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NOTE

From: Presidency
To: Delegations

Subject: Equal pay: reducing the gender pay gap
- Presidency steering note

Delegations will find attached the Presidency steering note on the above subject, with a view to the lunch debate at the EPSCO Council on 19 March 2020.

EPSCO lunch debate

Equal pay: reducing the gender pay gap

Under the EU Treaties, the Member States have all committed themselves to applying the principle of equal pay for men and women for equal work or work of equal value,¹ a notion that dates back to the Treaty of Rome (1957) and finds concrete expression in the equal pay directive introduced in 1975². The principle of equal pay for women and men was reaffirmed in 2017 when the European Council, the Council and the Commission together proclaimed the European Pillar of Social Rights. Today, it seems self-evident that the size of your salary, benefits or pension should not depend on whether you are a woman or a man.

However, achieving pay equality in practice has proved difficult. According to the latest figures, the gender pay gap in the EU has stagnated at around 16% and the gender gap in pensions is still as high as 30%. In 2018, the European Commission adopted an EU Action Plan Tackling the Gender Pay Gap, whose implementation was reviewed recently.

Recognising that pay opacity can mask unfair practices and hinder effective action in this area, the Commission intends to propose binding pay transparency measures by the end of this year.

Enhanced pay transparency measures would help to detect pay discrimination at individual level, increasing awareness and encouraging workers to challenge pay discrimination before national courts. In addition, pay transparency would also facilitate the analysis of the underlying causes of the gender pay gap, thus allowing for better-targeted policy action.

Meanwhile, numerous other initiatives are being pursued at the EU level and nationally in an attempt to address the numerous root causes of the gender pay gap and the gender gap in pensions. One important approach is the promotion of gender-neutral job evaluation and classification systems, which help to detect indirect pay discrimination related to the undervaluation of jobs.

¹ Article 157 TFEU.

² Directive 75/117/EEC. Directive 2006/54/EC (recast).

As the Council noted last year, the gender pay gap is the result of a whole range of interlinked factors, including gender segregation in education, training and employment; occupational segregation; gender imbalance in managerial and decision-making positions; women's more frequent engagement in part-time work and their more frequent and longer career breaks due to the unequal sharing of household, family and care responsibilities between women and men; and the undervaluation of work performed by women.³

The gender pay gap and the gender gap in pensions are linked to detrimental social imbalances, including women's lower labour market participation and their higher risk of poverty. Until equality is achieved, women will not be able to contribute to the economy or fulfil their potential on an equal footing with men. Above all, the gender pay gap and the gender gap in pensions are proof that more needs to be done to truly deliver on the promise of equality. At the beginning of the new institutional cycle, and following the adoption by the Commission of its new Gender Equality Strategy 2020-2025, it is time to redouble the effort to close these gaps--in a spirit of progress, social fairness and economic efficiency, for the common benefit of European citizens.

Against this background, Ministers are invited to address the following questions:

1. *What are the most effective measures for tackling the gender pay gap, for the benefit of women, men, families, society and the economy? Please share a good practice or innovative approach.*
2. *What kinds of pay transparency measures should be used to ensure that the principle of equal pay for equal work or work of equal value for women and men is respected?*

³ Council Conclusions on Closing the Gender Pay Gap: Key Policies and Measures (10349/19).