

## Towards gender equality in employment

Sex discrimination in the labour market and workplace, and failure to ensure equal opportunities for women and men in employment have significant costs for individuals – and for European societies and economies more broadly. Yet, despite these costs – and the potential benefits of gender equality – assessments show that EU legislation in this domain is still not being implemented effectively across the Member States.

### Background

Across Europe, women continue to earn less than men for the work they do. The gap between men's and women's earnings – known as the [Gender Pay Gap](#) (GPG) – [varies](#) between the Member States, ranging from below 10% to over 20%. However, on average, women in the EU currently earn around 16% less than men. Over a lifetime, the cumulative effect of lower earnings results in an even wider [Gender Pension Gap](#) (39%), putting women at greater risk of poverty. The underlying [causes](#) of these gaps are multiple and inter-related. [Discrimination](#) remains a significant factor. Other aspects include the [gender segregation](#) of the labour market, with women over-represented in [part-time work](#) and sectors where pay is lower, and under-represented at senior levels; gender bias at workplace level, which can result in pay schemes that undervalue women's skills compared to men's even at [senior levels](#); and the uneven division of labour, which leaves women with greater responsibility for [care and domestic work](#) and results in career interruptions. The continued existence of the gender pay and pension gaps is one evident sign of the gender inequalities in employment which, in practice, predominantly impact on women, with [transgender](#) people also affected.

### Cross-Europe support for tackling gender inequality in employment

According to [Eurobarometer statistics](#) published in March 2015, a majority of EU citizens (76%) [agree](#) that tackling inequality between women and men should be a priority for the EU. Women being paid less than men for the same work, and receiving lower pensions than men, were [ranked](#) as areas of gender inequality that should be dealt with most urgently (in second and third place behind violence against women). Making sure that women earn the same as men was also [seen](#) as the approach most likely to increase the number of women in the labour market in 16 Member States (Sweden 70% of respondents, Finland 63%, Belgium 54%, Denmark 53%, Luxembourg and Austria 52%). Other approaches that received high levels of support included improving access to childcare, flexible working and better quality jobs, and ensuring that recruitment procedures do not discriminate against women. In addition to widespread public backing for further action to tackle gender inequality in employment, the [consultation](#) for the future [EU Gender Equality Strategy](#) after 2015 also [identified](#) better implementation of European laws on equal pay at national level, and the introduction of gender-neutral job evaluation, as key priorities.

### The potential benefits of closing gender gaps in employment

There is [evidence](#) that further action at EU and national levels could bring significant quantifiable benefits. As well as highlighting the primary impact on equity and social justice, the [European added value assessment](#) on equal pay, conducted for the European Parliament in 2013, found a direct correlation between reducing the Gender Pay Gap (GPG) and increasing GDP. It concluded that a European-level initiative to revise [Directive 2006/54/EC](#) could boost EU GDP by around €13 billion per year.

*The streamlining of EU regulation and policy, greater transparency of pay data and broader and more systematic use of work evaluation and job classification could each result in an overall reduction in the Gender Pay Gap of a minimum of 1 percentage point, which in turn has the potential to increase GDP by 0.1%. Source: [European Added Value Study, Annex II](#)*

## The EU legal and policy framework

The principle of equal pay for equal work has been a fundamental principle of Community law since 1957, when it was enshrined in [Article 119](#) of the Treaty of Rome. It is currently addressed in Article 157 of the [Treaty on the Functioning of the European Union \(TFEU\)](#), which covers the principle of equal pay for equal work and work of the [same value](#), and Article 153, underpinning broader equality between women and men with regard to labour market opportunities and treatment at work.

At EU level, the key piece of legislation in this area is [Directive 2006/54/EC](#) (recast) on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation. This Directive, which merged previous equality directives and case law, also introduced several new elements on the definition of pay and status of pension schemes, together with references to the reconciliation of work, private and family life and to discrimination arising from gender reassignment.

The Commission's [Strategy for equality between women and men](#) for 2010-15 set out [measures](#) to implement the principle of equal pay more effectively, and to reduce the gender pay gap. Further measures were set out in the Commission's 2014 [Recommendation](#) on pay transparency and accompanying [Impact Assessment](#).

## The transposition, implementation and enforcement of Recast Directive 2006/54/EC

Questions have been raised regarding the [transposition](#) and broader effectiveness of the recast Directive. Member States had until 15 August 2008 to implement its provisions. However, [compliance monitoring](#) by the **European Commission** showed that, by 2013, there were still outstanding questions on the conformity of national legislation in 26 Member States. The Commission concluded that, overall, Member States had not used the opportunity to review their national systems in a comprehensive way or to simplify and modernise their equal treatment legislation. Moreover, very few had explicitly

transposed the new elements on gender reassignment, which extend protection against discrimination for transgender people. External reviews of the Directive's transposition were done in [2014](#) and [2015](#).

Looking beyond transposition, the Commission [noted](#) that the practical application of equal pay provisions in Member States seems to be one of the Directive's most problematic areas. **Stakeholders** have also drawn attention to the need for more effective application and enforcement of the Directive at national level. The European Women's Lobby (EWL) has [stressed](#) that the Directive has failed to close the gender pay gap, which is an obstacle to women's rights in employment. It has called for more stringent measures, including legally binding provisions, such as mandatory pay audits to strengthen wage transparency. With respect to trans people's employment rights, Transgender Europe [calls for](#) the removal of ambiguity around who is or is not included in the scope of the legislation, and has issued a [checklist](#) of the minimum criteria to be complied with at national level.

## The contribution of the European Parliament

The European Parliament has consistently called for further action to improve the application of equal pay provisions, adopting resolutions on equal pay in [2008](#) and [2012](#). The latter expressly requested the European Commission to review the recast Directive before February 2013, focusing on gender-neutral work evaluation and job classification, sanctions and legal remedies. The European Parliament's Committee on Women's Rights and Gender Equality subsequently commissioned a [European Added Value Assessment on Equal Pay for Men and Women](#) and a [European Implementation Assessment on Directive 2006/54/EC](#), which assesses the effectiveness of the Directive in tackling the equal pay and pension gaps and sets out recommendations for recasting and/or amending it. An [own-initiative report](#) (rapporteur: [Anna Záborská](#), EPP, Slovakia), calling on the Commission to prepare a new legislative proposal to replace the Directive, is due to be put to plenary on 8 October 2015.

**Figure 1 - Transposition of Directive 2006/54/EC**



Data source: [European Commission, 2013](#).