This analysis argues that the publication of gender pay gap data in the UK has

- Been a success in terms of compliance.
- Mobilised interest and pressure from the media as well as at grassroots level.
- Needs sustained support to achieve change over the long term.

1. Gender pay data and transparency

1.1. Gender pay gap data is a kind of ‘targeted transparency’, a type of disclosure policy designed to change behaviour in a specific area by creating greater openness and public understanding of an issue.

1.2. Generally, the impact of transparency policies, from publication to behaviour change or reform, can be uncertain. Any data published must be understood, interpreted and made to form or fit a narrative. Frequently, transparency disclosures also need to work with a set of accountability or engagement mechanisms to make change happen, and to convert information into political action. Famous ‘exposes’ such as the MPs’ Expenses scandal in 2009 or WikiLeaks in 2010 led to unpredictable and no change respectively. Disclosures are heavily reliant on the context and pressure that results from them. Openness policies can sometimes symbolic rather than real, intended to send ‘signals’ rather than bring concrete change.

1.3. On a practical level, much may depend on how the data is published and who accesses or uses it: as Jeni Tennison argued, pay data must be ‘analysed, visualised, monitored, compared and reused’. Understanding and measuring gender inequality is highly complex and is itself a ‘moving target’. The problem of pay inequality is caught within wider issues of gender representation and power in public life. There is a long distance between publishing data on the gender pay problem and, in David Cameron’s phrase, ‘eradicating’ it.

2. How the policy has worked so far: compliance

2.1. Compliance with the law has been high, despite predictions of non-cooperation (including my own). Initially many businesses appeared to be ignoring the law. An email from the GEO from July 2017 informed me that only 26 companies had complied and, according to data.gov.uk, only 40 had done so a month later. As of March 2018, this figure rose to...
1,691 companies reporting (or 24% of estimated companies, though the FT put it lower at 1,442 with five out of every six not reporting). In the last few months and weeks before the April 2018 deadline there was a sharp increase in companies complying. As of April more than 10,000 companies had reported, with GOV.UK site recording 10,568 company reports with only 1,500 not doing so.6

2.2. This burst of late compliance appeared to stem from a series of pressures from above and below. Speeches and comments from government ministers, as well as four formal letters and the threat of sanctions, joined with support from high profile MPs and sustained media activity. The Guardian ran a series of ‘what we learned this week’ pieces on gender pay in March and April 2018. Perhaps as importantly, gender pay data was covered and discussed in a range of sector specific publications, from the film industry to architecture. Coverage highlighted poorly but also well performing businesses.

2.3. There was also growing grassroots pressure across social media, civil society and activist networks. This included the #paymetoo campaign, launched by a cross-party group of MPs, as well as Lean-In activities and business level surveys.7 Employers were encouraged to make pledges on equal pay while individuals were advised to have ‘conversations’ with employees and colleagues.8

2.4. What is not clear is whether business were co-operating out of pressure, fear of being shamed for non-compliance or, perhaps, by the hope that, by publishing at the last minute, any negative coverage of their gaps would be ‘lost’ amid the sheer numbers.

3. Sustaining Gender Pay Data

3.1 The big question is how interest and pressure around gender pay data can be sustained over the long term to bring about change.

3.2 One issue is of data quality and numbers. Some firms submitted ‘questionable’ or ‘mathematically impossible’ data and there was even surprise at how many companies and bodies reported—it was estimated there were only 7,000 bodies with 250 or more employees but more 10,000 have now reported. Such baseline and background data needs to be verified and systematised to make analysis and comparison easier and more robust.9

3.3. A second issue is of reach and scope. The government calculated that the pay gap reporting would cover 34% of businesses with a further 12% covered by regulations for public bodies, meaning ‘approximately 8,500 employers, with over 15 million employees’ would be opened up10. The Women and Equalities Select Committee argued that the data needed to be broken down by age and status, and applied to companies with less than 100 employees-moving to 50 in the next two years.

3.4. A third problem, and the fundamental one, is how any resulting behaviour change is sustained. The danger is that the drivers of gender pay gaps are deep rooted, cultural and based on specific entrenched attitudes. There is, for instance, a clear problem of denial and

---

a lack of a sense that pay gaps are an important issue. A YouGov survey showed that ‘almost four in five business financial decision makers surveyed believe there is a gender pay-gap in UK companies – but only one in five say it exists in their own company’. More worryingly ‘almost a third did not see it as an issue’.

3.5. Countries around the world have tried different types of sanctions from letter writing and potential legal action from the Equalities and Human Rights Commission (in the UK) to potentially making firms with high gaps ineligible for government procurement (in Australia) to making pay gaps illegal (as recently happened in Iceland).

3.6. To support the legal sanctions, publicity and pressure may help drive the narrative and keep the issue on the agenda. This is helped by the fact that the public support the publication of pay data, though they are a little unclear as to its exact meaning. Other transparency policies, such as FOI, have benefited from a mixture of continued, high profile interventions by senior politicians, strong media support and innovative use.

3.7. In terms of behaviour change, it is hoped that disclosure and wide spread knowledge of a particular company’s gaps will embarrass companies into change (or, to a lesser extent, reinforce the good behaviour of those praised). Former Equalities Minister Justine Greening argued that ‘the worst sanction for companies is going to be reputational’. This is supported by polling that found ‘a majority (53%) [of the public] say their perception of a company would get worse if it is shown to have a wide differences in how much they pay different genders’. A survey of 100 businesses in 2017 also found ‘84 per cent of respondents believed the gender pay gap would damage the reputation of organisations’.

3.8. To be effective, targeted transparency systems need to find simple ways to act as a reputational marker-as with, for example, food labels or voting record websites. One successful example of using publicity in a ‘reputational’ way is the ‘Scores on the Doors’ restaurant hygiene rating system (currently voluntary in England but mandatory in Wales and Northern Ireland). A badge, displayed outside a restaurant, tells customer of its hygiene rating awarded through a simple five star system. So far, the scheme has encouraged improved hygiene and customer awareness, though the latter is variable and higher where displaying of ratings is mandatory. As with other disclosure policies, raising public awareness is key to encouraging both consumers and, consequently, businesses, to act.

27 April 2018