



Council of the
European Union

173922/EU XXVII. GP
Eingelangt am 20/02/24

Brussels, 19 February 2024
(OR. en)

6388/24

SOC 93
GENDER 19
ECOFIN 162
JAI 230

NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	Draft Council Conclusions on the Economic empowerment and financial independence of women as a pathway to substantive gender equality

Delegations will find attached a set of draft Council Conclusions on "the Economic empowerment and financial independence of women as a pathway to substantive gender equality" prepared by the Presidency.

This document will be discussed by the members of the Social Questions Working Party on 29 February 2024.

An executive summary of the report prepared by the European Institute for Gender Equality (EIGE) will be distributed as an addendum to the present document (ST 6388/24 ADD 1). The report will be distributed before the second meeting.

Procedure

The Presidency hopes that an agreement on these Conclusions can be reached in two meetings. Delegations are therefore invited to make every effort to develop their positions in good time, with a view to holding a productive discussion at the meeting on 29 February. Written comments are welcome even before the first meeting.

Draft Council Conclusions¹**Economic empowerment and financial independence of women****as a pathway to substantive gender equality****ACKNOWLEDGING THAT**

1. Gender equality and human rights are at the core of the European values. Gender equality is recognised as a core principle of the European Union, enshrined in the Treaties and in the Charter of the Fundamental Rights of the European Union.
2. Equal opportunities and gender equality, including equality of treatment and opportunities and equal pay for work of equal value, and work-life balance are recognised in Principles 2, 3, 9 and 15 of the European Pillar of Social Rights that was proclaimed by the European Parliament, the Council and the Commission in 2017.
3. The Beijing Platform for Action, adopted by the United Nations at the 4th World Conference on Women in 1995, identifies “Women and the Economy” (area F), including promotion of women’s economic independence, as one of twelve critical areas of concern. It states that in addressing this area of concern governments and other actors should promote an active and visible policy of mainstreaming a gender perspective in all policies and programmes.

RECALLING THAT

4. In 2019, the Council called on the European Commission and the Member States to “promote women’s economic independence and sustainable and inclusive economic growth” as well as to “pursue a stronger focus on gender equality within different phases of the European Semester process, including by working on already existing gender equality indicators and, where appropriate, developing new ones, by continuing to develop sex-disaggregated data collection and statistical methods and analysis for monitoring progress on gender equality.”²

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

² Doc. 14938/19. (December 10, 2019). *Council Conclusions on Gender-Equal Economies in the EU: The Way Forward*. URL: <https://data.consilium.europa.eu/doc/document/ST-14938-2019-INIT/en/pdf>

5. In 2023, the Council called on the European Commission and the Member States to recognise paid and unpaid care work and to “encourage the mobilization and effective use of EU resources and funds to support the implementation of the European Care Strategy and the Council Recommendations on long-term care and early childhood education and care (ECEC) so as to advance in the transition of care systems towards holistic, person-centred and community-based models in order to improve the recognition of the value of care and to eradicate prejudice and gender stereotypes.”³
6. In 2023, the Council also called on the European Commission to “ensure that gender equality considerations are integrated in the implementation of the EU budget, in order to close persisting gender gaps, including in particular by financing measures to advance gender equality and women’s economic empowerment in accordance with the respective spending programmes within the Multi-Annual Financial Framework (MFF), as well as by fully implementing the European Commission’s methodology for tracking gender equality expenditure in the EU budget” and to “ensure the presentation of statistics disaggregated by sex throughout the Commission’s reports”.⁴
7. The Regulation on the Recovery and Resilience Facility (RRF) stresses the need to ensure women’s economic empowerment, in order to build resilient societies, combat precarious conditions, boost job creation and prevent poverty and social exclusion and increase the GDP.⁵
8. According to a study carried out by the European Institute for Gender Equality (EIGE) on the economic benefits of gender equality in the European Union, improving gender equality - including in the economic sector - would lead to up to a 9.6% GDP increase by 2050 in the EU. This corresponds to approximately EUR 3.15 trillion.⁶

³ Doc. 16094/1/23 REV1. (November 29, 2023). *Council Conclusions on the transition of care systems throughout life towards holistic, person-centred and community-based models*. <https://data.consilium.europa.eu/doc/document/ST-16094-2023-REV-1/en/pdf>.

⁴ Doc. 9684/23. (May 2023). *Council Conclusions on Mainstreaming a gender equality perspective in policies, programmes, and budgets*. URL: <https://data.consilium.europa.eu/doc/document/ST-9684-2023-INIT/en/pdf>

⁵ OJ L 57. (February 18, 2021). *Regulation (EU) 2021/241 establishing the Recovery and Resilience Facility*. URL: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021R0241>

⁶ *Economic benefits of gender equality in the European Union*. (August 3, 2023). European Institute for Gender Equality (EIGE). URL: <https://eige.europa.eu/newsroom/economic-benefits-gender-equality>

NOTING THAT

9. “Thriving in a gender equal economy” is a strategic priority of the Commission’s Gender Equality Strategy 2020-2025, which underlines that women and men in all their diversity should have equal opportunities to thrive and be economically independent, be paid equally for their work of equal value, have equal access to finance and receive adequate pensions.
10. In its report entitled “Financial independence and gender equality in the EU”, EIGE presents evidence of gender inequalities in terms of financial independence in the EU with a particular focus on how the concept of financial independence has been defined so far and analyses the harmful consequences of financial dependence, including economic violence.⁷
11. EIGE refers to women’s economic and financial empowerment as a “process by which women gain power and control over their own lives and acquire the ability to make strategic choices”. It defines financial independence as a multidimensional concept encompassing income, wealth and power/control, so as to capture the many facets of gender inequality more comprehensively.
12. Persistent gender gaps remain, to the detriment of women in relation to employment, pay, earnings, income – including pensions, wealth, and access to credit. The gaps stem from a lower participation of women in the labour market, from types of employment (as women are disproportionately represented in part-time work and low-paid sectors due to gender-related barriers and gender stereotypes), and from the unequal division of unpaid care and domestic work within families. In 2021, the gender pay gap remains at around 12.7% in the EU.⁸ EIGE estimates the “gender wealth gap for single adults aged 18-60 across eight Member States is 32%, with country estimates ranging from 8% to 49%.”⁹ Meanwhile, the gender pension gap, estimated at 26.1% in 2022, increases women’s vulnerability regarding the risk-of-poverty rate.¹⁰

⁷ EIGE, [Placeholder / Report]

⁸ Eurostat. (March, 2023). *Gender pay gap statistics*. URL: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Gender_pay_gap_statistics

⁹ EIGE, [Placeholder / Report]

¹⁰ Eurostat. (2022). Gender Pension Gap by age group URL: [Eurostat. Statistics | Eurostat \(europa.eu\)](#).

13. According to EIGE’s study, gender gaps in relation to employment, pay earnings, income and wealth are particularly pronounced for certain groups of women, including women in single-parent households, older women, women with a migrant background or those with dependent children.¹¹
14. The report concludes that financial independence is both a life cycle issue and a vicious circle: “a lack of financial independence makes it more difficult to pursue opportunities that would strengthen financial independence”.¹²
15. The progressivity of income tax systems in the Member States can reduce gender inequalities in terms of financial independence and play a role in redistributing income by incentivising labour market participation. However, tax systems do not all necessarily provide sufficient incentives for second earners. As women are more likely to be second earners than men, joint taxation¹³ or labour market tax disincentives can severely impact their situation.
16. Lack of financial independence increases the risk of poverty or social exclusion for women and the assumption of an equal distribution of resources within the household may reinforce the lack of recognition of the true extent of gender gaps in poverty and deprivation.
17. The income statistics currently available do not allow for a full gender equality analysis as they do not provide data for each household member or reflect the differences between women and men.¹⁴ Disaggregated data on wealth and savings is also lacking. As a result, women’s income share in a household tends to be overestimated and women’s risk of poverty and material deprivation underestimated.

¹¹ EIGE, [Placeholder / Report]

¹² EIGE, [Placeholder / Report]

¹³ From a labour supply perspective, with exception of flat-rate systems, joint taxation generally raises tax rates for secondary earners and lowers them for primary earners. As the secondary earner’s marginal tax rate is increased by joint taxation, their return for each additional hour of work is reduced.

¹⁴ Eurostat. (August, 2023). *EU statistics on income and living conditions (EU-SILC) methodology – monetary poverty of elderly people*. URL: [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=EU_statistics_on_income_and_living_conditions_\(EU-SILC\)_methodology_-_monetary_poverty_of_elderly_people#Description](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=EU_statistics_on_income_and_living_conditions_(EU-SILC)_methodology_-_monetary_poverty_of_elderly_people#Description)

18. Finally, according to EIGE's study, financial dependence is associated with a range of negative outcomes, including lower physical and mental health and fewer opportunities to engage in education, paid employment and entrepreneurial activities. In addition, women's financial dependence on their partners often obliges them to stay in violent relationships, thereby increasing their risk of experiencing intimate partner violence. Regarding the latter, the Eurostat EU survey on gender-based violence against women and other forms of interpersonal violence (EU-GBV) shows the prevalence of economic violence, with 4% to 18% of women reporting their partner forbidding them to work or controlling family finances and excessively controlling their expenses.
19. This set of conclusions builds on previous work and political commitments voiced by the Council, the Commission and the European Parliament and relevant stakeholders in this area, including the documents listed in the Annex.

THE COUNCIL OF THE EUROPEAN UNION CALLS ON THE MEMBER STATES, in accordance with their competences, to:

20. Include and strengthen the application of gender mainstreaming and gender equality in the field of economic and financial regulations and policies, by specifically:
- a) further improving the labour-market participation of women, in particular those wishing to re-enter the labour market, by introducing incentives and removing disincentives, especially for second earners, including in the family-oriented tax provisions. This may include introducing or increasing tax credits, tax-free allowances and in-work benefits or individualization of tax systems;
 - b) promoting further research and improving the availability of sex-disaggregated data in the area of fiscal policies and exploring possibilities of assessment and accounting for intra-household inequalities. Where feasible and relevant, the data should also be disaggregated by age, disability, household composition or origin;
 - c) ensuring accessible, affordable and high quality ECEC and long-term care infrastructure and services;
 - d) examining the impact of the legal frameworks and property arrangements of marriages and cohabitation regimes and their dissolution on the financial autonomy of women and men and exchange good practices regarding gender sensitive analysis in this respect;
 - e) striving to ensure that state pensions have sufficient and adequate coverage, in particular for persons who have cared for dependents or been on medical leave, and taking into account the evolutions of contemporary society and its changing forms of cohabitation, with a view to achieving greater gender equality;
 - f) ensuring that pension rights are accrued during career breaks for care-related reasons;
 - g) promoting and developing the collection and analysis of sex-disaggregated data on individualised income and inter and intra-household transfers;
 - h) developing and implementing strategies for increasing the number of women in economic and financial decision-making.

21. Provide education and training opportunities to enable girls and boys, women and men in all their diversity, to gain or improve their financial literacy so as to boost their future prospects in securing and maintaining financial independence.
22. Support targeted programmes to promote financial knowledge and skills for women which are needed to expand women's business ownership and access to financial resources.
23. Provide sensitive life-long learning and training opportunities designed to improve financial literacy, including digital literacy, for persons of all ages, including via apprenticeships, online training or other routes that are sensitive to the various disadvantages, including intersectional disadvantages, women and men may face (e.g. exclusion from the labour market, lack of access to or familiarity with financial services, and lack of power and control).
24. Promote coordinated cooperation between labour market, social, education and financial institutions and public authorities so as to build a more comprehensive understanding from a gender perspective of the factors relevant to financial independence and behaviour (i.e. accumulation of pension rights; gender-based violence risks including economic violence; financial diversification strategies and risks, etc.).
25. Ensure that existing or upcoming action plans against gender-based violence, in line with the directive on combating violence against women and domestic violence, include as a priority tackling economic violence and draw up actions to this end.
26. Ensure coordinated steering of the national policy for the prevention of economic violence and coercive control in all its forms, and appropriate funding of research and data collection on economic violence and its links with financial dependence and independence.
27. Explore possibilities to collect and communicate administrative and survey data on economic violence.

CALLS ON THE EUROPEAN COMMISSION AND THE MEMBER STATES, in accordance with their respective competences and respecting the role and autonomy of the social partners, to:

28. Strengthen measures to ensure the achievement of the Beijing Platform of Action objectives, as well as the implementation of the UN 2030 Agenda for Sustainable Development, by:
 - a) striving to close of the gender pay gap, including through the timely and effective implementation of the Pay Transparency Directive;
 - b) ensuring the adoption of a gender mainstreaming perspective throughout social, financial and economic policies so as to detect and effectively reduce gender gaps in these domains;
 - c) mandating equality bodies to develop advice or guidance on economic empowerment and financial independence of women and on awareness-raising campaigns;
 - d) ensuring a better balance between work, family and private life through the effective implementation and application of the Work-Life Balance Directive and the renewed Barcelona targets on early childhood education and care;
 - e) consider further measures to act against economic violence with the wider aim of effectively eliminating all gender-based violence and discrimination.
29. Collect data on individual wealth, and improve the availability of harmonised and regularly collected data disaggregated by sex and other intersecting social characteristics.
30. Integrate into the relevant EU surveys questions on income and expenditure at individual level, on income pooling and on income sharing, disaggregated by sex and according to the type of income, and if relevant other relevant variables.
31. Take into account and disseminate the results of the forthcoming European study based on the EU survey on gender-based violence and other forms of interpersonal violence, coordinated by Eurostat and supported by EIGE and the European Agency for Fundamental Rights (FRA).
32. Facilitate mutual learning and promote good practices among actors engaged in the prevention of economic violence and the protection of victims.

CALLS ON THE EUROPEAN COMMISSION TO:

33. Support research on the issue of financial independence as a multidimensional concept encompassing income, wealth and power/control so as to capture the many facets of gender inequality more comprehensively.
34. Develop standard indicators for the monitoring of financial independence, in collaboration with EIGE. Integrate the relevant indicators of financial independence in possible future EU wide surveys on domestic violence and intimate partner violence in the Member States.
35. Support the Member States in developing and implementing effective strategies for improving the gender balance in economic and financial decision-making, in particular by monitoring the correct implementation of the Gender Balance on Corporate Boards Directive.
36. Continue to support Member States regarding ways in which national tax-benefit systems can act as financial incentives or disincentives to the employment of second earners.¹⁵
37. Enhance gender mainstreaming in the EU's economic policies, as specified in the European Pillar of Social Rights, including in the European Semester.
38. Promote further research and compile sex-disaggregated data on the care economy, on care needs and on care occupations, as well as on the status of formal and informal carers and their working conditions in line with the European Care Strategy.
39. Monitor progress and share good practices with regard to policies for reducing the gender pension gap.
40. Strengthen funding for education and training programmes to improve financial knowledge and skills, including financial literacy.

¹⁵ European Commission, Directorate-General for Employment, Social Affairs and Inclusion, *Joint Employment Report 2023 – As adopted by the EPSCO Council on 13 March 2023*, Publications Office of the European Union, 2023, <https://data.europa.eu/doi/10.2767/372552>
Tax policies in the European Union, 2017 Survey. URL: https://taxation-customs.ec.europa.eu/document/download/ee077e5f-a567-4112-ae44-94ef33898fcb_en?filename=tax_policies_survey_2017.pdf
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41. Continue to promote positive gender norms for the equal distribution of unpaid care and domestic work between women and men; continue efforts to combat gender stereotypes, which tend to confer upon men a predominant role in financial decision making; and support targeted programmes designed to engage men in combatting gender stereotypes and discrimination.
 42. Introduce awareness-raising campaigns on the new rights for workers in the Pay Transparency Directive (2023) and the Work-Life Balance Directive (2019) so as to ensure that citizens know and can exercise their rights.
 43. Monitor progress and awareness, and share good practices with regard to policies to address gender gaps, notably regarding the Council Recommendation on adequate minimum income (2023), the European Care Strategy (2022), including the Council Recommendations on early childhood education and care (2022) and long-term care (2022), as well as the Work-Life Balance (2019) and Pay Transparency (2023) Directives.
 44. Continue implementing the Gender Equality Strategy 2020-2025 and ensure that the long-term strategic commitment to advance gender equality will be further reinforced beyond 2025.
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References

1. EU interinstitutional

- European Commission, Secretariat-General, *European pillar of social rights*, Publications Office, 2017, <https://data.europa.eu/doi/10.2792/95934>

2. EU legislation

- [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)
- [Regulation \(EU\) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility](#) (OJ L 57, 18.2.2021, p. 17-75)
- Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on improving the gender balance among directors of listed companies and related measures (OJ L 315, 7.12.2022, p. 44-59)
- [Directive \(EU\) 2023/970 of the European Parliament and of the Council of 10 May 2023 to strengthen the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms](#) (OJ L 132, 17.5.2023, p. 21–44)

3. Council

- Council Conclusions of 13 June 2019 on Closing the Gender Pay Gap: Key Policies and Measures
- Council Conclusions of 24 October 2019 on The Economy of Wellbeing (doc. 13432/19)
- Council Conclusions of 10 December 2019 on Gender-Equal Economies in the EU: The Way Forward

- Council Conclusions of 1 December 2020 on Tackling the Gender Pay Gap: Valuation and Distribution of Paid Work and Unpaid Care Work
- Council Conclusions of 12 June 2023 on Mainstreaming a gender equality perspective in policies, programmes, and budgets (doc. 9684/23)
- Council Conclusions of 29 November 2023 on The Transition of care systems throughout the life towards, holistic, person-centred and community-based support models with a gender perspective (doc. 16094/1/23 REV1)
- [Council Recommendation on access to affordable high-quality long-term care](#) (OJ C 476, 15.12.2022, p. 1)
- [Council Recommendation on early childhood education and care: The Barcelona targets for 2030](#) (OJ C 484, 20.12.2022, p. 1)

4. European Commission

- [A Union of Equality: Gender Equality Strategy 2020-2025](#). 6678/20. (Commission reference: COM(2020) 152 final.)
- [A European Care Strategy for caregivers and care receivers 2022](#). (Commission reference: COM(2022) 440 final.)
- Decisions – [Commission Decision of 17 September 2012 on Eurostat](#) (2012/504/EU). Official Journal of the European Union.

5. European Institute for Gender Equality (EIGE)

- [Gender Impact Assessment: Gender Mainstreaming Toolkit](#), 2016.
- [Economic benefits of gender equality in the European Union](#), 2023.

6. United Nations

- [The Beijing Declaration and Platform for Action \(UN agenda for gender equality and women's empowerment\)](#)