Original Research Article

Pay Transparency and the Gender Wage Gap in Germany: A Quasi-Experimental Assessment

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ABSTRACT

This paper examines the impact of Germany's 2017 Pay Transparency Law, Entgelttransparenzgesetz, on gender wage inequality. Using a quasi-experimental design and two complementary approaches, Difference-in-Differences (DID) and Synthetic Difference-in-Differences (SDID), the paper assesses whether the reform produced measurable changes in the gender wage gap relative to comparable Organization for Economic Co-operation and Development (OECD) countries. The analysis finds a modest but statistically robust narrowing of the unadjusted wage gap, suggesting that transparency can influence wage-setting behavior by reducing informational asymmetries and strengthening workers' bargaining power. While the effect is limited in scale, Germany's experience shows that transparency policies can make wage disparities more contestable and contribute to incremental progress in pay equity. At the same time, the findings underline that transparency alone is insufficient to close structural inequalities, highlighting the need for complementary measures such as enforcement mechanisms and equity audits. Taken together, the study offers evidence that transparency is neither symbolic nor transformative in isolation, but when properly designed, it can serve as an effective lever for advancing gender wage equality.

Keywords: Pay Transparency Law; Gender Wage Gap; Wage Inequality; Difference-in-Differences; Synthetic Difference-in-Differences; Germany; Wage Transparency Policy

INTRODUCTION

Gender-based wage inequality remains a persistent feature of advanced labor markets, despite decades of legislation aimed at promoting equal pay. Across the European Union and the Organization for Economic Co-operation and Development (OECD), women continue to earn significantly less than men on average, a pattern linked to occupational segregation, part-time concentration, sectoral sorting, and limited access to information about remuneration (1, 2). These structural features interact with informational asymmetries that affect how workers negotiate, how firms justify wage offers, and how discrimination can persist in equilibrium. Search and bargaining models highlight that when employees lack reliable wage comparisons, they face a weaker reservation position, and firms face fewer constraints on maintaining pay differentials that are unrelated to productivity (3).

Because of this, transparency has gained attention as an institutional mechanism designed to influence wage setting not through mandates or redistribution, but through improved information. By allowing employees to benchmark their pay against colleagues and by obliging

firms to articulate criteria for remuneration, transparency can alter expectations on both sides of the labor market. Theory suggests that enhanced information may reduce unexplained wage dispersion, increase internal equity pressures, and heighten reputational and legal risks for firms that maintain unjustified differentials. At the same time, transparency may prompt anticipatory employer responses such as wage compression or adjustments in hiring and promotion policies, which means that its aggregate effects are not predetermined and must be established empirically (4).

Germany provides a relevant setting for such an assessment. Prior to 2017, Germany exhibited one of the widest unadjusted gender wage gaps in the European Union and the OECD (2). To address this, the federal government enacted Entgelttransparenzgesetz, which came into force in 2017. The law introduced a statutory right for employees in large establishments to request information on pay criteria and median earnings by gender and required firms exceeding 500 employees to prepare regular reports on equality measures (5). These provisions sought to increase the visibility of wage structures and to strengthen employees' ability to challenge unjustified disparities. Importantly for empirical work, Germany did not implement any other major transparency reforms between 2012 and 2022, which creates a clear policy intervention suitable for quasi-experimental analysis (16).

Despite significant policy interest, the aggregate impact of Germany's reform remains uncertain. Existing evaluations often rely on microdata, examine only specific firms or sectors, or measure perceptions rather than outcomes. These approaches offer valuable insights but do not construct a macro-level counterfactual that can separate the effect of the 2017 law from broader institutional, demographic, or cyclical movements in the gender wage gap. As a result, there is limited evidence on whether transparency reshaped the observed wage gap at the national level, or whether its influence has been muted by design thresholds, enforcement limitations, or structural composition effects (6, 7).

This study addresses that gap by examining whether Germany's 2017 Pay Transparency Law produced a measurable change in the unadjusted gender wage gap relative to similar OECD economies. Using annual data from 2012 to 2022, the analysis employs two complementary quasi-experimental methods: Difference-in-Differences (DID), which compares pre- and post-reform trends across countries (9), and Synthetic Difference-in-Differences (SDID), which constructs

weighted counterfactuals to match Germany's pre-intervention trajectory more closely (13). Together, these methods provide an aggregate assessment of whether transparency, as an information-based intervention, altered the observed wage distribution. The goal is not to explain all determinants of the wage gap, but to identify the extent to which a policy that increases access to wage information contributed to measurable shifts in aggregate earnings inequality.

METHODS AND MATERIALS

Data and Outcome Variable

The analysis uses annual country-level data from Eurostat's Structure of Earnings Survey (SES) and OECD Labor Force Statistics for the period 2012–2022. The dependent variable is the unadjusted gender wage gap, defined as the percentage difference between average male and female earnings, expressed as a share of male earnings. This measure reflects the observed aggregate disparity in wages across the labor market and aligns with the policy target of pay-transparency legislation.

Differences-in-Differences

Empirical Strategy

This study examines the causal effect of Germany's Entgelttransparenzgesetz, enacted in July 2017, on the gender wage gap using a DID design with two-way fixed effects. The approach compares changes in Germany's wage gap before and after the reform with changes in a set of OECD countries that did not implement comparable transparency legislation during the same period (9, 10).

The identification strategy relies on the parallel trends assumption, which requires that in the absence of the reform Germany would have followed a trajectory similar to the control group. The control countries Finland, Denmark, the Netherlands, and Austria were selected because they had no major transparency reforms between 2012 and 2022 and displayed similar pre-reform wage-gap patterns. Using multiple controls reduces sensitivity to country-specific shocks and provides a stable counterfactual (11).

Baseline Model

$$Gap_{it} = \alpha + \beta DID_{it} + X_{it}\,\gamma' + \mu_i + \lambda_t + \varepsilon_{it} \qquad \text{(Eq. 1)}$$

Where Gap_{it} denotes the gender wage gap in country i and year t. The variable DID_{it} is the interaction term

defined as $Treatment_i \times Post_t$, where $Treatment_i = 1$ for Germany and 0 for all other countries, and $Post_t = 1$ for years $t \geq 2018$. The vector X_{it} includes time-varying covariates including GDP per capita, unemployment, and female labor-force participation rates. Country fixed effects μ_i absorb time-invariant differences across units, while year fixed effects λ capture shocks common to all countries. The error term is denoted ε_{it}.

The coefficient β represents the Average Treatment Effect on the treated (ATT), that is, the change in Germany's gender wage gap relative to the control group following the introduction of the 2017 law. The estimation of Equation (1) uses a balanced panel of Germany and the four comparison countries, with standard errors clustered at the country's level to account for within-country serial correlation (12).

Control Group Design

Germany is the treated unit because the 2017 Pay Transparency Act was its only major wage-transparency intervention during the study period (16). The control group consists of Finland, Denmark, the Netherlands, and Austria, which introduced no comparable transparency reforms in 2012–2022 and therefore serve as suitable units for the DID parallel-trends requirement (12).

Control Variables and Justification

The empirical models include a set of time-varying covariates to account for observable factors that may influence cross-country movements in the unadjusted gender wage gap during the study period. These controls are included to reduce omitted-variable bias and to ensure that the estimated treatment effect is not confounded by concurrent macroeconomic or labor-market developments unrelated to the 2017 reform.

Labor-force composition is captured using four indicators: the female share of the labor force, the female unemployment rate, the share of women in part-time employment, and the female tertiary education share. These variables summarize broad demographic and employment-pattern shifts that may affect average earnings at the country-year level. GDP per capita in purchasing-power standards (PPS) is included as a macroeconomic control to account for changes in national income and wage levels that evolve independently of policy.

The specification also incorporates the public and private sector employment shares, since wage-setting arrangements differ across these sectors and changes in their relative size can influence aggregate wage

distributions. To capture sectoral composition, the models include average wage indices for manufacturing and transport. These industries are selected because they account for a large share of employment across the sample countries and exhibit systematic differences in wage structures. Including these indicators allows the model to absorb broad shifts in sectoral wage patterns that could otherwise correlate with treatment timing.

All covariates are harmonized at the country-year level. Data for the dependent variable and sectoral wage indicators come from Eurostat's Structure of Earnings Survey and the OECD Earnings by Industry database (17, 18). Labor-force composition measures and macroeconomic indicators are taken from Eurostat National Accounts and OECD Labor Force Statistics (19). All datasets use consistent definitions across countries and years, allowing the construction of a balanced panel suitable for two-way fixed-effects estimation.

Synthetic Differences-in-Differences

The DID framework relies on the parallel-trends assumption, which may be difficult to verify in settings where the treated unit displays outcome dynamics that are similar, but not identical, to those of the control group. To address this concern and to strengthen causal identification, this study complements the two-way fixed effects DID estimates with the SDID estimator. SDID constructs a data-driven counterfactual by assigning weights to the control countries and to the pre-treatment years so that the weighted control trajectory aligns closely with Germany's pre-2017 wage-gap path (13, 15). This approach reduces reliance on the assumption that all control units follow the same underlying trend as the treated unit.

SDID is well suited to the structure of this application for two reasons. First, cross-country wage-gap series often evolve under latent influences such as demographic pressures, institutional conditions, and gradual labor-market adjustments. These patterns can generate small but meaningful differences in trend shapes, which SDID is designed to accommodate by matching the observed pre-reform path more flexibly than standard DID. Second, the policy intervention affects only one treated unit, Germany, which aligns with the intended use of SDID in settings where treatment occurs at a single unit and at a single point in time.

The estimator therefore serves as a robustness check on the baseline DID results by providing an alternative counterfactual grounded in actual pre-treatment outcome paths rather than imposed functional assumptions.

Agreement between the DID and SDID estimates increases confidence that the observed post-2017 change in Germany's wage gap is not an artefact of model specification but reflects a shift unlikely to be reproduced by the weighted combination of control units.

This paper complements SDID with a traditional two-way fixed effects DID model, including both unit and time fixed effects, to assess the sensitivity of results. Consistency between DID and SDID estimates strengthens confidence in causal inference. Notably, SDID often produces larger standard errors than DID due to the additional layer of weight estimation, reflecting the method's conservative acknowledgment of uncertainty.

RESULTS

Results of Differences-in-Differences

The validity of the DID design requires that, in the absence of treatment, Germany would have followed a trend similar to the control countries. Figure 1 shows that before the 2018 reform, the gender wage gap declined gradually across all five countries. Between 2012 and 2017, Germany's reduction from approximately 23 percent to 20 percent aligns with the declines observed in Austria, Finland, Denmark, and the Netherlands. The slope of Germany's decline is comparable to that of the control group, indicating shared underlying influences

such as European Union wide equality initiatives or structural labor-market changes. This pattern supports the assumption that, without the transparency reform, Germany's wage-gap trajectory would likely have continued to track that of the comparator countries. After 2018, Germany's gap declines more sharply than those of the controls, which is consistent with a policy-induced effect rather than unrelated shocks.

Table 1 reports the DID estimates of the effect of Germany's 2017 Pay Transparency Law on the gender wage gap between 2012 and 2022. The table presents coefficients from five model specifications estimated using two-way fixed-effects regressions. All models include country and year fixed effects, with standard errors clustered at the country level. The estimation sample covers Germany and its OECD comparison group and uses a balanced panel of 50 country-year observations.

In Model 1, which includes only fixed effects, the treatment coefficient indicates that the policy reduced the gender wage gap by 1.59 percentage points (SE = 0.37, $p < 0.01$) relative to the pre-treatment average gap in Germany. Models 2 and 3 introduce additional controls for labor composition (female participation, education, unemployment, and part-time shares) and macroeconomic conditions (GDP per capita in purchasing-power standards). The estimated coefficients
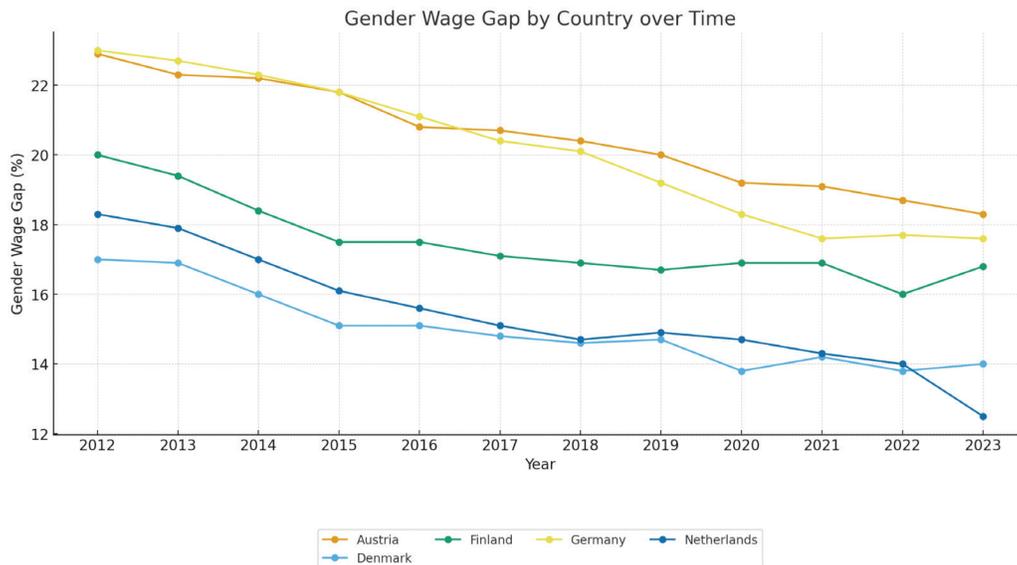

Figure 1. Trends in the unadjusted gender wage gap (%) in Germany and selected OECD control countries from 2012-2023. The vertical line marks the implementation of Germany's 2017 Pay Transparency Law. Pre-reform trends are broadly parallel across countries, while Germany exhibits a sharper decline in the post-reform period. Data Source: Eurostat Structure of Earnings Survey and OECD Labor Force Statistics.

Table 1. Difference-in-Differences (DID) estimates of the effect of Germany's 2017 Pay Transparency Law on the unadjusted gender wage gap, 2012–2022. Each column reports a two-way fixed-effects regression with country and year fixed effects, progressively adding labor-market, macroeconomic, ownership, and sectoral controls. Standard errors are clustered at the country's level.

*Notes: The dependent variable is the unadjusted gender wage gap, defined as the percentage difference between average male and female earnings. Treatment equals 1 for Germany and 0 for control countries; Post equals 1 for years 2018–2022. Significance levels: * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$. Data Source: Eurostat and OECD data.*

Variable	(1) Baseline	(2) + Labor	(3) + Macro	(4) + Ownership	(5) + Sector
Treatment Effect (DID)					
Treatment (DID)	-1.589** (0.369)	-1.502** (0.470)	-1.385** (0.408)	-0.817*** (0.169)	-1.059*** (0.175)
Labor Market Controls					
Women in labor force (%)	—	-0.509* (0.452)	-0.145 (0.438)	-0.482* (0.341)	-0.485 (0.303)
Female tertiary education (%)	—	-0.167 (0.061)	-0.168** (0.053)	-0.051 (0.071)	0.005 (0.109)
Female unemployment rate (%)	—	-0.180 (0.263)	-0.054 (0.200)	-0.096 (0.165)	0.044 (0.136)
Female part-time share (%)	—	-0.010 (0.013)	-0.001 (0.017)	-0.029 (0.018)	0.001 (0.028)
Macroeconomic Controls					
GDP per capita (PPS)	—	—	0.059* (0.022)	—	—
Ownership Structure					
Private sector share (%)	—	—	—	0.443*** (0.081)	—
Public sector share (%)	—	—	—	0.162 (0.105)	—
Sectoral Wage Indices					
Manufacturing average wage	—	—	—	—	-0.499** (0.112)
Transport average wage	—	—	—	—	-0.185*** (0.022)
Summary Statistics					
Observations	50	50	50	50	50
Countries	5	5	5	5	5
R²	0.949	0.955	0.957	0.966	0.956
RMSE	0.57	0.54	0.53	0.49	0.41

remain negative and highly similar in magnitude (−1.50 pp and −1.39 pp, respectively). The consistency of these estimates suggests that the baseline result is not driven by differences in labor-force characteristics or overall economic performance.

Models 4 and 5 incorporate variables that are plausibly themselves affected by the policy, such as public–private employment shares and sectoral wage levels in manufacturing and transport. These specifications intentionally "close" potential channels through which transparency might operate, including sectoral reallocation or differential bargaining in high-wage industries. As expected, the treatment coefficients attenuate somewhat (−0.82 pp and −1.06 pp, respectively), but remain statistically significant at the 1 percent level.

The stability of the estimates even under these more saturated models strengthens the case that the observed effect is robust.

Across specifications, explanatory power is high (R² = 0.95–0.97), and model precision improves as additional covariates are added, with RMSE declining from 0.57 to 0.41. This pattern provides reassurance that the results are not highly sensitive to noise or omitted-variable bias within the limits of the available data.

Results of Synthetic Differences-in-Differences (SDID)

Table 2 presents the SDID estimate of the ATT for Germany. The estimator uses Germany as the single treated unit and four OECD countries as donors, with the pre-treatment period defined as 2014–2017 and the

Table 2. Synthetic Difference-in-Differences (SDID) estimates of the Average Treatment Effect on the Treated (ATT) for Germany's unadjusted gender wage gap, 2012–2022. The table reports the point estimate, placebo-based standard errors, and 95% confidence intervals using Germany as the treated unit and four OECD countries as donors. Data Source: Author's calculations using Eurostat Structure of Earnings Survey and OECD Labor Force Statistics.

Estimator	Point Estimate	Std Error	CI95 Lower	CI95 Upper	Treated Units	Control Units	Pre Periods	Post Periods	SE Method
SDID ATT	-1.514	0.594	-2.678	-0.349	1	4	6	5	placebo

post-treatment period as 2018–2022. The estimated ATT is −1.51 percentage points (SE = 0.59), with a 95 percent confidence interval of −2.68 to −0.35. This effect is statistically significant at the 5 percent level. The placebo-based standard error procedure indicates that the estimate is unlikely to be driven by unusual movements in any single control unit.

DISCUSSION

Differences-in-Differences

The DID estimates provide statistically robust evidence that Germany's 2017 Pay Transparency Law contributed to a measurable contraction of the unadjusted gender wage gap. Across specifications, the estimated treatment effect lies between 0.8 and 1.6 percentage points, with the preferred baseline estimate of −1.59 percentage points. Relative to Germany's pre-reform average gap of approximately 20 percent, this represents a reduction of roughly eight percent. In concrete terms, if the average male employee earned €3,500 per month, the implied treatment effect corresponds to an increase of approximately €28–56 per month for the average female employee compared with the counterfactual trajectory absent the reform. While modest in absolute magnitude, such an adjustment is economically meaningful given the documented persistence of gender wage inequality in Germany.

The stability of the estimates across model specifications strengthens confidence in their interpretation. When labor-composition variables are included in Model 2, the point estimate remains virtually unchanged (−1.50 pp), indicating that the result is not driven by shifts in female participation, educational attainment, unemployment patterns, or part-time intensity. Introducing macroeconomic controls in Model 3 likewise leaves the magnitude of the treatment effect largely intact (−1.39 pp), suggesting that contemporaneous economic conditions do not explain the observed decline. This pattern is consistent with an interpretation in which the transparency law, rather than cyclical or demographic variation, accounts for the estimated change.

Models 4 and 5 incorporate variables that are plausibly post-treatment, including public/private employment shares and sector-specific wage levels. These controls capture channels through which transparency may operate, such as adjustments in wage-setting practices within high-wage industries or changes in female labor-force attachment following disclosure of internal wage disparities. The attenuation of the treatment coefficient to −0.82 to −1.06 pp therefore reflects the deliberate narrowing of mechanisms available for estimation. The persistence of statistical significance even under these restrictive specifications reinforces the robustness of the core finding.

Taken together, the DID estimates indicate that the reform meaningfully narrowed the observed wage gap without introducing substantial distortions to employment composition or aggregate wage structures. At the same time, the magnitude of the effect underscores the structural resilience of gender inequality in pay. Transparency addresses informational asymmetries, yet it does not independently overturn occupational segregation, differential promotion pathways, or sectoral sorting patterns that account for much of the persistent disparity. As such, transparency functions as a modest corrective within a wider institutional environment rather than a transformative instrument on its own.

The temporal dynamics of the wage-gap series further reinforce the plausibility of a policy-induced effect. In the event-study specification, Germany exhibits a period of pre-treatment flattening followed by a sharper decline immediately after the law came into force. This contrasts with the donor countries, where wage-gap trajectories either continued their gradual downward trend or remained broadly stable. Because gender wage gaps typically adjust slowly in response to structural forces, the timing and discrete nature of the post-2017

decline in Germany suggest that the reform acted as a substantive shock to wage-setting behavior. Such a pattern is consistent with several mechanisms: employers may have adjusted wages pre-emptively to avoid scrutiny, employees may have bargained more effectively when armed with pay information, and the law may have heightened internal and external pressure for compliance with equity norms.

A number of caveats must be acknowledged. First, the legislation has limited statutory coverage. Information-request rights apply only to establishments with more than 200 employees, and reporting obligations apply only to firms with more than 500 employees. Given that small and medium enterprises dominate the German labor market, the aggregate effect is likely attenuated. Second, transparency may generate unintended behavioral responses. Exposure to wage disparities may discourage some employees rather than empower them, resulting in withdrawal from employment rather than renegotiation of wages. In such cases, reductions in the observed wage gap may reflect changes in labor-force composition rather than genuine wage convergence. Third, the estimated treatment effect represents an average across multiple mechanisms, including positive channels (enhanced bargaining power, legal salience, internal audits) and potentially negative ones (wage compression, participation effects). The coefficient should therefore be interpreted as the net effect of several countervailing forces.

Despite these limitations, the DID evidence provides a coherent and internally consistent account of the law's impact. The effect is statistically detectable, economically interpretable, and temporally aligned with the implementation of the reform. Germany's experience illustrates how transparency policies can shape wage-setting behavior, even when applied through a relatively narrow institutional channel. More broadly, the findings indicate that transparency is a functionally meaningful but inherently partial instrument: it can alter informational environments and prompt incremental adjustments, but durable progress in closing gender wage disparities likely requires complementary measures such as enforcement mechanisms, collective bargaining provisions, and systematic equity reviews.

Synthetic Differences-in-Differences

The SDID results provide a complementary assessment of the reform's impact. The estimated ATT of −1.51 percentage points indicates that, relative to a weighted synthetic comparator, Germany's unadjusted gender wage gap declined by a magnitude closely aligned with the baseline DID estimate. Using the same earnings benchmark as before—average male monthly pay of approximately €3,500, this corresponds to an additional €50 per month for the average female employee. Though modest, this shift is economically meaningful in the context of long-standing wage disparities and demonstrates that transparency can influence wage-setting behavior even without imposing direct pay mandates.

The close convergence of the SDID estimate with the fixed-effects DID result strengthens the causal interpretation. While the DID framework relies on a parallel-trends assumption across the control group, SDID reduces reliance on this assumption by constructing a weighted trajectory that more precisely reproduces Germany's pre-treatment path. The agreement between the two methodologies suggests that the observed post-2017 divergence is unlikely to be driven by uncontrolled macroeconomic shocks, idiosyncratic country dynamics, or specification errors. In applied microeconometric settings, such cross-method consistency is a strong indicator that the estimated effect reflects a genuine policy-induced adjustment.

The SDID findings also shed light on the mechanisms at work. As highlighted in the DID analysis, certain labor-market variables, such as female unemployment or participation, may themselves respond to transparency. Employees confronted with internal wage disparities may either negotiate more assertively or, in some cases, withdraw from employment. When such channels are controlled for in later DID specifications, the treatment effect attenuates but remains significant. The SDID estimator, which abstracts from these channels by matching pre-treatment trends rather than conditioning on potentially endogenous covariates, nonetheless produces an effect of similar magnitude. This alignment implies that the primary mechanism is likely the correction of informational asymmetries and associated shifts in bargaining power, rather than compositional or participation-driven changes.

Several caveats merit consideration. First, the donor pool comprises only four countries, which limits the richness of feasible synthetic weights and may reduce estimator precision. Second, the pre-treatment period spans only four years, constraining the ability to detect medium-run departures from parallel trends. Third, as with the DID estimates, the law's limited statutory coverage, rights applying only to firms above 200 employees and reporting obligations above 500, means

the aggregate effect likely understates the potential impact of a broader transparency regime.

Taken together, the SDID results reinforce the central conclusion of this study: the 2017 Pay Transparency Law contributed to a statistically detectable and economically meaningful contraction of Germany's unadjusted gender wage gap, on the order of 1–1.6 percentage points. The alignment between SDID and DID estimates provides strong support for a causal interpretation. Moreover, the evidence suggests that transparency operates primarily by reducing informational frictions in the labor market, thereby enabling employees to benchmark wages more accurately and compelling firms to pre-empt inequities. In doing so, the law not only narrowed observed disparities but also mitigated the welfare losses associated with misinformed wage bargaining.

CONCLUSION

This study examined whether Germany's 2017 Entgelttransparenzgesetz produced a measurable change in the unadjusted gender wage gap by altering the informational environment in which wages are negotiated. Using a quasi-experimental design that combines a two-way fixed-effects Difference-in-Differences estimator with a Synthetic Difference-in-Differences method, the analysis provides coherent evidence of a modest yet statistically robust reduction in the wage gap following the reform. The close alignment of the DID and SDID estimates strengthens confidence that the observed post-2017 shift reflects a policy-induced adjustment rather than uncontrolled differences in underlying country trends.

The findings highlight the role of transparency as an information intervention that influences wage-setting behavior without imposing direct wage mandates. By reducing informational asymmetries, the law improved workers' ability to benchmark earnings and encouraged firms to anticipate scrutiny through internal adjustment. Although the resulting change, on the order of one to one-and-a-half percentage points, is not transformative, it is economically meaningful in the labor market where progress toward gender pay equality has historically been slow. The effect also suggests welfare gains, since hidden disparities can distort bargaining outcomes and limit the efficient allocation of female labor.

At the same time, several limitations temper the interpretation of the results. The statutory provisions apply only to firms above specific employment thresholds, leaving a large share of Germany's small and medium enterprises unaffected and likely dampening the aggregate effect. The reliance on country-year data precludes disaggregation by sector, firm size, or wage distribution, and transparency does not on its own address structural determinants of inequality such as occupational segregation, part-time concentration, or unequal promotion pathways. These caveats indicate that transparency, while operationally meaningful, is inherently partial.

The policy implications follow directly. A targeted transparency regime can shift the observed wage gap and shape perceptions of fairness and legitimacy in labor markets, but stronger enforcement mechanisms, systematic equity audits, and collective bargaining structures are necessary for sustained progress. Germany's experience illustrates that transparency can move wage dynamics in the direction of greater equity, yet durable reductions in gender pay inequality require its integration into a broader set of institutional reforms.

To conclude, the 2017 Pay Transparency Act delivered a measurable, policy-driven reduction in gender wage disparities within the constraints of a limited disclosure system. Transparency is neither symbolic nor sufficient on its own, but it functions as a practical instrument that, when embedded in a wider reform agenda, can contribute meaningfully to narrowing persistent gender wage inequalities.

CONFLICT OF INTEREST

The author declares no conflicts of interest related to this work.

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