Equal pay for male and female workers for equal work or work of equal value

European Parliament resolution of 24 May 2012 with recommendations to the Commission on application of the principle of equal pay for male and female workers for equal work or work of equal value (2011/2285(INI))

The European Parliament,

– having regard to Article 225 of the Treaty on the Functioning of the European Union (TFEU),
– having regard to Articles 8 and 157 TFEU,
– having regard to Directive 2006/54/EC of the European Parliament and 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)¹,
– having regard to the Commission’s communication of 5 March 2010 entitled A Strengthened Commitment to Equality between Women and Men, A Women’s Charter (COM(2010)0078),
– having regard to the Commission’s report of May 2010 entitled The Gender Pay Gap in Europe from a Legal Perspective,
– having regard to the Commission’s report of February 2009 by the European network of legal experts in the field of gender equality entitled The Transposition of Recast Directive 2006/54/EC,
– having regard to the Commission’s communication of 18 July 2007 entitled Tackling the pay gap between women and men (COM(2007)0424),
– having regard to the Commission’s report of February 2007 by the Commission’s network of legal experts in the fields of employment, social affairs and equality between men and women entitled Legal Aspects of the Gender Pay Gap,
– having regard to the European Pact for gender equality (2011 - 2020) adopted by the Council on 7 March 2011,
– having regard to the case law of the Court of Justice of the European Union based on Article 157 TFEU,
– having regard to the report of the European Foundation for the Improvement of Living and Working Conditions of 5 March 2010, entitled Addressing the gender pay gap: Government

¹ OJ L 204, 26.7.2006, p. 23.
and social partner actions,


– having regard to the provisions of the International Labour Organisation’s (ILO) 1994 Part-Time Work Convention\(^1\), which requires countries to incorporate into their public procurement contracts a labour clause including the issue of equal pay,

– having regard to ILO Convention 100, “Equal Remuneration”,

– having regard to the ILO – UN Global Compact webinar of March 2011: “Equal Pay for Work of Equal Value: How do we get there?”,

– having regard to Article 11(1)(d) of the Convention on the Elimination of All Forms of Discrimination against Women, adopted by the UN General Assembly in its Resolution 34/180 of 18 December 1979,

– having regard to its resolution of 18 November 2008 on Application of the principle of equal pay for men and women\(^2\),

– having regard to the Commission’s follow-up of 3 February 2009 to the resolution of 18 November 2008,

– having regard to the proposal of 8 March 2010 by 10 of its Members to draw up a legislative initiative report on ‘Equal Pay for Equal Work’ pursuant to Rule 42 of the Rules of Procedure,

– having regard to Rules 42 and 48 of its Rules of Procedure,

– having regard to the report of the Committee on Women’s Rights and Gender Equality and the opinion of the Committee on Employment and Social Affairs (A7-0160/2012),

A. whereas according to the latest provisional and incomplete figures, women across the European Union earn on average 16.4 % less than men in the EU and the gender pay gap varies between 4.4 % and 27.6 % in the Member States, and whereas – despite the significant body of legislation in force for almost 40 years and the actions taken and resources spent on trying to reduce the gap\(^3\) – progress is extremely slow (the disparity at EU level was 17.7 % in 2006, 17.6 % in 2007, 17.4 % in 2008, 16.9 % in 2009 and 16.4 % in 2010), and in some Member States the gap has even widened; while the gender pay gap could be higher than indicated as three Member States’ data are still missing;

B. whereas the causes of the persistent high gender pay gap are complex, multiple and often interrelated, and go far beyond the single issue of equal pay for equal work or work of equal

\(^1\) [http://www.ilo.org/ilolex/cgi-lex/pdconv.pl?host=status01&textbase=iloeng&document=178&query=%23status%3D01&highlight=on&querytype=bool&context=0](http://www.ilo.org/ilolex/cgi-lex/pdconv.pl?host=status01&textbase=iloeng&document=178&query=%23status%3D01&highlight=on&querytype=bool&context=0).

\(^2\) [OJ C 16 E, 22.1.2010, p. 21.](http://www.ilo.org/ilolex/cgi-lex/pdconv.pl?host=status01&textbase=iloeng&document=178&query=%23status%3D01&highlight=on&querytype=bool&context=0)

value; whereas these causes include direct and indirect discrimination, as well as social and economic factors such as occupational and highly horizontally and vertically segregated labour markets, undervaluing of women’s work, inequality in the balancing of work and private life, and traditions and stereotyping, including in the choice of educational paths, in educational guidance, in access to trades and professions and consequently in professional careers, particularly for girls and women, leading them towards typically female professions which are less well paid; whereas, according to expert analysis, discrimination, direct and indirect, is responsible for approximately half the difference;

C. whereas all too often the pay gap is linked to cultural legacies and legal and economic factors present in modern-day society;

D. whereas on average women needed to work until 2 March 2012 in order to earn as much as men had earned on average in the year up to 31 December 2011;

E. whereas implementation of the principle of equal pay for the same work and for work of equal value is crucial to achieving gender equality; whereas the Commission and the Member States should be called upon to compile and regularly issue statistics showing not only average hourly wages, but also the amounts of pay that men and women receive for equal work or work of equal value;

F. whereas the Directive 2006/54/EC has contributed to the improvement of women’s situation in the labour market but has not profoundly changed the legislation on closing the gender pay gap; whereas preliminary studies by experts show that little or no change has been made in Member States’ legislation and no sanctions have been taken against employers; whereas the complexity of the issue requires not only improvement of the legislation but also a Europe-wide strategy to address the gender pay gap, which, in turn, requires strong EU leadership in coordinating policies, promoting good practices and involving various actors;

G. whereas trends show that salaries are more frequently individually negotiated, resulting in a lack of information and transparency on the individualised pay system which leads to increased pay disparities among employees at similar levels, and can result in widening the gender pay gap; whereas a more decentralised and individualised system of wage setting should therefore be assessed as a rather worrying development, while data protection cannot be taken as a legitimate excuse for not publishing statistical information on salaries;

H. whereas, in all Member States, female students achieve a higher pass rate at school than their male counterparts and represent as many as 59% of all university graduates; whereas, however, due to traditions and stereotypes in education they are a minority among university graduates in fields like mathematics and computer engineering;

I. whereas women's skills and competences are often undervalued, as are the professions and jobs in which women predominate, without this necessarily being justified by any objective criteria; whereas broadening women's career prospects and changing education patterns could have a positive influence on addressing the gender pay gap, for example by increasing the numbers of female scientists and engineers;

J. whereas women are more often employed in part-time work, and whereas the gender pay gap is almost twice as wide among part-time workers as among full-time workers;
K. whereas, according to expert analysis, the gender pay gap starts to be visible after a woman’s return to the labour market from her first maternity leave, gets higher with repeated career interruptions because of external factors, such as child-related employment breaks and caring for dependent family members and tends to grow with age and educational level; whereas women’s slower, shorter and/or interrupted careers also create a gender differential in contributions to social security systems, thus increasing women’s risk of poverty in old age;

L. whereas data indicate that qualifications and experience acquired by women result in financially lower rewards than those acquired by men; whereas, in addition to the concept of ‘equal pay for work of equal value’, which must not be biased by a gender-stereotyped approach, societal roles that have hitherto significantly influenced education and employment paths must be broken away from, and education can and must contribute to eradicating gender stereotypes from society; whereas, furthermore, maternity and parental leave must not give rise to discrimination against women in the labour market;

M. whereas employers in feminised industries and occupations pay lower wages on average, and whereas these industries and occupations usually have less collective representation and bargaining power;

N. whereas, according to legislation and European case law, employers must apply the same evaluation criteria to all staff, remuneration arrangements must be understandable and transparent, and the criteria applied must take into account the nature and type of work and must be free from discriminatory elements;

O. whereas the pay gap is even more pronounced among women with multiple disadvantages, such as women with disabilities, women belonging to minorities and unqualified women;

P. whereas only a few claims concerning discrimination in the form of a gender pay gap make their way to the competent courts\(^1\); whereas there are many explanations for this scarcity, including lack of information on pay, the problematic scope of comparison, and the claimants’ lack of personal resources;

Q. whereas the European Institute for Gender Equality can play a fundamental role in monitoring the development of the gender pay gap, analysing its causes and assessing the impact of legislation;

R. whereas Parliament has repeatedly called on the Commission to take initiatives, including the revision of existing legislation, in order to tackle the gender pay gap, and to eliminate the risk of poverty of pensioners, which is greater among women as a direct effect of the gender pay gap;

I. Requests the Commission to review Directive 2006/54/EC by 15 February 2013 at the latest, in accordance with Article 32 thereof, and to propose amendments to it on the basis of Article 157 TFEU, following the detailed recommendations set out in the annex to this resolution, at least in relation to the following aspects of the gender pay gap issue:

\[\text{– definitions,}\]

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– analysis of the situation and transparency of results,
– work evaluation and job classification,
– equality bodies and legal remedy,
– social dialogue,
– prevention of discrimination,
– gender mainstreaming,
– sanctions,
– streamlining of EU regulation and EU policy;

2. Confirms that the recommendations respect fundamental rights and the principle of subsidiarity;

3. Considers that the proposal requested will have no financial implications;

4. Recognises that there are multiple causes which exacerbate the pay gap and, therefore, that a multi-level, multifaceted approach requires strong leadership from the European Union in coordinating policies, promoting best practice and involving various actors such as the European social partners and non-governmental organisations, with the aim of creating a Europe-wide strategy to address the gender pay gap;

5. Calls on the Member States to implement and enforce Directive 2006/54/EC consistently, and to encourage the private and public sectors to play a more active role in closing the gender pay gap; the Member States and the Commission should encourage the social partners, including employers, to undertake job evaluation schemes free from gender bias, to implement job classification systems, and to foster the concept of work based on equal pay;

6. Calls on the Member States to act in an exemplary manner themselves in regard to combating unequal pay for women in government, public institutions and public companies in general;

7. Points out that collective negotiation and bargaining have an important role to play in combating discrimination against women, not least as regards access to employment, pay, working conditions, career advancement and vocational training;

8. Welcomes the Commission’s Equal Pay Day initiative, first established on 5 March 2011 and held for the second time on 2 March 2012;

9. Notes that pay inequality due to any other factor such as race, ethnicity, sexual orientation or religion must not be tolerated;

10. Welcomes the Council’s initiative under the Belgian Presidency in 2010 on evaluating and updating the set of quantitative and qualitative indicators;

11. Encourages the Commission to foster closer coordination among Member States in relation
to research, analysis and taking full advantage of best-practice sharing;

12. Encourages the Member States, whenever possible with the involvement of the social partners, to exchange best practices and increase the cooperation in developing new ideas in tackling the gender pay gap;

13. Calls on the Commission and the Member States to oppose inequality in pay between the sexes in all relevant EU policies and national programmes, in particular in those geared towards the fight against poverty;

14. Suggests that Member States may wish to appoint an Equal Pay Champion to monitor the situation in individual Member States and report back to their national parliaments and the European Parliament on the progress that is being made;


16. Encourages the social partners to shoulder their responsibility in terms of creating a more gender-equal wage structure; to provide training courses on negotiation skills, including wage negotiation; to promote awareness of equal pay in the first instance, with a view to working towards compulsory pay audits; and to strengthen women’s positions within the social partnership structure, in particular in decision-making posts;

17. Calls on the Member States to provide for the possibility of collective redress against violations of the equal pay principle, as the means enabling individuals and/or representative bodies to bring a case on behalf of consenting complainants in court proceedings and to grant NGOs and trade unions the legal standing to represent victims of discrimination, also in administrative proceedings; calls on the Commission to examine, in the context of its forthcoming proposal for a horizontal instrument on collective redress, the inclusion of collective redress against violations of the equal pay principle;

18. Stresses that only very few claims concerning gender pay discrimination have made their way to the competent (regular or administrative) courts; encourages the Commission and the Member States, therefore, to continue with awareness-raising campaigns, including providing adequate information on the burden of proof, given that it plays a significant role in ensuring the principle of equal treatment;

19. Takes the view that the procedures and mechanisms for defending the principle of equal pay for work of equal value and for prohibiting any and every form of gender-based discrimination need to be improved and simplified;

20. Calls on the Member States and workers’ and employers’ organisations to jointly develop objective job evaluation instruments, in order to reduce the pay gap between men and women;

21. Encourages the Member States to determine objectives, strategies and time limits for reducing the gender pay gap and equalising equal pay for the same work and work of the same value;

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22. Calls on the Commission to promote further research on flexicurity strategies in order to assess their impact on the gender pay gap and determine how these strategies can help tackle gender discrimination;

23. Welcomes the Council conclusions of 6 December 2010 calling on the Member States to take wide-ranging measures to overcome the causes of this pay inequality;

24. Maintains that greater female employability, especially in the top flight, could help to narrow gender pay gaps; points to the need for women to play a more active part in economic decision-taking, using their influence to bring about solutions encompassing a gender equality perspective; draws attention to studies which have found that there is a strong correlation between larger numbers of women in company management positions and higher company profits from assets, sales, and investment capital;

25. Reminds the Member States of their commitments regarding a review of the effect that employment and tax policies have on the pay gap;

26. Proposes that Parliament should offer a ‘Women and Business in Europe’ prize, which could be awarded to employers (undertakings, institutions and authorities) who lead the way in promoting women, supporting female managers and practising equal pay;

27. Stresses the need to take measures to promote professional and career development under conditions of genuine gender equality; points out that this principle forms part of the concept of corporate social responsibility, which is promoted at international and national level and needs to be developed in all the Member States;

28. Instructs its President to forward this resolution and the accompanying detailed recommendations to the Commission, the Council and the governments and parliaments of the Member States.
DETAILED RECOMMENDATIONS AS TO THE CONTENT OF THE PROPOSAL REQUESTED

Recommendation 1: DEFINITIONS

Directive 2006/54/EC contains a definition of equal pay, by copying the provisions of Council Directive 75/117/EEC of 10 February 1975 on the approximation of the laws of the Member States relating to the application of the principle of equal pay for men and women\(^1\). To have more precise categories as tools for dealing with the gender pay gap (GPG) it is important to define the different concepts more precisely, such as:

- GPG, the definition of which must not cover gross hourly pay alone, while there needs to be a distinction between unadjusted and “net” gender pay gap;
- Direct and indirect pay discrimination;
- Remuneration, the definition of which should cover any net wages and salaries as well as any work-related financial entitlements and in-kind benefits;
- Pension gap (in different pillars of pension systems, e.g. in pay-as-you-go systems, occupational pensions, as a continuation of the pay gap after retirement);
- Work treated as ‘equal’ (in individual categories of occupations);
- Work of the same value, so that relevant factors are mentioned;
- Employer, to ensure that responsibility for the employee’s pay and any possible inequality in pay, is clearly defined;
- Professions and collective agreements – it should be made more clear that jobs related to different collective agreements and different professions can be compared in court, provided that the jobs are comparable as equal work or work of equal value.

Recommendation 2: ANALYSIS OF THE SITUATION AND TRANSPARENCY OF RESULTS

2.1. The lack of information and awareness among employers and employees about existing of possible pay gaps within their company as well as their ignorance weakens the implementation of the principle enshrined in the Treaty and in existing legislation.

2.2. Acknowledging the lack of accurate, comparable and coherent statistical data, including on the part-time gender pay gap and the gender pensions gap, and the existing lower pay rates for women especially across professions traditionally dominated by women, Member States should take full account of the gender pay gap in their social policies and treat it as a serious problem.

2.3. It is therefore essential that regular pay audits, as well as the publication of their results, bearing in mind the personal data protection, are made compulsory within companies (e.g. in companies with at least 30 employees and each sex is represented in at least 10 % of

\(^1\) OJ L 45, 19.2.1975, p. 19.
the employees). The same requirement can also apply to information on remuneration in addition to pay. This information should be accessible to employees, trade unions and adequate authorities (e.g. labour inspections, equality bodies).

2.4. Employers should provide employees and their representatives with results in the form of wage statistics, broken down by gender but bearing in mind the personal data protection. This data should be compiled at sectoral and national level in each Member State.

2.5. There should be a requirement on employers to adopt transparency policy in relation to wage composition and structures, including extra pay, bonuses and other advantages forming part of remuneration.

2.6. When wage statistics show group or individual differences in pay on grounds of sex, employers are obliged to analyze these differences further and react to eliminate them.

Recommendation 3: WORK EVALUATION AND JOB CLASSIFICATION

3.1. The concept of the value of work must be based on qualifications, interpersonal skills and responsibility emphasising quality of work, with the aim of promoting equal opportunities between women and men. This concept should not be marked by a stereotyped approach unfavourable to women, for example putting the emphasis on physical strength rather than on interpersonal skills and has to ensure that work involving responsibility for human beings is not considered of lower value than those with responsibility for material or financial resources. Women must therefore be provided with information, assistance and/or training in wage negotiations, job classification and pay-scaling. It must be possible for sectors and companies to be asked to examine whether their job classification systems reflect the gender dimension in the required manner, and to make the necessary corrections.

3.2. The Commission’s initiative should encourage Member States to introduce job classification complying with the principle of equality between women and men, enabling both employers and workers to identify possible pay discrimination based on a biased pay-scale definition. Respecting national laws and traditions concerning industrial relations systems remain important. Work evaluation and classification should also be transparent and be made available to all stakeholders and to labour inspectorates and equality bodies.

3.3. Member States should carry out a thorough assessment centred on professions dominated by women.

3.4. A gender-neutral job evaluation should be based on new systems for classifying and organising staff and organising work and on professional experience and productivity assessed above all in qualitative terms, such as education and other qualifications, mental and physical requirements, responsibility for human and material resources, for use as a source of data and assessment grids for determining pay, with due regard to the principle of comparability.

Recommendation 4: EQUALITY BODIES AND LEGAL REMEDY

Equality promotion and monitoring bodies should play a greater role in diminishing GPG. The bodies should be empowered to monitor, report, and, where possible, enforce gender equality
legislation more effectively and more independently while they should be adequately funded. Article 20 of Directive 2006/54/EC should be revised so as to enhance the bodies’ mandate by:

- supporting and advising victims of pay discrimination;
- providing independent surveys concerning the pay gap;
- publishing independent reports and making recommendations on any issue relating to pay discrimination;
- legal powers to initiate their own investigation;
- legal powers to impose sanctions in cases of breaching the principle of equal pay for equal work and/or to bring wage discrimination cases to court;
- providing special training for the social partners and for lawyers, judges and ombudsmen based on a toolbox of analytical instruments and targeted measures to be used either when drawing up contracts or when checking whether rules and policies to address the pay gap are being implemented, as well as providing training courses and training materials on non-discriminatory job evaluation for employers.

Recommendation 5: SOCIAL DIALOGUE

Further scrutiny of collective agreements and applicable pay scales and job classification schemes are necessary, mainly concerning the treatment of part-time workers and workers with other atypical work arrangements or extra payments/bonuses including payments in kind. Such scrutiny should cover not only primary but also secondary working conditions and occupational social security schemes (rules on leave, pension schemes, company cars, childcare arrangements, flexible working time, bonuses etc.). Member States, while respecting national law, collective agreements or practice, should encourage social partners to introduce gender-neutral job classifications, enabling both employers and employees to identify possible pay discrimination based on a biased pay-scale definition.

Management can play an important role not only with regard to pay equity, but also in terms of creating a climate to support the equal sharing of care responsibilities and careers advancement for both male and female workers.

The social partners should be empowered to put equal pay issues on the agenda, not only within their own sectors, but also to opt for an intersectoral balance.¹

The Commission should work out an operative, practical and user-friendly guidebook for social dialogue in companies and Member States. This should include guidelines and criteria for deciding the value of work and for comparing jobs. It should also include suggestions for possible job evaluation methods.

Recommendation 6: PREVENTION OF DISCRIMINATION

Specific reference should be made to pay discrimination in Article 26 (on prevention of discrimination) of Directive 2006/54/EC, with a view to ensuring that Member States, with the involvement of the social partners and equal opportunity organisations, adopt:

specific measures relating to training and job classification, aimed at the vocational-
training system and designed to remove and prevent discrimination in training and
classification and in the economical valuation of skills,

specific policies to make it possible to reconcile work with family and personal life,
covering high-quality and affordable childcare and care for other dependent persons, as
well as other care services, flexible work organisation and hours, and maternity, paternity,
parental and family leave,

conge acts (under Article 157(4) of the Treaty on the Functioning of the European
Union) to redress the pay gap and gender segregation, to be given effect by the social
partners and equal opportunity organisations at various levels, both contractual and
sectoral, such as: promoting pay agreements to combat GPG, investigations in relation to
equal pay for equal work, setting of qualitative and quantitative targets and benchmarking
and supporting the exchange of best practice,

a clause in public contracts requiring respect for gender equality and equal pay for equal
work.

Recommendation 7: GENDER MAINSTREAMING

Gender mainstreaming should be enhanced by including in Article 29 of Directive 2006/54/EC
precise guidelines for the Member States concerning the principle of equal pay and closing the
gender pay gap. The Commission should gear itself to providing assistance to the Member
States and to stakeholders as regards practical measures to bridge the gender pay gap by means
of the following:

devising reporting schemes for the purposes of assessing pay gaps between men and
women,

creating a data bank containing information concerning changes to the systems for the
classification and the organisation of workers,

collating and disseminating the results of experiments relating to the reform of work
organisation,

distributing information and guidelines on practical means, particularly for SMEs (e.g. on
IT based tool LOGIB-D) of redressing the pay gap, including national or sectoral
collective agreements,

developing a European equal pay quality certificate in cooperation with social partners and
associations, which institutions, undertakings and authorities could use to advertise their
compliance with specific criteria in relation to equal pay, e.g. wage transparency,

devising specific guidelines for the monitoring of pay differentials within the context of
collective bargaining, to be made available on an internet site translated into various
languages and accessible to all.

Recommendation 8: SANCTIONS

8.1. The legislation in this field is for different reasons evidently less effective and, bearing in
mind that the whole problem cannot be solved by legislation alone, the Commission and
Member States should reinforce the existing legislation with appropriate types of effective, proportionate and dissuasive sanctions.

8.2. It is important that Member States take the necessary measures to ensure that infringement of the principle of equal pay for work of equal value is subject to appropriate sanctions according to the legal provisions in force.

8.3. In spite of the existing legislation, inspections and punitive action are often woefully inadequate where the principle of equal pay is concerned. These matters need to be treated as a priority, and the agencies and bodies responsible for them must be provided with the necessary technical and financial resources.

8.4. It is recalled that under Directive 2006/54/EC, Member States are already obliged to provide compensation or reparation (Article 18), as well as penalties (Article 25). However, these provisions are not sufficient to avoid infringement of the equal pay principle. For this reason, it is proposed to conduct a study on the feasibility, effectiveness and impact of launching possible sanctions such as:

- penalties, which must include the payment of compensation to the victim;
- administrative fines (for example in the event of failure of notification or of compulsory communication or unavailability of analysis and evaluation of wage statistics disaggregated by gender (according to Recommendation 2)) requested by labour inspectorates or the competent equality bodies;
- disqualification from public benefits, subsidies (including EU funding managed by Member States) and public procurement procedures, as already provided for by Directives 2004/17/EC of the European Parliament and of the Council of 31 March 2004 coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors and Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts;
- identification of offenders, which should be made public.

Recommendation 9: STREAMLINING OF EU REGULATION AND EU POLICY

9.1. One area for urgent action concerns the fact that a wage penalty appears to be linked to working part-time. This requires an evaluation and possible revision of Directive 97/81/EC, which prescribes equal treatment between full-time and part-time workers as well as more targeted and effective actions in collective agreements.

9.2. A concrete target for reducing the pay gap should be introduced urgently in the Employment Guidelines, inter alia regarding access to vocational training and recognition of women’s qualifications and skills.