

COUNCIL OF THE EUROPEAN UNION

Brussels, 7 September 2010 (09.09) (OR. fr)

13170/1/10 REV 1

SOC 505

NOTE

from:	Presidency
to:	Working Party on Social Questions
Subject:	Draft Council Conclusions on strengthening the commitment and stepping up action to tackle the gender pay gap

<u>Delegations</u> will find attached <u>draft Council conclusions</u> prepared by <u>the Presidency</u> with a view to the meeting of <u>the Working Party on Social Questions</u> on 13 September 2010.

13170/1/10 REV 1 ket/GBK/fc

Draft Council conclusions

on strengthening the commitment and stepping up action to tackle the gender pay gap and on the progress of the Beijing Platform for Action

WHEREAS:

- 1. Equality between women and men is a fundamental principle of the European Union enshrined in the Treaties and is one of the objectives and tasks of the European Union, and mainstreaming the principle of equality between women and men in all its activities represents a specific mission for the Union¹;
- 2. Since the founding of the European Community, respect for equal pay for male and female workers has been guaranteed by the Treaty²;
- 3. European legislation³ enshrining respect for the principle of equal treatment between women and men in the fields of employment and work aims to protect workers from discrimination on grounds of sex in their working conditions, including their pay;

See Articles 2 and 3 TEU and Article 8 TFEU.

See Articles 153 and 157 TFEU.

Especially through Directive 2006/54/EC, OJ L 204, 26.7.2006, p. 23, and Directive 96/34/EC, as replaced by Directive 2010/18/EU implementing the revised Framework Agreement on parental leave concluded by BUSINESSEUROPE, UEAPME, CEEP and ETUC.

4.	of the annual review of the implementation of the Beijing Platform for Action,	
	in 2001 the Council adopted conclusions to combat pay inequalities between women and men	
	took note of a report by the Belgian Presidency containing information on pay	
	equalities and defining the following six quantitative indicators and three qualitative	
	indicators ⁴ ;	
	(1) Ratio for all employees;	
	(2) Ratio for the total sum of wages;	

- (3) Ratio for part-time work;
- Ratio by age and education; **(4)**
- Wage penalties in female-concentrated occupations; (5)
- (6) Breakdown of the hourly pay gap between women and men using the Oaxaca technique;
- Indicator on laws, regulations and measures to combat discrimination and inequalities at **(7)** work;
- Indicator of the influence of public authorities on wage bargaining; (8)
- (9) Indicator relating to part-time work and temporary career breaks;

^{14485/01.}

- 5. Closing the pay gap remains a political priority shared by all key players on the European stage⁵;
- 6. On 23 and 24 March 2006 the European Council adopted the European Pact for Gender Equality which encourages Member States to take action, in particular to adopt measures to close gender gaps and combat gender stereotypes in the labour market;
- 7. In November 2009 the Council adopted conclusions on gender equality: strengthening growth and employment input to the post-2010 Lisbon Strategy, which notably called on the Member States and the European Commission to continue to reduce the persisting gender gaps as regards pay with a view to providing opportunities for both women and men to meet their aspirations and to fulfil their potential and to preventing in-work poverty⁶;
- 8. In the conclusions of the Barcelona European Council on 15 and 16 March 2002, the Member States committed themselves to strive to provide childcare by 2010 for at least 90 % of children between 3 years old and the mandatory school age and at least 33 % of children under 3 years of age; and have reaffirmed that commitment on numerous occasions⁷;

As borne out in particular by: the European Commission's Roadmap for equality between women and men 2006-2010 (7034/06), the Framework of actions on gender equality adopted by the European social partners in 2005 and its follow-up reports, the Commission Communication of 18 July 2007 entitled "Tackling the pay gap between women and men" (12169/07) and the European Parliament Resolution of 18 November 2008 with recommendations to the Commission on the application of the principle of equal pay for men and women.

⁶ 15488/09.

In particular in the Council Conclusions on Balanced roles of women and men for jobs, growth and social cohesion (2007); the Council Resolution on the Opportunities and challenges of demographic change in Europe (2007); the Council Conclusions on Eliminating gender stereotypes in society (2008); the Council Conclusions on the Reconciliation of work and family life (2008) and the Conclusions on Gender equality: strengthening growth and employment – input to the post-2010 Lisbon Strategy (2009).

- 9. The 2010 Commission report on equality between women and men⁸ stresses that

 Member States must respond without delay to the challenge of reducing the gender pay gap

 "through specific strategies combining all available instruments, including targets where
 appropriate";
- 10. In the declaration by the Trio of Presidencies adopted in Valencia on 26 March 2010, a call was launched to speed up efforts towards the closing of the persistent gender pay gap, by adopting a coordinated approach and defining targets;
- 11. At the European Council on 17 June 2010, the Member States adopted the Europe 2020 strategy for jobs and smart, sustainable and inclusive growth, one of the five headline targets of which is to endeavour to raise to 75 % the employment rate for women and men aged 20 to 649;
- 12. [On 2010 the Council adopted the Guidelines for Jobs (...-...) which, in particular, call on the Member States to ...];
- 13. The Conference on 25 and 26 October 2010 on "How to close the gender pay gap?" provided an opportunity for in-depth examination of the issue with all stakeholders;
- 14. [The European Council meeting on 28 and 29 October 2010...];
- 15. In accordance with the Regulation by which it was established, Regulation (EC)
 No 1922/2006¹⁰, and its work programmes for 2010 and 2011, the European Institute for
 Gender Equality has the task of providing technical support to the European institutions,
 especially the Commission, and to the Member States' authorities. This support particularly
 involves developing and revising the indicators as part of the follow-up to the Beijing
 Platform for Action;

13170/1/10 REV 1 ANNEX ket/GBK/fc 5

⁸ 5056/10.

^{13/10.}

¹⁰ OJ L 403, 30.12.2006, p. 9.

16. Achieving equal pay for women and men, equal economic independence, and gender equality in decision-making are priority fields of action in the Women's Charter¹¹ adopted by the Commission in March 2010 [and in the Commission's Strategy for equality between women and men (2010-2015)¹²];

EMPHASISING THAT:

- 17. Equality between women and men is crucial for fulfilling the EU objectives of economic and social cohesion and of a high level of employment¹³, as well as for guaranteeing smart, sustainable and inclusive growth, for ensuring competitiveness and for tackling the demographic challenge;
- 18. Within the European Union, the gender pay gap still averages 18 % (calculated on the basis of the gross hourly earnings of full-time and part-time workers SES 2008); this pay gap varies considerably from one Member State to another, and differs in the public and private sectors;
- 19. The pay gap during women's' working lives is reflected in lower pensions and in a greater risk of poverty for women;
- 20. Besides the continued existence of earnings discrimination in respect of equal work or work of equal value, the causes underlying the pay gap remain numerous and complex, mainly reflecting inequalities linked to the labour market, such as:
 - (a) horizontal segregation of the labour market: women are concentrated in a much smaller number of sectors and occupations, which are generally lower paid and less valued;

Atticic

13170/1/10 REV 1 ket/GBK/fc 6
ANNEX EN

¹¹ 7370/10.

¹² [COM].

Article 2 TEU.

- (b) vertical segregation of the labour market: women generally hold lower paid positions, have less job security, and face more career obstacles;
- (c) the difficulty of reconciling working life, family life and private life, and the unequal distribution of family and domestic responsibilities, leading a larger proportion of women to hold part-time jobs and to opt for repeated career breaks;
- (d) the lack of pay transparency; and
- (e) the impact of gender stereotypes, influencing the choice of education and vocational training courses as well as how qualifications are assessed and occupations classified;
- 21. It seems too that workers' individual circumstances such as their family situations or civil status also have a bearing on the pay gap;
- 22. While real progress has been made in identifying and understanding the multiple causes of the pay gap, part of the gap in pay remains unexplained, and requires further investigation, particularly as regards the impact of job classification and the award of additional benefits, on which all the necessary data is not available;
- 23. Approaches consisting of measures tackling one or other cause of the pay gap in isolation have not proven adequate to combat pay gaps between men and women effectively;

13170/1/10 REV 1 ket/GBK/fc
ANNEX EN

- 24. Eliminating the pay gap therefore requires further mobilisation of all the key actors, with a view to engaging, in a coordinated way, with targeted, integrated, multifaceted and consistent approaches designed to combat the multiple causes identified for pay gaps between women and men, both at national and European level, in the framework of the implementation of the Europe 2020 Strategy;
- 25. It follows that the priority areas and actions identified by the Commission in its multiannual strategy (2010-2015) to bring about gender equality are correlated and essential to achieving equal pay between women and men;
- 26. It seems too that the integration of the principle of gender equality has not yet been sufficiently implemented by Member States in all policy areas as set out in the National Reform Programmes (NRPs) and that this dimension of gender therefore needs to be enhanced;
- 27. To increase female participation on the labour market and thereby achieve the headline target of 75 % participation for women and men, agreed on in the context of the Europe 2020 Strategy, specific measures will have to be taken to eliminate the pay gap, to reinforce the training of women, particularly in sectors where they are under-represented, to improve the quality of women's jobs and promote policies for reconciling working, family and private life, as well as to combat women's poverty and improve their social inclusion;

THE COUNCIL OF THE EUROPEAN UNION,

28. TAKES NOTE of the report evaluating indicators of gender-related pay inequalities, presented by the Belgian Presidency, which describes the data-gathering work in this area, certain inherent difficulties that remain and the need for adaptations;

INVITES THE MEMBER STATES TO:

- 29. adopt or pursue, at national level, a targeted strategy that combats, in a cross-cutting way, the various causes of the pay gap linked to occupational inequalities between women and men and that coordinates the actions of all relevant key participants, particularly the social partners, at all levels, combining the following legislative and non-legislative measures:
 - (a) regular measurement of the pay gap and analysis of its development, using indicators established at European level, as revised;
 - (b) promotion of pay transparency;
 - (c) evaluation and neutral classification of jobs;
 - (d) improvement of the quality of employment, to combat the imposition of insecure employment and part-time work;
 - (e) the elimination of vertical segregation, in particular through dissuasive measures and sanctions aiming to increase a female presence in decision-making positions in the public and private sectors;
 - (f) the elimination of horizontal segregation, in particular by combating stereotypes in education and media, by increasing the help and training available to women, by encouraging them to engage in lifelong learning to acquire occupational qualifications suited to the new structure of employment, and by adopting positive measures to make it easier for the under-represented sex to take part in a given area of work;

- (g) improvements in reconciling working life, family life and private life: through granting parental and filial leave to care for dependent family members and paternity leave, accompanied by measures to encourage their uptake by men; through more adequate, affordable, high-quality childcare services and care services for other dependent persons, in sufficient number; and through flexibility of working hours within companies;
- (h) adoption of appropriate policies on low pay;
- (i) reinforcing the effective implementation of existing legislation to guarantee pay and workplace equality;
- (j) highlighting the issue of pay and workplace equality between women and men in the context of corporate social responsibility; and
- (k) inclusion of equal pay for men and women as a condition to be fulfilled by tendering companies for the awarding of public contracts;
- 30. set timetabled national targets and a strategy aiming specifically at increasing the rate of female employment, in the framework of the Europe 2020 Strategy, in the National Reform Programmes in dialogue with the European Commission taking account of the starting points of Member States and the different national situations; increase the supply of adequate, affordable, high-quality childcare services for pre-school-age children so that it is greater or at least equal to the objectives set by the Council in Barcelona, and the supply of services and equipment for other dependent persons; eliminate the pay gap, in accordance with a multiannual plan; and finally, improve the reconciliation of working, family and private life;
- 31. use the structural funds and other European funds to develop measures to combat pay inequalities between women and men;

13170/1/10 REV 1 ket/GBK/fc 10 **F.N**

32. encourage civil society entities that have a legitimate interest to make greater use of the possibility offered by Article 17(2) of Directive 2006/54/EC to engage, either on behalf or in support of complainants, in any judicial and/or administrative procedure provided for by national law, to restore their rights in the event of wage discrimination;

INVITES MEMBER STATES AND THE EUROPEAN COMMISSION, in accordance with their respective competences, to:

- 33. implement the principle of gender mainstreaming visibly and explicitly in the implementation of the Europe 2020 Strategy, by ensuring that gender equality is taken into account and that gender equality measures are promoted in a consistent manner in:
 - (a) the implementation of the five main objectives and the integrated guidelines, as well as in the follow-up to the seven flagship initiatives;
 - (b) the macroeconomic and thematic surveillance mechanisms, via the annual report on growth; the discussions and guidelines of the EPSCO Council; the national reform programmes; the country-specific recommendations of the EPSCO Council; the development of indicators, statistics and reports; and peer reviews;

INVITES MEMBER STATES, THE EUROPEAN COMMISSION AND THE EUROPEAN INSTITUTE FOR GENDER EQUALITY to improve the collection of statistical data, in particular through measures aiming to:

34. adapt the method for calculating Indicator 1, with a view to calculating the pay gap on the basis of the gross hourly earnings of women and men, without regard to working hours, rather than taking account solely of the monthly earnings of full-time workers, preferably on the basis of the methodology underlying the Structure of Earnings Survey (SES);

13170/1/10 REV 1 ket/GBK/fc 11 ANNEX EN

- 35. replace the title of Indicator 5 ("Wage penalties in female-concentrated occupations") with the title "Segregation in the labour market" 14;
- 36. adopt an additional quantitative indicator (new Indicator 6) measuring the "Ratio on the basis of personal characteristics" ¹⁵;
- 37. renumber Indicator 6 on the breakdown of the hourly pay gap between women and men using the Oaxaca technique, making it Indicator 7;
- 38. renumber and amend the titles of the three qualitative indicators relating to policies to combat the pay gap, as follows:
 - (a) Indicator 8: Measures to promote equal pay and to combat the gender pay gap 16;
 - (b) Indicator 9: Influence of collective bargaining on promoting equal pay and eliminating the gender pay gap¹⁷;
 - (c) Indicator 10: The effects of forms of flexible working on gender pay inequalities 18;

_

[[]To take account of all the dimensions of segregation, both horizontal (in terms of industries and professions) and vertical (in terms of functions).]

[[]To take account of the impact on the pay gap of aspects such as a worker's family situation, civil status or country of origin.]

[[]To put the emphasis on adopting or pursuing the implementation of targeted strategies containing legislative and non-legislative measures to combat the pay gap.]

[[]To emphasise the role of all players involved in collective bargaining in combating the pay gap.]

[[]To take better account of the impact of the various forms of reduced working hours on the pay gap.]

INVITES THE EUROPEAN COMMISSION AND THE EUROPEAN INSTITUTE FOR GENDER EQUALITY TO:

- 39. continue to measure progress using the indicators on an annual basis;
- 40. organise regular exchanges of best practice concerning measures to combat the pay gap, involving both sides of industry in such exchanges;
- 41. consider whether it would be useful to carry out a study with a view to identifying aspects of remuneration which are not included in Member States' existing statistics, so as to be able to measure the impact on the pay gap of the differences in the way in which such benefits are granted to women and men; and
- 42. conduct regular awareness-raising campaigns in this area;

INVITES THE EUROPEAN COMMISSION TO:

- 43. render more visible the close relations between the achievement of pay equality and economic independence, the promotion of reconciliation, and equality in decision-making, and the combating of gender stereotypes within the framework of its Strategy for equality between women and men (2010-2015), and to undertake to examine at regular intervals the progress achieved in this sensitive area in the Annual Report on Gender Equality, which it will present to the Spring European Council;
- 44. consider the need to strengthen, in consultation with both sides of industry and respecting their autonomy, European legislation aiming to ensure equality in the workplace and equal pay between women and men through active and proactive measures directed towards achieving real equality;

13170/1/10 REV 1 ket/GBK/fc 13 ANNEX EN

- consider the need to adopt a legislative proposal aiming to encourage Member States to take 45. suitable measures, including quantified targets, with a view to increasing a female presence in decision-making positions in the public and private sectors; and
- 46. consider the need to create a "European equal pay day" with a view to raising the awareness of the general public and key players and thereby encouraging measures in that connection to be adopted and followed up;

ENCOURAGES the European social partners to agree on a new framework for multiannual action including active and coordinated strategies as well as quantified targets aiming to achieve equality in the workplace and equal pay between women and men and to improve the quality of female employment;

UNDERLINES THE IMPORTANCE of the role of gender equality bodies within the framework of action to combat gender-based discrimination and pay inequalities, through their mission to assist victims of discrimination, to conduct research and studies and to make recommendations to the public authorities and to both sides of industry;

INVITES the Employment Committee and the Social Protection Committee to include the indicators relating to equality between women and men in their proceedings, taking account in particular of the indicators relating to pay inequality between women and men, and to cooperate closely with a view to ensuring regular follow-up to this issue in the context of the implementation of the Europe 2020 Strategy;

INVITES THE EUROPEAN COUNCIL to adapt the European Pact for Gender Equality¹⁹ in the light of the new Strategy for equality between women and men (2010-2015) and these conclusions;

WILL CONSIDER the subject of [...] for the next review of the implementation of the Beijing Platform for Action.

13170/1/10 REV 1 ket/GBK/fc 14 **ANNEX**

¹⁹ 7775/1/06 REV 1.