Gender Pay Gap Law in France

Private sector's response

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Gender pay gap around the world

- 15.1% in upper-middle income countries
- 14.6% in low-income countries
- 9% in France

15.6% in the world

For each hour’s work, women receive less than men: 16.2% in high income countries and lower-middle income countries

Gender pay gaps using hourly wages (mean), 2018/2019

Source: Global Wage Report 2018/19, French Ministry of Labour
The French Gender Pay Gap Law was adopted on September 5th, 2018

The law entered into force on January 1st, 2019

Companies with at least 50 employees are now required to submit annual reports on gender pay gap and the actions taken to tackle it

Penalty (amounting to 1% of the company’s annual pay roll) applies following 3 years of consecutive non-compliance

Each company is benchmarked against 5 indicators

The law obliges companies of more than 1000 employees to publish their Index before March 1st, 2019, those of more than 250 employees to publish theirs by September 1st, 2019 and those of more than 50 employees to publish theirs by March 1st, 2020
French Gender Pay Gap Law in a nutshell

In order to be compliant with the law, companies must reach the score of at least 75 points.

*Four age groups have been defined
French Gender Pay Gap Law in a nutshell

- Measurement
- Publication of results
- Corrective measures within 3 years
- Fines of up to 1% of the annual pay roll
International context

- **France**
  - Very data-driven and quantitative
  - Fines up to 1% of the company's annual payroll

- **Germany**
  - Employees can request information on the salary of someone of opposite sex working on the same position

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International context

**United Kingdom**
- Companies required to publish their gender gross pay gap
- No penalties for non-compliance
- No requirement to redress pay gap

**Iceland**
- Companies required to provide data to an external auditor to demonstrate compliance with laws
- Re-certification required every 3 years
- Financial sanctions for non-compliance

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Capgemini vs some other CAC 40 companies as from March 2019 (score)

Source: https://www.franceinter.fr/economie/voici-la-liste-des-entreprises-dont-on-a-reussi-a-retrouver-l-index-d-egalite-femmes-hommes
Interim results as of September 13, 2019 for companies of more than 1000 employees.

- **1240** companies required to calculate their score and publish it.
- **99%** companies which have fulfilled their obligation.
- **18%** average score for companies which reached a score less than 75.
- **50%** companies which have at least one woman among top paid salaries.

Source: French Ministry of Labour
Interim results as of September 13, 2019 for companies of more than 250 employees.

- 5200 companies required to calculate their score and publish it.
- 68% of companies which have fulfilled their obligation.
- 16% of companies which reached a score less than 75.
- 40% of companies which have at least one woman among top paid salaries.

Source: French Ministry of Labour.
How did the private sector contribute to the new law?

- The objective was to find a unique « one-size-fits-all » methodology
- Multiple consultations
- No disaggregation by sector or size of company
Advantages

- Objective, simple and easy criteria to measure
- Enforceable financial sanctions likely to enhance compliance
- Realistic timeline (3 years) to allow companies to comply
- Government's form easy to access and support to companies to calculate the Index
Challenges

- No full transparency
- No reference to employees' perceptions, but focus only on measurable data
- Additional cost?
- Additional administrative burden?