to **provide the evidence** that they respect equal pay based on the federal standard analysis model

• The wage practice must be checked with wage data **not older than 36 months** calculated from the date of signing of the declaration

• The Logib tool (www.logib.ch) may be used for this. The Confederation provides a free helpline (0800 55 99 00) for queries in this respect.
### Declaration by the supplier

Data for the evidence can be copied directly from Logib

#### Conclusion

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<table>
<thead>
<tr>
<th></th>
<th>Standard regression</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women earn under otherwise the same conditions</td>
<td>3.3% less</td>
</tr>
<tr>
<td>The wage equality between men and women in the stricter</td>
<td>is not respected</td>
</tr>
<tr>
<td>The tolerance threshold of 5% applied within the scope of the procurement</td>
<td>is respected</td>
</tr>
</tbody>
</table>

#### Logib tool

- For company with 50 or less employees:
  - Wage data of the month:
    - All things being equal, women earn more \% less
  - The procurement tolerance threshold of 5%:
    - ☐ is respected
    - ☐ is not respected

- For company with more than 50 employees:
  - The wage practices were checked as follows:
    - ☐ Logib self-test (www.logib.ch)
    - ☐ Through an extern ( ).
    - ☐ State-controlled equal pay by
      - ☐ confederation
      - ☐ canton
      - ☐ city/commune

When the evidence is obtained with Logib (www.logib.ch) the data required below can be copied from the “Fazit” sheet (rtp_fazit). This serves as evidence.
Equal pay in public procurements (2)

Art. 8, para 1, c, Federal Act on Public Procurement (FAPP)
The following principles shall be respected in awarding public contracts:
c. Contracts shall only be awarded to suppliers that *guarantee equal treatment of men and women in respect of pay* for workers performing services in Switzerland.

Art. 6, para 4, Ordinance on Public Procurement
The *awarding authority may call for checks* in respect of equal treatment of women and men. The task of conducting such checks may be assigned to federal, cantonal or local authority gender equality offices.

- The *Federal Government can carry out controls* and delegate them in particular to the Federal Office for Gender Equality.
- *If wage discrimination* is identified in a company, the *tender can be revoked* or a penalty for breach of contract can be issued. Furthermore, *in the case of a future procurement, the company will only be taken into consideration if it can provide proof that equal pay is guaranteed.*
## Results of the achieved Controls since 2006

<table>
<thead>
<tr>
<th>Description</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of achieved controls</td>
<td>104</td>
</tr>
<tr>
<td>No systematic discrimination</td>
<td>45</td>
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<tr>
<td>(non significant gender coefficient)</td>
<td></td>
</tr>
<tr>
<td>Problems observed</td>
<td>44</td>
</tr>
<tr>
<td>(gender coefficient sign above 0 but not above 5%)</td>
<td></td>
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<tr>
<td>Violation of the conditions to participate in Federal public procurement</td>
<td>13</td>
</tr>
<tr>
<td>(gender coefficient significantly above 5%)</td>
<td></td>
</tr>
<tr>
<td>Other reasons</td>
<td>2</td>
</tr>
</tbody>
</table>
Of the businesses have already checked if their pay practice respect equal pay

- 34%

Of businesses which already checked their pay practice made corrections - mostly raised women's wages

- 50%

Of businesses believe that they already respect equal pay

- 77%
Thank you for your attention

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