



# Position Paper

## Social Partner Consultation on Pay Transparency

28 May 2020

The Confederation of European Security Services (CoESS) is committed to fighting gender discrimination in cooperation with members, trade unions, EU institutions, and other relevant stakeholders. In this regard, we welcome a number of initiatives announced in the [Gender Equality Strategy 2020-2025](#), such as the promotion of women in education policies through the Skills Agenda for Europe; EU-funding for accessible and qualitative care services; and an EU campaign combating gender stereotypes.

In the EU-funded project [“Anticipating Change in the Private Security Industry”](#), CoESS and its social partner UNI Europa concluded that improving attraction to and retention of women in our sector is essential. CoESS believes that fighting pay discrimination is the basis of this effort. It is logic and necessary that collective agreements and national law guarantee that men and women, who carry out the same work with the same performance and qualification, are paid equally. Policymakers and social partners have to jointly fight any kind of discrimination in remuneration, and companies must eliminate any direct or indirect discrimination. If salary differences between people in the same job exist, they must be based on objective facts, such as performance, experience and/or qualification.

CoESS calls on policymakers to acknowledge that fair wages can most effectively be achieved by collective bargaining, including fit-for-purpose pay transparency measures established by sectoral social partners and on company-level. We however believe that the gender pay gap is mostly conditioned outside the workplace. In addition to overall performance, individual pay is often related to factors such as qualifications, seniority, work patterns, and working time, which, unfortunately, all tend to favour men. What is needed is a mindshift that confronts stereotypes, but women also require better career orientation, education, positions of greater responsibility and social support.

The European Commission announced in its [Gender Equality Strategy 2020-2025](#) that it shall table new binding measures on pay transparency in 2020. The [Evaluation of Directive 2006/54/EC \(SWD \(2020\) 50\)](#), published the same day, however states that [Council Recommendation 2014/1405](#) “triggered some Member States to adopt or amend legislation on pay transparency”, and that “it is too soon to assess their high-level impacts” (see page 65). CoESS stresses that new measures would not only be premature at EU-level, but should in any case only be taken at national level and by sectoral social partners in order to do justice to national, industry- and company-specific peculiarities.

## Respect of Social Partner Autonomy

Collective agreements are the best way to guarantee fair wages, and sectoral social partners are best placed to guarantee fit-for-purpose pay transparency measures. The latter must be adapted to the important differences between sectors and companies in terms of gender representation, benefit margins, work patterns, tasks and time, if they shall be relevant, effective and of value. It is therefore crucial that both national and EU pay transparency measures fully respect social partner autonomy and do not overrule collective agreements.

CoESS adds that, especially in times of labour shortage, individual pay is an instrument of competition for qualified workforce. Binding pay transparency measures, which ignore sectoral specificities, may make it burdensome for employers to apply performance incentives or bonuses on specific qualifications. Employees may not be rewarded anymore for own performance, long-term engagement for the company or past investments in education and upskilling. The result can be lower wage growth, undermining the competitiveness of European businesses in times of labour shortage. SWD (2020) 50 confirms that employers' freedom to negotiate wages might be limited, and that equal pay measures can limit employees' wage bargaining power - a finding that CoESS does not consider as negligible.

## Pay Transparency and Challenges for Businesses

CoESS is concerned that binding transparency measures that go beyond average, annual gross salaries by employee categories can be in conflict with GDPR. When an employer assigns employees to a pay comparison group, based on the comparability of work assignments, conditions and qualifications, differences of remuneration within that group can be based on individual data such as an employee's trainings and diploma; professional experience and attained performance objectives; seniority; work patterns and times; or special qualifications. Respectively, high-qualified and/or well-performing workers may receive benefits. Disclosure of such data can be in conflict with the protection of personal data, as defined in GDPR, if they can be traced back to one employee. Employees may also object to consent to the disclosure of pay information. The disclosure of benefits must, as a consequence, be out of scope of binding pay transparency measures in order to avoid legal uncertainty.

In addition, disclosure of individual pay data can lead to conflicts among employees. CoESS believes that clear and transparent salary structures support job satisfaction, but many employees will consider pay and additional benefits as a confidential matter that is protected by data protection law and/or the contractual relationship with the employer. The disclosure of such data can lead to a lack of understanding among staff and dissatisfaction among those who earn less, even if there are understandable, objective, criteria that define benefits - a risk that is confirmed by SWD (2020) 50.

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CoESS further clarifies that employers can only conduct pay reports and audits based on comparison groups, when this is possible in practice. In order to have a meaningful comparison group, a company must identify at least three comparable employees in terms of mission, qualification, work patterns and working time (“work of equal value”), in order to have sufficient data and to make it impossible to access the individual salaries of colleagues. For companies of any size, it can be complicated to determine meaningful comparison groups, as tasks and work patterns become increasingly individual and staff turnover varies in certain sectors. It is therefore important that sectoral social partners address this matter for the sake of relevance.

## Conclusion

CoESS highlights that the European Commission states in its Work Programme 2020 that the “One-in One-out” approach ensures that “newly introduced administrative burdens are offset by relieving people and businesses of equivalent administrative costs” at EU-level. CoESS stresses that this principle has to be taken into account when considering any additional measures. CoESS describes a number of risks and burdens that companies may face due to additional pay transparency measures at EU-level, and believes possible benefits do not outweigh negative impacts. In our sector, members report that pay discrimination is not raised as a problem and that transparency is already guaranteed by collective agreements or national law.

CoESS therefore opposes any additional, binding, pay transparency measures at EU-level that lead to the disclosure of individual pay, introduce requirements for employers that do not fit to business reality, challenge social partner autonomy, and overrule existing sectoral collective agreements. We call instead on the European Commission to support a better enforcement of existing law through the European Semester process - in addition to many initiatives announced in the [Gender Equality Strategy 2020-2025](#) that support better educational opportunities for women, accessible and qualitative social care, and, most importantly, fighting gender stereotypes.

## About CoESS

CoESS acts as the voice of the private security industry, covering 23 countries in Europe, representing 2 million guards and over 45,000 companies. The private security services provide a wide range of services, both for private and public clients, ranging from Critical Infrastructure facilities to public spaces and government buildings. This position paper accompanies CoESS’ official participation in the European Commission’s targeted social partner consultation on pay transparency. For any further information or questions, please get in touch with Alexander Frank at [alexander@coess.eu](mailto:alexander@coess.eu).