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NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee
Subject:	Conclusions on Tackling the Gender Pay Gap: Valuation and Distribution of Paid Work and Unpaid Care Work - Approval

Delegations will find attached the above mentioned set of Council Conclusions as agreed at the level of the Permanent Representatives Committee (Part 1) on 25 November 2020.

**Tackling the Gender Pay Gap:
Valuation and Distribution of Paid Work and Unpaid Care Work
Draft Council Conclusions¹**

NOTING that:

- 1) Gender equality and Human Rights are at the core of European values. Equality between women and men is a fundamental principle of the European Union enshrined in the Treaties and recognised in Article 23 of the Charter of Fundamental Rights of the European Union. Article 8 of the Treaty on the Functioning of the European Union (TFEU) requires the Union, in all its activities, to aim to eliminate inequalities between women and men, and to promote equality.
- 2) Article 157 TFEU requires the Member States to ensure that the principle of equal pay for male and female workers for equal work or work of equal value is applied. With a view to ensuring full equality in practice between men and women in working life, Article 157 TFEU also allows the Member States to maintain or adopt positive action measures. Their aim is to provide for specific advantages in order to make it easier for the underrepresented sex to pursue a vocational activity or to prevent or compensate for disadvantages in professional careers.
- 3) Gender equality and work-life balance are affirmed in Principles 2 and 9 of the European Pillar of Social Rights proclaimed by the European Parliament, the Council and the Commission on 17 November 2017.

¹ Conclusions drawn up within the context of the review of the implementation of the Beijing Platform for Action, with particular reference to Critical Areas of Concern F (Women and the Economy).

- 4) Gender equality policies are important factors for smart, sustainable and inclusive growth and a precondition for the achievement of prosperity, competitiveness and full employment, as well as social cohesion, inclusiveness and wellbeing. Meanwhile, the shrinking of the workforce as a result of demographic developments within the EU makes it necessary to attract and retain highly trained specialists, especially women, on the labour market.
- 5) According to the European Commission's Gender Equality Strategy 2020-2025, "eliminating the gender pay gap requires addressing all of its root causes, including women's lower participation in the labour market, invisible and unpaid work, their higher use of part-time work and career breaks, as well as vertical and horizontal segregation based on gender stereotypes and discrimination."
- 6) According to the United Nations' Beijing Platform for Action,² it is often within the framework of financial, monetary, commercial and other economic policies, as well as tax systems and rules governing pay, that individual men and women make their decisions, *inter alia*, on how to divide their time between remunerated and unremunerated work. Thus, the development of these economic structures and policies has a direct impact on women's and men's access to economic resources and their economic power and consequently also on the extent of equality between them as well as in society as a whole.

² <https://www.un.org/womenwatch/daw/beijing/platform/economy.htm#diagnosis>

- 7) According to the EU Directive on Work-Life Balance for Parents and Carers, “the equal uptake of family related leave between men and women also depends on other appropriate measures, such as the provision of accessible and affordable childcare and long-term care services, which are crucial for the purpose of allowing parents and other persons with caring responsibilities to enter, remain in, or return to the labour market. Removing economic disincentives can also encourage second earners, the majority of whom are women, to participate fully in the labour market.”
- 8) In 2002, at its meeting in Barcelona, the European Council set the so-called Barcelona Objectives, which called on the Member States to remove disincentives to female labour force participation and strive, taking into account the demand for child care services and in line with the national patterns of childcare provision, to increase the provision of childcare.
- 9) In order for both women and men to be able to participate in paid work on an equal basis, they also need to be able to share unpaid care work on an equal basis. At the same time, the availability, accessibility and affordability of high-quality public infrastructure and external services for quality early childhood education and child care and care for the elderly and other dependent persons, as well as for household chores, are crucial for enabling women and men with care responsibilities to participate in the labour market.

- 10) The Covid-19 pandemic has shown how indispensable paid and unpaid care work is for economic stability as well as for the continued functioning and well-being of our societies. During the pandemic, the European public has expressed its appreciation for essential occupations, especially work in the care and healthcare sector. This is therefore an opportune moment to enhance the status of care work, whether paid or unpaid, which currently is mainly performed by women.
- 11) During the initial phase of the pandemic, care facilities and schools had to close down for long periods of time, and, as a result, care responsibilities (including household chores) as well as home schooling responsibilities predominantly fell on parents and other persons with care responsibilities, in particular women, forcing them to make new arrangements in order to reconcile such responsibilities and paid work. The pandemic also highlighted the fact that unpaid care work has a significant economic value, but one that is not visible, for example, in the calculation of Gross Domestic Product (GDP), due to the absence of remuneration.

TAKING NOTE OF

- 12) The report by the European Institute for Gender Equality (EIGE) entitled “Gender inequalities in care and consequences on the labour market”, which presents findings on the linkages between gender inequalities in paid work and in unpaid care work and indicates that women’s disproportionate share of care work is one of the main root causes of the gender pay gap.³

³ See 12953/20 ADD 1.

STRESSING that:

- 13) Women's employment has steadily increased in all EU Member States over the last few decades. However, compared to men, women still more often work in precarious and informal jobs, and in jobs that offer limited hours or insufficient access to and coverage by the social security system, as well as in short-term jobs, part-time jobs and low-paid jobs. Women also suspend their employment more often than men. This applies in particular to migrant women who experience multiple and intersecting forms of discrimination on the labour market.
- 14) Inequalities between women and men in the context of the labour market can be measured by means of several different indicators. The average gender pay gap as per gross hourly wage in the EU is currently 14.8%⁴. As a consequence, women not only have lower earnings, but also receive lower pensions in all EU Member States – on average, 30% lower than men (gender gap in pensions), with the extent of the gap varying widely among the Member States. The gender gap in overall earnings is almost 40%.⁵

⁴ Eurostat Data from February 2020 (https://ec.europa.eu/eurostat/statistics-explained/index.php/Gender_pay_gap_statistics).

⁵ 2018 figures.

- 15) The causes of the gender pay gap are manifold and intertwined. Women are less well represented in decision-making positions than men (vertical segregation in the labour market) and concentrated in low-paid sectors and occupations such as care work to a greater extent than men (horizontal segregation in the labour market). Further causes include women's more frequent part-time work, work-life balance challenges, career breaks, the lack of transparency in pay and pay structures and gender-based discrimination. The determining deeper underlying causes include social norms, structural barriers, power structures and different incentives and disincentives as well as stereotypes affecting vocational choices and different career opportunities available to women and men. Further research is needed in this area. The situation is linked to the institutional, political and legal framework that affects the choices that women and men make, inter alia regarding fields of study, career paths, working hours or assuming responsibility for unpaid care work at the household level.
- 16) Another cause behind women's lower participation in the labour market as well as their lower earnings and under-representation in decision-making positions in comparison to men which is not given sufficient attention is the unequal distribution, throughout the life course, of unpaid care work between women and men, including childcare, adult and elderly care and household chores.

17) Almost all women in the EU (92%) are regular carers⁶, and 81% are daily carers. Conversely, only 68% of men provide unpaid care work at least several days a week and only 48% do so every day. Employed women in the EU spend on average 3.9 hours per day on indirect care work (housework and household chores) and direct care work such as caring for children or for elderly relatives and relatives with disabilities. By contrast, employed men spend on average only 2.6 hours per day on such care work. The difference is even greater between employed women and men who are living as a couple with children: 5.3 hours for women and 2.4 for men.⁷ In 2019, 32% of employed women aged between 20 and 64 worked on a part-time basis, as compared to just 10% of employed men. 29% of part-time employed women reported choosing part-time work because of having to care for children or adult relatives as compared to only 6% of men.⁸ Caring for children or relatives is the reason most commonly named by women in the EU for working part-time.

18) These statistics suggest that there is a considerable “care gap” between women and men across the EU.⁹ However, in the absence of an agreed EU-wide indicator, and of comprehensive national data based on time-use surveys, systematic EU-wide calculations and comparisons of the distribution of unpaid care work between women and men are currently not possible.

⁶ Regular carers provide unpaid care work for at least several days a week (EIGE Report, page 18).

⁷ Data source: EIGE elaboration of EWCS 2015.

⁸ EIGE report, Footnote 20, Eurostat.

⁹ Time use surveys (HETUS) currently carried out in 15 Member States confirm this.

- 19) The bulk of paid care work – direct as well as indirect – is carried out by women, who make up 76% of the care workforce in the EU (37 million out of 49 million employees – nurses, healthcare, childcare and domestic workers and teachers). When it comes to domestic work (household services) the figures available do not show the full picture, due to the prevalence of undeclared employment. Paid care work, care occupations as well as household services, have traditionally been characterised by a low appreciation by society as well as low wages and a lack of career development opportunities. As a result, there is a shortage of skilled labour in the areas of early childhood education and personal health services in many Member States. Furthermore, undeclared employment in household services has traditionally been characterised by a lack of access to social security and employment rights.
- 20) Statistics show that the more unpaid care work women provide, the less time they are able to spend on paid work; the more paid work men pursue, the less time they are able to spend on unpaid care work. The gender pay gap and the gender care gap are therefore to be analysed together, as they are to a large extent mutually dependent and mutually reinforcing phenomena.
- 21) A narrower gender pay gap in all EU Member States can only be taken as a sure indicator of progress in gender equality if it is accompanied by higher labour market participation by women. The gender pay gap might be narrow when unpaid care work is mostly performed by women. In such situations, a low gender pay gap results from low regular female employment accompanied by a positive selection effect, i.e. there are fewer women in employment, but those who are, are well paid. Thus, the gender pay gap is only one of several important indicators of gender equality within the labour market – it tells us nothing, for example, about women who do not engage in paid work.

- 22) To achieve both equal pay and comprehensive equality on the labour market, a two-pronged approach is needed: *firstly*, sharing of paid work and unpaid care work on an equal basis between women and men (all types of unpaid care work), and *secondly*, the provision of public infrastructure and external services to allow for the ‘outsourcing’ of direct care work (childcare and adult care) and indirect care work (housework and household chores), so that women and men truly have equal choices and opportunities to engage in paid work.
- 23) In taking steps to promote equal pay and the equal sharing of unpaid care work between women and men, it is important to promote informed choices of women and men free of gender stereotypes when taking decisions about their career paths and the division of unpaid care work.
- 24) This set of Conclusions builds on previous work and political commitments voiced by the European Parliament, the Council, the Commission and relevant stakeholders in this area.

THE COUNCIL OF THE EUROPEAN UNION

INVITES the Member States, in accordance with their respective competences and taking into account national circumstances and respecting the role and autonomy of the social partners, to:

- 25) Take steps to ensure equal opportunities for personal and professional development for both women and men, and to encourage and facilitate an equal distribution of paid work and unpaid care work between them.
- 26) Take steps to facilitate the equal take-up of parental leave by women and men, in accordance with the Directive on Work-Life Balance for Parents and Carers.
- 27) Raise awareness and promote a better understanding of the need for equal distribution between women and men of unpaid care work, including domestic work, so as to attain equality between women and men.

- 28) Take steps to ensure that unpaid care work is recognised and valued, including by improving the understanding of its social and economic significance and impact, drawing on valid data.
- 29) Improve public infrastructure and the availability of external services in order to support women and men in the sharing of paid work and unpaid care work on an equal basis.
- 30) Promote the externalisation of direct and indirect unpaid care work, for example, by examining the possibility, under certain conditions, to financially support working parents, single parents or caring relatives in using personal and household services, while providing fair and decent working conditions, fair wages and access to social security for all workers in this sector, in accordance with national labour market models.
- 31) Strive to improve public infrastructure and external services that provide direct care so that they are flexibly designed in such a way as to be available, accessible and affordable for all households or persons in both rural and urban areas, including in terms of public transport. Also strive to improve the quality of care by offering qualifications and training to employees and by determining an appropriate ratio of carers to persons cared for.

- 32) Promote the enhancement of the status of care-related occupations (care for children, older people, and persons with disabilities; social services; healthcare; and education), and take steps to ensure that their value is recognised (e.g. in terms of decent working conditions and adequate remuneration), while respecting the role and autonomy of the social partners. Promote awareness of the essential contribution that care-related occupations make to society as a whole and to the economy of wellbeing and encourage a balanced participation of women and men in these occupations.
- 33) Step up efforts to tackle undeclared indirect care work, including work performed by irregular domestic workers, and other illegal employment in the care sector.
- 34) Pay attention to the specific problems and dangers faced by providers of domestic work, including persons employed via service agencies as well as individuals working in private households and undeclared workers. Pay particular attention to the working and living conditions of the many migrant women, women with a migrant background and mobile workers working in this sector, as well as to their specific vulnerability and the difficulties they have in claiming their rights.
- 35) Take into account the significance of ILO Convention No. 189 for decent work and domestic workers' rights.

36) Further develop or establish a framework, including collective agreements where relevant, for the sharing of paid work and unpaid care work between women and men on an equal basis, including the following elements:

- a. Well-developed, affordable and accessible quality early childhood education and childcare and short and long-term adult care facilities and infrastructure in both urban and rural areas.
- b. Well-developed and affordable public transport services ensuring the accessibility of the care facilities and – in case of household work – the employers' domicile.
- c. to the extent introduced by the Work-Life-Balance Directive:
 - i. Financial incentives that foster the sharing of unpaid care work on an equal basis, including non-transferable compensation during parental leave after birth or adoption of a child;
 - ii. Opportunities for workers to temporarily reduce or adapt their working hours, with a view to reconciling work, family and private life; and
 - iii. Flexible and reasonable working arrangements for workers, including solutions implemented through the use of new technologies.
- d. Reduction of financial disincentives (for example, in tax and benefits systems) that directly or indirectly encourage and perpetuate the unequal sharing of unpaid care work and paid work between women and men.

INVITES THE EUROPEAN COMMISSION AND THE MEMBER STATES, in accordance with their respective competences, including regarding education, taking into account Member States' national circumstances, and respecting the role and autonomy of the social partners, to:

37) Design and implement targeted measures to combat gender stereotypes that restrict the free choices of girls and boys and women and men regarding their studies and careers. Such measures could include the following:

- a. Combating gender stereotypes in early childhood, pre-school, primary and secondary education with a view to ensuring that girls and boys can freely choose their fields of study and future occupations while respecting the role of parents in the bringing up of their children.
- b. In the context of career guidance informing young people and strengthening their awareness of all relevant aspects and implications regarding occupational choices, including income perspectives, and about the gender gaps related to employment over the life cycle, their causes and the ways to eliminate them; and providing all persons involved, in particular career counsellors, with knowledge on gender stereotypes and their influence on the choice of field of study and occupation.
- c. Undertaking interdisciplinary research into the nature of gender stereotypes and their impact on gender equality, especially in terms of employment, and observing the cross-sectoral inclusion of the topic.

- 38) Support long-term public investment in high-quality, affordable and accessible care facilities and infrastructure, in the development of caring skills and in care services.
- 39) Promote the collection of valid data showing the real usage of time by women and men. Scale up efforts to ensure that data are comparable at the EU level (in case of national statistics) and coherent with nationally collected data (in case of EU-wide statistics). Encourage the disaggregation of data by sex and age and aim to ensure that it captures the differences between mothers and fathers, as well as between women and men without children, and that it also includes statistics on all the care provided to children, adults and elderly relatives.
- 40) Encourage the implementation of time use surveys on the basis of the standard set by the Harmonised European Time Use Surveys (HETUS), so as to support Eurostat in the development and calculation of an indicator for measuring the “gender care gap“ by comparing the time spent by women and men on unpaid care work and on paid work and analysing the interdependencies.
- 41) Making use of the work of EIGE and Eurostat, develop an EU-wide indicator for measuring “the gender care gap“ on the basis of the Harmonised European Time Use Surveys (HETUS), using representative data, so as to compare the time spent by women and men on unpaid care work and on paid work, and to analyse the interdependencies, with a view to supporting the further development of evidence-based gender equality and family policies.
- 42) Undertake research, making use of the work of EIGE and Eurofound, on the value of unpaid care work in relation to paid work, and develop ways of statistically measuring the impact of work-life balance measures such as family-related leaves, including by monitoring take-up rates among women and men.

- 43) Where appropriate, include unpaid care work in macroeconomic and labour market analyses, as well as in the design of labour and employment policies.
- 44) Develop additional indicators for measuring macro-economic performance including paid and unpaid care work, the care economy, and gender gaps in time use, including a new NACE¹⁰ classification specifically focused on personal and household services (PHS), in order to facilitate the monitoring and analysis of this sector.
- 45) Develop appropriate methods for the collection of comparable data as a basis for an evidence-based policy approach to intersectionalities, especially “sex and nationality/origin”, “sex and age” and “sex and disability”.
- 46) Step up efforts to tackle undeclared work in the household services sector including by enhancing EU-wide dialogue on the steps to be taken and through the development of statistics on the number of domestic workers active in the EU, taking into account the fact that these services are often provided undeclared.
- 47) Support social dialogue in the care sector, while respecting national law and practice.

¹⁰ NACE = Nomenclature statistique des activités économiques dans la Communauté européenne; General Industrial Classification of Economic Activities in the European Communities

CALLS ON THE EUROPEAN COMMISSION to:

- 48) Step up the efforts to reduce the gender pay gap and gender gaps in care, with due regard to national circumstances and while respecting the role and autonomy of the social partners, using all available measures, and to follow up the measures set out in the EU Action Plan 2017 – 2019 on Tackling the gender pay gap, including, where relevant, possible legal measures.
- 49) Carry out, promote and publicise further research on the care economy, on care needs, on care occupations and on the status of paid and unpaid carers, and on their working conditions, as well as on carers' contribution to the economy of wellbeing, drawing on regularly monitored, publicly available, sex-disaggregated data.
- 50) Consider women's situation in the labour market, and consistently follow a gender mainstreaming approach in all relevant aspects of the European Semester, including in order to tackle the gender pay gap and the gender care gap.

While fully respecting their autonomy, CALLS ON THE SOCIAL PARTNERS to:

- 51) Give due consideration to gender equality in the context of collective bargaining, including, for example, by implementing gender impact assessments and promoting pay transparency, so as to ensure fair and decent working conditions for all women and men and close the persistent gaps in pay, income and pensions, with due regard to the increasing social importance and value of care work.

Background documents

1. EU interinstitutional

European Pillar of Social Rights

https://ec.europa.eu/commission/sites/beta-political/files/social-summit-european-pillar-social-rights-booklet_en.pdf

2. EU legislation

Council Directive 2004/113/EC of 13 December 2004 implementing the principle of equal treatment between men and women in the access to and supply of goods and services. OJ L 373, 21.12.2004, p. 37–43.

Directive 2006/54/EC of the European Parliament and of the Council of 5 July 2006 on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation (recast) (*OJ L 204, 26.7.2006, p. 23–36*).

Directive (EU) 2019/1158 of the European Parliament and of the Council of 20 June 2019 on work-life balance for parents and carers and repealing Council Directive 2010/18/EU (*OJ L 188, 12.7.2019, p. 79–93*).

3. Council

All Council Conclusions on gender equality and other relevant subjects, including especially those cited below:

- Council Conclusions on Women and the Economy: Reconciliation of work and family life as a precondition for equal participation in the labour market (17816/11)
- Council Conclusions on Moving towards more inclusive labour markets (7017/15)

- Council Conclusions on Enhancing the Skills of Women and Men in the EU Labour Market (6889/17)
- Council Conclusions on Enhanced measures to reduce horizontal gender segregation in education and employment (15468/17)
- Council Conclusions on Enhancing Community-based Support and Care for Independent Living (15563/17)
- Council Conclusions on Closing the Gender Pay Gap: Key Policies and Measures (10349/19)
- Council Conclusions on the Economy of Wellbeing (13432/19)
- Council Conclusions on Gender-Equal Economies in the EU: The Way Forward: Taking Stock of 25 Years of Implementation of the Beijing Platform for Action (14938/19)
- Council Recommendation of 22 May 2019 on High-Quality Early Childhood Education and Care Systems (OJ C 189, 5.6.2019, p. 4–14)

4. Trio Presidency

Trio Presidency Declaration on Gender Equality signed by Germany, Portugal and Slovenia (July 2020)

5. European Commission

Commission Recommendation 2014/124/EU of 7 March 2014 on strengthening the principle of equal pay between men and women through transparency (OJ L 69, 8.3.2014, p. 112–116)

Communication from the Commission of 26 April 2017: "An initiative to support work-life balance for working parents and carers" (COM(2017) 252 final)

EU Action Plan 2017-2019: Tackling the gender pay gap (COM(2017) 678 final)

Commission Recommendation (EU) 2018/951 of 22 June 2018 on standards for equality bodies (OJ L 167, 4.7.2018, p. 28–35)

Challenges in long-term care in Europe - A study of national policies 2018. European Social Policy Network.

Report on the development of childcare facilities for young children with a view to increase female labour participation, strike a work-life balance for working parents and bring about sustainable and inclusive growth in Europe (the "Barcelona objectives") (COM(2018) 273 final)

2019 Report on equality between women and men in the European Union

https://ec.europa.eu/info/sites/info/files/aid_development_cooperation_fundamental_rights/annual_report_ge_2019_en_0.pdf

European Commission. Advisory Committee for Equal opportunities for women and men - *Opinion on challenges for gender equality in a rapidly ageing society*, October 2019.

Common European Guidelines on the Transition from Institutional to Community-based Care and Toolkit on the Use of European Union Funds for the Transition from Institutional to Community-based Care.

https://ec.europa.eu/regional_policy/en/policy/themes/social-inclusion/desinsti/

A Union of Equality: Gender Equality Strategy 2020-2025. 6678/20. (Commission reference: COM(2020) 152 final.)

6. European Parliament

Resolution of 30 January 2020 on the gender pay gap (2019/2870(RSP))

Own initiative report on Care services in the EU for improved gender equality (2018/2077(INI))

7. EIGE

"Gender Inequalities in care and consequences on the labour market," 2020.
12953/20 ADD 1.

8. Eurofound

Striking a balance: Reconciling work and life in the EU, 2019.

https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef18065en.pdf

9. European Economic and Social Committee

The impact of social investment on employment and public budgets (SOC 496/2013)

<https://www.eesc.europa.eu/en/our-work/opinions-information-reports/opinions/impact-social-investment-employment-and-public-budgets>

10. Other

The Beijing Declaration and Platform for Action (UN agenda for gender equality and women's empowerment)

The UN Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW)

Sustainable Development Goal (SGD) 5.4 of the United Nations 2030 Agenda for Sustainable Development

ILO Convention 100 (Equal Remuneration), 1951

ILO Convention concerning decent work for domestic workers of the International Labour Organisation (Convention No 189), 2011

ILO report "Care work and care jobs for the future of decent work", 2018.

http://ilo.org/global/publications/books/WCMS_633135/lang--en/index.htm
