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## REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

on the implementation of the EU Action Plan 2017-2019 on tackling the gender pay gap

{SWD(2020) 101 final}

## **1** INTRODUCTION

In November 2017, the European Commission adopted the EU action plan on tackling the gender pay gap (the action plan)<sup>1</sup>. The aim was to set out a broad and coherent set of activities to tackle the gender pay gap through mutually reinforcing legislative and non-legislative initiatives. By October 2019, the Commission had completed a large majority of the action plan's **24 action points.** In addition, the implementation of the most action points will be continued<sup>2</sup>.

The action plan was an expression of the Commission's intention to take targeted action to decrease the gender pay gap, which had remained at a stable level over the five-year period leading up to the plan's adoption. The action plan described a set of root causes, such as pervasive labour market segregation, unequal sharing of caring responsibilities, inadequate work-life balance policies and insufficient pay transparency, which needed to be strongly addressed by more far-reaching measures at EU level. In line with the Commission's policy priorities, eight main strands of action were identified – with 24 concrete action points to help the Commission tackle the pay gap in a coordinated and cross-sectoral manner.

Throughout the action plan's implementation, from its adoption in November 2017 until October 2019, decreasing the gender pay gap was one of the main areas of focus of the **Commission's gender equality policy**. Looking back, the action plan has demonstrated the broad and comprehensive way in which the Commission works to target the gender pay gap, not only through its gender equality policy, but under several sectoral policies. The sectoral measures and national projects provided for in the action plan have also helped to show how multifaceted action is necessary to address underlying societal structures and gender stereotypes.

In particular, the measures undertaken under the action plan have contributed to the implementation of **the European Pillar of Social Rights**, most notably its principle 2 on gender equality. The principle requires the Commission to ensure the right of everyone to equality of treatment and foster opportunities between women and men in all areas, including regarding participation in the labour market, terms and conditions of employment and career progression. The principle also specifically provides that women and men have the right to equal pay for work of equal value. The measures taken under the action plan have furthermore been relevant for the implementation of several other principles of the European Pillar of Social Rights, such as those concerning equal opportunities, wages, work-life balance and old-age income and pensions. The action plan's implementation has also contributed to delivering on **the United Nations' 2030 Agenda for Sustainable Development**, in particular the Sustainable Development Goal 5 on achieving gender equality and empowering all women and girls.

During the action plan's implementation, the Commission granted **€14 million in funding** to projects helping to tackle the gender pay gap in the Member States by combatting gender stereotypes, strengthening career guidance, increasing the representation of women in decision-making positions, improving the work-life balance of both women and men, as well as closing gender gaps over the course of one's life cycle by addressing gender gaps in employment, pay and pensions.

<sup>&</sup>lt;sup>1</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee. EU Action Plan 2017-2019 Tackling the gender pay gap, 20.11.2017, COM (2017) 678 final.

 $<sup>^{2}</sup>$  For a more detailed description of the measures taken to implement the individual action points, see the staff working document in annex (SWD (2020)101).

**Legislative action** was also taken during this period of implementation. In June 2019, a Directive on work-life balance<sup>3</sup> was adopted, which introduces minimum standards for family leaves and flexible working arrangements for workers and promotes equal sharing of care work between mothers and fathers. Furthermore, the Commission Recommendation on standards for equality bodies<sup>4</sup>, adopted in June 2018, paved the way for better support to victims of discrimination, including pay discrimination. In 2018, the Commission launched an evaluation of the equal pay provisions<sup>5</sup>, which provides a basis for further legislative proposals on binding pay transparency measures in 2020, as indicated in the Political Guidelines of the Commission 2019-2024 and in the Commission Work Programme 2020.

By the end of the action plan's implementation period in October 2019, all 24 action points had been finalised fully or in part. Certain actions have led to very tangible results in the form of new legislation or policies, and a great majority of the actions will be continued under various Commission policies. This report is a contribution to the aim of tackling the gender pay gap. It takes stock of the actions implemented, discusses some of the key achievements made under the action plan and paves the way for further initiatives to enforce the principle of equal pay for equal work or work of equal value.

#### 2 DATA ON THE GENDER PAY GAP IN THE EUROPEAN UNION REVEALS SLOW PROGRESS

Several action points of the action plan (10, 17, 18) invited the Commission to collect data on the gender pay gap. The Commission regularly reports on the pay, earnings and pension gaps in the Member States in its annual report on equality between women and men in the European Union. These data<sup>6</sup> (action point 17) illustrate a clear and persistent structural underpayment of women in the EU. During the implementation of the action plan, **the average gender pay gap in the Member States decreased from 16 per cent in 2017 to 15.7 per cent in 2018**. If, on top of the gender pay gap, differences in working hours and length of working lives in total between women and men are taken into account, a more profound difference can be observed between men and women in their economic independence. This gender gap in overall earnings reached almost 40 per cent in 2014<sup>7</sup>. One of the reasons for the overall earnings gap is that, on average, women spend fewer hours in paid work than men. Accordingly, in total, 78 per cent of second earners in the Union are women.

According to Eurostat data, the average gender pay gap decreased in the EU Member States only marginally from 16 per cent in 2017 to 15.7 per cent in 2018.

<sup>&</sup>lt;sup>3</sup> 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.

<sup>&</sup>lt;sup>4</sup> Commission Recommendation (EU) 2018/951 of 22 June 2018 on standards for equality bodies, C/2018/3850, OJ L 167, 4.7.2018, p. 28–35.

<sup>&</sup>lt;sup>5</sup> The results of the evaluation are presented in a Commission staff working document published at the same time with this report. See Evaluation of the relevant provisions in the Directive 2006/54/EC implementing the Treaty principle on 'equal pay for equal work or work of equal value', SWD (2020)50.

<sup>&</sup>lt;sup>6</sup> The 2019 Report on equality between women and men in the EU and reports from previous years are available on the <u>website</u> of the Publications Office of the European Union. See also data of the gender pay gap in 2018 <u>https://ec.europa.eu/eurostat/databrowser/product/view/SDG 05 20?lang=en</u>. Data on the gender pension gap was made publicly available on the Eurostat database, see 'Gender pension gap by age group – EU-SILC survey' at <u>https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc pnp13&lang=en</u> and 'Gender coverage rate in pension by age group – EU-SILC survey' at <u>https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc pnp14&lang=en</u>. The data in this document covers EU-28 in line with the implementation of the action plan from 2017-2019.

<sup>&</sup>lt;sup>7</sup> See: <u>https://ec.europa.eu/eurostat/web/products-datasets/product?code=teqges01</u>. The latest available data for this indicator are for 2014.

Under the action plan, the Commission also sought to acquire a deeper understanding of the differences in pay between women and men. Several studies<sup>8</sup> on the factors affecting the gender pay gap demonstrate that **around two thirds of the average gap cannot be explained** by the personal, job- or enterprise-related characteristics of working men and women. For instance women's lower labour market participation, fewer hours spent by women in paid work, high percentage of women in part-time work, as well as women commonly being the primary caregivers in the family are given as reasons explaining the pay gap<sup>9</sup>.

The pay inequalities, along with the differences in work intensity and years in employment, further translated into **an estimated average pension gap of 30.1 per cent** between women and men in the Union for the age group of 65 years or older in 2018<sup>10</sup>. This in turn often leads to a higher risk of poverty for older women. The at-risk-of-poverty rate was more than ten percentage points higher for female than for male pensioners in 2018 in six Member States<sup>11</sup>. Also the Pension Adequacy Report (action point 17) highlights the fact that current pension systems only mildly compensate for women's non-linear careers and older women remain the main beneficiaries of minimum income schemes<sup>12</sup>.

The average difference in women's and men's pensions in the European Union was 30.1 per cent in 2018. This contributes to gender inequalities in old-age income.

Concerning data on professional segregation, according to the She Figures 2018 report published by the Commission<sup>13</sup>, women generally outnumber men in scientific education at undergraduate and graduate level, and a broad gender balance has been achieved at PhD level.

However, women and men continue to be unevenly distributed in different scientific fields of study, which shows the persistence of gender stereotypes. Stereotypes are particularly strong in the field of sciences, technology, engineering and mathematics (STEM), where women remain underrepresented at all levels (with 32 per cent of women at bachelor, master or equivalent levels) up to top academic positions (with 15 per cent of female students on average). The proportion of women workers was higher in public sector jobs, such as in health care, education and social work.

<sup>12</sup> The 2018 Pension Adequacy Report: current and future income adequacy in old age in the EU. Available at:

<sup>&</sup>lt;sup>8</sup> See for instance <u>https://op.europa.eu/en/publication-detail/-/publication/aa27ac5b-fc83-11e5-b713-01aa75ed71a1/language-</u> <u>en</u> and Denis Leythienne, Piotr Ronkowski, "A decomposition of the unadjusted gender pay gap using Structure of Earnings Survey data". Eurostat, Statistical Working Papers, 2018, available at: <u>https://op.europa.eu/en/publication-detail/-/publication/fb389f61-6f7c-11e8-9483-01aa75ed71a1/language-en.</u>

https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=sdg\_05\_20&plugin=1. **See** https://eige.europa.eu/gender-statistics/dgs/data-talks/what-lies-behind-gender-pay-gap.

<sup>10</sup> 2019 equality between and Report on women men in the EU, p.68. Available at: https://ec.europa.eu/info/files/aid development cooperation fundamental rights/annual report ge 2019 en.pdf Eurostat, "Closing the gender pension gap?", available at https://ec.europa.eu/eurostat/web/products-eurostat-news/-/DDN-20200207-1?inheritRedirect=true&redirect=/eurostat/news/whats-new%20.

<sup>&</sup>lt;sup>11</sup> Lithuania, Estonia, Bulgaria, Czechia, Latvia and Romania. Eurostat, At-risk-of-poverty rate by poverty threshold and most frequent activity in the previous year - EU-SILC and ECHP surveys, 2018.

https://op.europa.eu/en/publication-detail/-/publication/f0e89c3f-7821-11e8-ac6a-01aa75ed71a1/language-en.

<sup>&</sup>lt;sup>13</sup> https://op.europa.eu/en/publication-detail/-/publication/9540ffa1-4478-11e9-a8ed-01aa75ed71a1/language-en.

## **3** TACKLING THE GENDER PAY GAP – EXAMPLES OF MEASURES TAKEN UNDER THE ACTION PLAN

The action plan included 24 action points grouped under eight actions. This chapter will describe some examples of the actions taken under the action plan. A closer description of the implementation of all actions is available in the staff working document in annex.

#### **3.1** The work-life balance initiative

The Commission's Communication 'An initiative for work-life balance for working parents and carers'<sup>14</sup>, including the proposal for a directive on work-life balance for parents and carers<sup>15</sup>, are key deliverables of the European Pillar of Social Rights. The aim of this package of complementary, mutually reinforcing measures was to tackle women's underrepresentation in the labour market by addressing one of its main drivers, the unequal sharing of care responsibilities between women and men (action point 14).

The **Work-Life Balance Directive** was adopted on 20 June 2019<sup>16</sup>. Its aim is to modernise the Union's legal framework for family-related leaves and flexible working arrangements. The Directive lays down the right of fathers to paid paternity leave (10 working days paid at the national sick pay level) as well as the right to 4 months of parental leave for each parent, of which at least 2 months cannot be transferred between the parents and must be adequately paid (at a level decided by each Member State). Moreover, each carer - defined as a worker providing personal care or support to a relative who is in need of significant care or support for a serious medical reason - is entitled to carers' leave of at least 5 working days per year. Finally, parents with children up to the age of eight and carers have the right to request flexible working arrangements (remote working arrangements, flexible working schedules and reduced working hours). The Member States have 3 years (until 2 August 2022)<sup>17</sup> to transpose the Directive into national legislation. The Commission will closely monitor the implementation process and provide the Member States with the necessary support.

The work-life balance initiative also contained a set of non-legislative measures. To implement these, the Commission, together with the European Network of Equality Bodies (EQUINET), organised a capacity-building seminar on work-life balance for equality bodies and labour inspectorates. The Rights, Equality and Citizenship (REC) programme also funded projects<sup>18</sup> on tackling gender stereotypes to encourage a more gender-balanced use of family-related leaves and flexible working arrangements. The EU Programme for Employment and Social Innovation (EaSI) funded projects to promote innovative work-life balance strategies to facilitate recnciliation of professional and caring responsibilities<sup>19</sup>. In addition, the European network of legal experts in gender equality and non-discrimination carried out a study on improving protection against discrimination and dismissal for

<sup>&</sup>lt;sup>14</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. An initiative to support work-life balance for working parents and carers. COM (2017)252 final.

<sup>&</sup>lt;sup>15</sup> Proposal for a Directive of the European Parliament and of the Council on work-life balance for parents and carers and repealing Council Directive 2010/18/EU, COM (2017)253 final.

<sup>&</sup>lt;sup>16</sup> Directive 2019/1158 on work-life balance for parents and carers and repealing Council Directive 2010/18/EU, OJ L 188, of 12/7/2019, p.79.

<sup>&</sup>lt;sup>17</sup> The Member States nevertheless have 5 years (until 2 August 2024) to transpose the obligation of paying the last 2 weeks of parental leave (out of the 2 adequately paid, non-transferable months).

<sup>&</sup>lt;sup>18</sup> The selected projects are available at:

https://ec.europa.eu/justice/grants1/calls/2015\_action\_grants/just\_2015\_rgen\_ag\_role\_en.htm.

<sup>&</sup>lt;sup>19</sup> The selected projects are available at: <u>https://ec.europa.eu/social/main.jsp?catId=632&langId=en</u>.

pregnant workers and workers who take family leaves<sup>20</sup>, and the Commission adopted a report on the state of play of the Barcelona objectives on the participation of children under mandatory school-going age in childcare<sup>21</sup>.

Finally, the Employment Committee and the Social Protection Committee, which are advisory policy committees of the Ministers in the Employment and Social Affairs Council (EPSCO), are developing and improving indicators on work-life balance, including on the uptake of leaves and flexible working arrangements and on childcare and long-term care. Childcare and long-term care and economic disincentives for second earners are also evaluated in the context of the European Semester (action point 24). Funding under the European Structural and Investment Funds is available to improve these services. The above actions contributed to addressing stereotypes about the role of men and women in society and thus one of the root causes of the gender pay gap.

# **3.2** The EU Platform for Change to increase female employment and equal opportunities in the transport sector

As noted in the action plan, sectoral professional segregation is one of the main drivers of the gender pay gap. To address this, the action plan included a set of measures aimed at combatting segregation in individual occupations and sectors, such as the implementation of particular initiatives to eradicate stereotypes on women's and men's skills, abilities and roles.

One of the sectors concerned was the transport sector, for which the Commission had committed to take a series of measures under the action plan (action point 9). The transport sector is heavily dominated by men, given that only 22 per cent of the workers in the sector are women<sup>22</sup>. Also, for individual occupations within the sector, even if women are more or less equally represented in administrative positions, they continue to be under-represented in better-paid management positions, as well as in technical and mobile jobs. Women constitute, for instance, less than five per cent of pilots but make up a majority of cabin crew.

To increase women's employment in the transport sector, the Commission developed a number of action-oriented tools tailored to the sector's needs. The platform **'Women in Transport - EU Platform for Change'** was launched on 27 November 2017<sup>23</sup>. Stakeholders, such as Member States, EU transport organisations and EU agengies and bodies, can join the platform and commit to increasing women's employment and fighting occupational segregation through dedicated actions. They can sign a declaration on equal opportunities for women and men in the transport sector, thereby committing to promoting equal pay as part of a positive organisational culture.

Although the overall commitment of the stakeholders of the platform is tangible and the number of actions is on the increase, the above commitments need to be followed up at the

<sup>&</sup>lt;sup>20</sup> European network of legal experts in gender equality and non-discrimination, Family leave: enforcement of the protection against dismissal and unfavourable treatment, 2018. Available at <u>https://www.equalitylaw.eu/downloads/4808-family-leave-enforcement-of-the-protection-against-dismissal-and-unfavourable-treatment-pdf-962-kb</u>.
<sup>21</sup> Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and

<sup>&</sup>lt;sup>21</sup> Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions 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'), available at <a href="https://ec.europa.eu/info/sites/info/files/bcn\_objectives-report2018\_web\_en.pdf">https://ec.europa.eu/info/sites/info/files/bcn\_objectives-report2018\_web\_en.pdf</a>.

<sup>&</sup>lt;sup>22</sup> Eurostat, Labour Force Survey 2017.

<sup>&</sup>lt;sup>23</sup> <u>https://ec.europa.eu/transport/themes/social/women-transport-eu-platform-change\_en</u>

national and local levels. To facilitate this, the Commission also launched the **European** Network of Ambassadors for Diversity in Transport<sup>24</sup>.

In addition, the Commission has financed and published a business case report to identify the costs and benefits of women's employment across the transport sector, supplemented by a list of measures proposed by the authors of the report to improve the gender balance by, for example, closing the gender pay gap<sup>25</sup>. These recommendations are based on concrete case studies collected from the sector. They cover (1) recruitment, training and career development (including measures against stereotypes and gender bias), (2) awareness-raising (including reporting on the gender pay gap), (3) work-life balance measures and (4) health and safety measures (including measures against violence and harassment in work contexts). The study also included recommendations to transport companies, including on the need to start reporting on the gender pay gap at the company level. Measures to eliminate the gender pay gap included establishing transparent pay criteria and policies to eliminate the pay gap in companies.

As a first step in addressing women's under-representation in the transport sector, the business case report recommends companies to start using easily collectable, gender-specific indicators to monitor the company's performance.

The Commission has launched further studies to address the barriers faced by women when joining the transport professions, which will be available towards early 2021. The first study looks at work-life balance (i.e. what can be done at the level of individual transport companies in a financially sustainable way to allow workers to better reconcile their work schedule with their private life), whereas the second study provides a toolkit for teachers to better fight gender stereotypes from an early age. A third, forward-looking study will assess the effects of transport's digitalisation either as a challenge or an opportunity for women, and evaluate whether specific measures should be taken to accompany this transition. An additional study analysed women's participation in research and innovation activities related to the transport sector and provided research recommendations to overcome barriers to women's equality in transport<sup>26</sup>.

## **3.3** Promoting institutional change though gender equality plans to foster equality in scientific careers

Another sector where specific measures were provided for in the action plan was research and innovation (action point 8). Between 2017 and 2019, the Commission funded actions to promote gender equality in the research and innovation sector under the **Science-with-and-for-Society work programme** of the Horizon 2020 framework programme<sup>27</sup>. Financial support was also allocated to 10 collaborative projects involving close to 60 research organisations in implementing gender equality plans<sup>28</sup>. In addition, 7 thematic and

<sup>25</sup> Business case to increase female employment in transport. Final report, 2018. Available at:

<sup>&</sup>lt;sup>24</sup> https://ec.europa.eu/transport/themes/social/events/2019-09-26-conf-inclusive-diverse-transport-sector\_en.

https://ec.europa.eu/transport/sites/transport/files/2018-business-case-to-increase-female-employment-in-transport-finalreport.pdf.<sup>26</sup> Women in European Transport with a focus on Research and Innovation. European Union 2019. Available at:

<sup>&</sup>lt;sup>26</sup> Women in European Transport with a focus on Research and Innovation. European Union 2019. Available at: https://ec.europa.eu/jrc/en/publication/eur-scientific-and-technical-research-reports/women-european-transportfocus-research-and-innovation.

<sup>&</sup>lt;sup>27</sup> https://ec.europa.eu/research/swafs.

<sup>&</sup>lt;sup>28</sup> Collaborative gender equality plan (GEP) projects R-I PEERS, SUPERA, CHANGE, Gender-SMART, SPEAR, GEARING ROLES, EQUAL4EUROPE, LeTSGEPs and CALIPER, all listed under the headline 'Projects funded by the FP7 and H2020 framework programmes' here:

geographical communities of practice were established to enable knowledge-sharing on gender equality plans<sup>29</sup>. To complement this comprehensive approach, a dedicated project supported the creation of a gender equality training academy for the research and innovation sector, with publicly available resources<sup>30</sup>. The results and best practices derived from the projects are also included in the **gender equality in academia and research (GEAR) tool**<sup>31</sup>, hosted by the European Institute for Gender Equality.

The gender equality in academia and research (GEAR) tool provides universities and research organisations with best practices and advice on setting up gender equality plans and evaluating their impacts.

Furthermore, **She Figures**, the Commission's flagship publication on key gender equality trends in science and research, is published every 3 years. The 2018 edition<sup>32</sup>, issued on 8 March 2019, includes comprehensive data on the gender pay gap in the scientific research and development sector. The gender pay gap in research and innovation is still marginally higher than in the total economy in the EU (17 per cent against 16.6 per cent according to 2014 data). She Figures is used by the Member States as a benchmarking tool for national policy-making, as the data helps provide insights into the prevailing gender inequalities in individual Member States.

As attracting more women to the science, technology, engineering and mathematics (STEM) sector could build on new trends, such as the emergence of female led start-ups, **the EU Prize for Women Innovators** highlights women's achievements in science and contributes to tackling stereotypes on women's and men's skills, abilities and roles. In 2017, 2018 and 2019, the Commission hence continued to celebrate inspiring female leaders in research-based innovation with the EU Prize for Women Innovators, which is awarded to women who have been successful in bringing about game-changing innovations, and honours outstanding achievements of female entrepreneurs. Winners from previous years have gone on to inspire women from across Europe and beyond to launch brilliant innovations and create their own companies.

## **3.4 Improving the application of the equal pay principle**

Concerning the application of the equal pay principle in general, the action plan provided that the Commission would assess the possibility of making targeted amendments to the Gender Equality Recast Directive<sup>33</sup> and the need for and possibility of making some or all of the measures envisaged in the 2014 Pay Transparency Recommendation<sup>34</sup> binding (see action point 1). The Commission gave effect to this commitment by launching **an evaluation of the relevant provisions of Directive 2006/54/EC** implementing the Treaty principle on 'equal pay for equal work or work of equal value' in October 2018. The complete results of the

https://ec.europa.eu/research/swafs/index.cfm?pg=policy&lib=gender, as well as the tenth GEP project, also selected through the 2019 work programme, and awaiting grant agreement signature.

<sup>&</sup>lt;sup>29</sup> Project ACT: https://cordis.europa.eu/project/id/788204 and https://act-on-gender.eu/communities-practice.

<sup>&</sup>lt;sup>30</sup> Project GE Academy: https://cordis.europa.eu/project/id/824585 and https://ge-academy.eu/.

<sup>&</sup>lt;sup>31</sup> https://eige.europa.eu/gender-mainstreaming/toolkits/gear.

<sup>&</sup>lt;sup>32</sup> <u>https://ec.europa.eu/research/swafs/index.cfm?pg=library&lib=gender\_equality</u>.

<sup>&</sup>lt;sup>33</sup> 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.

<sup>&</sup>lt;sup>34</sup> Commission Recommendation of 7 March 2014 on strengthening the principle of equal pay between men and women through transparency, COM(2014) 1405 final.

evaluation are presented in a Commission staff working document<sup>35</sup> published at the same time with this report.

The evaluation examined how the existing legal provisions on equal pay have worked in practice, the approaches adopted by the Member States for the implementation of these provisions, the extent to which their initial goals have been reached, how effectively they have been enforced, and the overall impact these provisions have had on closing the gender pay gap. More specifically, the evaluation focused on the application and enforcement of the Gender Equality Recast Directive after the adoption of the Pay Transparency Recommendation in 2014.

The evaluation confirms that **the existing legal framework has triggered significant change at national level across the Union**. The Member States nevertheless continue to face challenges in effectively implementing the principle of equal pay in that, for instance, they can differ in how they define key legal concepts such as 'pay' and 'equal work for equal value' in their national legislation; differences in pay discrimination often go undetected due to the lack of transparency surrounding pay levels; and establishing that discrimination has taken place with the backing of facts remains challenging. The findings also point to the difficulties experienced by individual victims of pay discrimination in making claims without legal representation or support. Levels of fines and compensation were also generally not sufficiently dissuasive.

In addition, the action plan invited the Commission to raise greater awareness of and provide guidelines on the principle of equal pay (action points 20 and 21). For this purpose, the European network of legal experts in gender equality and non-discrimination published **a** study on 'National cases and good practices on equal pay,<sup>36</sup> in November 2019. The study includes a compilation of case law on equal pay from 28 EU Member States and three countries of the European Economic Area, and presents good practices and an analysis of the solutions adopted on the national level. In addition, in November 2019 the Commission published an **updated summary of the case law on equal pay** of the Court of Justice of the European Union <sup>37</sup>.

## 4 **OUTREACH AND COOPERATION**

## 4.1 Tackling the gender pay gap with the Member States

The action plan encouraged the Commission to look for synergies between measures taken by key stakeholders at European, national and corporate levels to guarantee its effective implementation. The Commission therefore involved a broad range of stakeholders in the measures it took to give effect to the commitments laid down in the action plan.

Through the High-Level Group on Gender Mainstreaming, which brings together senior representatives in charge of gender mainstreaming in the Member States, the Commission conveyed information on the action plan to the Member States (action point 3). In 2018, the High-Level Group discussed the plan under the Bulgarian Council Presidency and provided examples of measures taken in the Member States to close the gender pay gap. Civil society's involvement and the active participation of the social partners, as well as awareness-raising

- <sup>36</sup> Available at: <u>https://www.equalitylaw.eu/downloads/5002-national-cases-and-good-practices-on-equal-pay.</u>
- <sup>37</sup> Overview of landmark case-law of the Court of Justice of the European Union. Available at: <u>https://op.europa.eu/fr/publication-detail/-/publication/8ecbe429-fb90-11e9-8c1f-01aa75ed71a1/language-en/format-PDF/source-107656972</u>.

<sup>&</sup>lt;sup>35</sup> Evaluation of the relevant provisions in the Directive 2006/54/EC implementing the Treaty principle on 'equal pay for equal work or work of equal value', SWD(2020)50.

measures and pay transparency, were seen as important elements in closing the pay gap. The Bulgarian Presidency also held a ministerial debate on 'Closing the gender pay gap' in the EPSCO Council in March 2018.

These efforts were continued under the Romanian Presidency in 2019, when the High-Level Group discussed the inter-linkages between the gender pay gap and work-life balance on the basis of a research note by the European Institute for Gender Equality<sup>38</sup>. The note also served as a basis for the **Council Conclusions on 'Closing the Gender Pay Gap: Key Policies and Measures'**<sup>39</sup>, adopted in June 2019. The Conclusions call on the Member States to improve the current measures, or introduce new ones, for the effective implementation of the equal pay principle. Drawing on the 2014 Pay Transparency Recommendation, these measures could include measures to improve pay transparency. In the **Council Conclusions on "The Economy of Wellbeing**"<sup>40</sup>, adopted on 24 October 2019 under the Finnish Presidency, the Council moreover invited the Member States and the European Commission to "implement concrete and effective measures to close the gender gaps in employment and pay beyond the current EU Action Plan on Tackling the Gender Pay Gap and address their impact on the gender gap in pensions".

The Commission also continued to support the Member States' efforts in tackling the gender pay gap through the **European Semester** process (action point 24). More specifically, the European Semester has allowed the Commission to highlight the root causes of the gender pay gap in the Member States, such as part-time work disproportionately undertaken by women due to a lack of investment in adequate childcare or fiscal disincentives preventing second earners from working or working more. In 2018, the gender pay gap was addressed in the country reports of 8 Member States<sup>41</sup> and a country-specific recommendation on the gender pay gap was issued to 1 Member State<sup>42</sup>. In 2019, the pay gap was addressed in the country reports of 11 Member States<sup>43</sup> and a country-specific recommendation on the gender pay gap was again issued to 1 Member State<sup>44</sup>. The Commission continued to engage with the Member States also through the High-Level Group by keeping it informed of the findings as regards the gender pay gap made in the European Semester process.

Finally, a mutual learning seminar on tackling gendered pay gaps, their root causes and on the best practices to address them was organised for Member States' representatives in Iceland in May 2019 (action point 22)<sup>45</sup>.

#### 4.2 Strong engagement by the European Parliament and other stakeholders

Due to the multiple root causes and the broad cross-sectoral reach of the gender pay gap, strong stakeholder engagement is paramount in tackling it. For this reason, the Commission sought to actively involve stakeholders and build synergies in implementing the action plan.

During the action plan's implementation, also the European Parliament has emphasised the persistence and root causes of the gender pay gap on numerous occasions. Through its

 <sup>&</sup>lt;sup>38</sup> European Institute for Gender Equality (EIGE): Tackling the gender pay gap: not without a better work-life balance, 2019.
 Available at: <u>https://eige.europa.eu/publications/tackling-gender-pay-gap-not-without-better-work-life-balance</u>.
 <sup>39</sup> https://data.consilium.europa.eu/doc/document/ST-9804-2019-INIT/en/pdf.

 <sup>&</sup>lt;sup>40</sup> https://data.consilium.europa.eu/doc/document/ST-13432-2019-INIT/en/pdf.

 $<sup>^{41}</sup>$  AT, CZ, DE, EE, FI, PT, SK, UK.

<sup>&</sup>lt;sup>42</sup> Estonia.

<sup>&</sup>lt;sup>43</sup> AT, CZ, DE, EE, FI, FR, HU, MT, PT, SK, UK.

<sup>&</sup>lt;sup>44</sup> Estonia.

<sup>&</sup>lt;sup>45</sup> For the materials, see https://ec.europa.eu/info/publications/eu-mutual-learning-programme-gender-equality-equal-pay-iceland-27-28-may-2019\_en.

resolutions, the European Parliament has consistently called on stakeholders to combat the gender pay gap and prevent the pension gap<sup>46</sup>. In referring to the action plan, it has called on the Commission to propose a directive on pay transparency to help reduce the gender pay gap<sup>47</sup>. In addition, the gender pay gap has been discussed by relevant parliamentary committees<sup>48</sup>. The European Economic and Social Committee also issued an opinion on the action plan in April 2018<sup>49</sup>.

In order to reach out to national stakeholders, the Commission supported transnational projects on tackling stereotypes and segregation through eight grants awarded for projects running from 2017 to 2019<sup>50</sup> (action point 4). In particular, these projects promoted good practices in overcoming counterproductive gender roles and gender stereotypes in education, training and at work. The Commission also encouraged the participation of numerous stakeholders in the projects' implementation, seeking to involve the social partners, public service providers, career guidance services, civil society organisations, schools and universities, as well as local or regional stakeholders or the private sector where possible. In addition, the evaluation of the projects' behavioural impact was encouraged to generate evidence on factors that create concrete change in people's attitudes towards gender roles and stereotypes. The Commission facilitated the sharing of best practices and the lessons learned to social partners, contributing to efforts to support national activities to tackle stereotypes leading to differential treatment of women and men in various professional sectors (action point 5).

Through the European sectorial social dialogue in education, the Commission also financed a project on gender equality run by ETUCE<sup>51</sup>. Entitled 'Social dialogue and gender equality: Empowering education trade unions to address gender equality in the teaching profession through social dialogue', the project took place from 2017 to 2019 and was aimed at enhancing the professional status of teachers, trainers and school leaders and making the teaching profession more attractive for both men and women (action point 10). In addition, REC projects to improve the gender balance in economic positions, funded by the Commission in 2019, are ongoing. These projects concern women in decision-making, worklife balance and the promotion of gender balance in corporate management and politics<sup>52</sup>.

In October 2018, an annual forum of the EU Diversity Charters (action point 6) took place in Prague. It brought together diversity experts and businesses and public sector representatives who shared best practices on non-discrimination and inclusion in the private sector. The forum highlighted the business case for gender diversity in senior corporate positions and the need to pay attention to the hiring, retention and progression of women in companies and to overcome gender biases.

<sup>&</sup>lt;sup>46</sup> See e.g. European Parliament Resolution of 10 October 2019 on employment and social policies of the euro area (2019/2111(INI)), European Parliament Resolution of 17 April 2018 on gender equality in the media sector in the EU (2017/2210(INI)). Also European Parliament Resolution of 30 January 2020 on the gender pay gap (2019/2870(RSP)), adopted outside the action plan's implementation period.

<sup>&</sup>lt;sup>47</sup> European Parliament Resolution of 30 January 2020 on the gender pay gap (2019/2870(RSP)), European Parliament Resolution of 15 January 2019 on gender equality and taxation policies in the EU (2018/2095(INI)) and European Parliament Resolution of 10 October 2019 on employment and social policies of the euro area (2019/2111(INI)).

<sup>&</sup>lt;sup>48</sup> E.g. hearing of the FEMM Committee of 9 July 2018 on the EU Action Plan on tackling the gender pay gap.

<sup>&</sup>lt;sup>49</sup> The European Economic and Social Committee, Opinion on the EU Action Plan 2017-2019 - Tackling the gender pay gap, April 2018, available at https://www.eesc.europa.eu/en/our-work/opinions-information-reports/opinions/eu-action-plan-2017- $\frac{2019-\text{tackling-gender-pay-gap}}{\text{For the selected projects, see:}}$ 

https://ec.europa.eu/justice/grants1/calls/2015\_action\_grants/just\_2015\_rgen\_ag\_role\_en.htm. <sup>51</sup> Recognised European Social Partner representing workers in the educational sector.

<sup>&</sup>lt;sup>52</sup> The call and selected projects are available at: <u>https://ec.europa.eu/info/funding-</u> tenders/opportunities/portal/screen/opportunities/topic-details/rec-rgen-wwlb-ag-2018.

The Commission also engaged in **dialogue with European social partners** to promote and adopt relevant measures to help tackle the gender pay gap (action point 13). A seminar with the social partners on 'Tackling the gender pay gap and promoting childcare' took place in June 2018 and a thematic seminar in the form of a dialogue between the Commission and the social partners took place on 7 May 2019 to disscuss the role, costs and benefits of pay transparency.

As concerns the need to improve women's representation in political decision-making, the topic was discussed at the 2017 Fundamental Rights Colloquium on 'Women's Rights in Turbulent Times', which included a plenary session on "Equal participation at work and in politics: a fundamental rights prerequisite"<sup>53</sup>. In 2018, the Colloquium included a session on supporting broad participation in democratic societies<sup>54</sup>. Moreover, the European Development Days in June 2018 involved a high-level panel on 'Raising women's participation in decision-making: engaging men as change agents'. These events allowed high-level international, national and European policymakers, civil society organisations, media and social media representatives, the world of business and education, legal professionals, and youth to share ideas and experience to improve women's representation in political decision-making (action point 13). They also contributed to supporting practices aimed at improving gender balance in decision-making processes and positions across sectors and to help combat vertical segregation.

#### 5 CHALLENGES AND THE WAY FORWARD

#### 5.1 The action plan paved the way for further commitments

This implementation report of the action plan confirms that all of the action plan's 24 action points have been completed either fully or in part. In addition, the implementation of the large majority of the action points will be continued under separate policy initiatives. This points to a very good follow-up overall, as well as to a need for continued, targeted actions in tackling this form of persistent gender-based discrimination.

A detailed description of the concrete measures taken to give effect to the individual actions has been annexed to this implementation report. Despite testifying to the multitude of actions taken by the Commission to close the gender pay gap, the list of concrete measures also shows that areas remain, where further actions would be necessary to address the gender pay gap in a meaningful way. The action plan was intended to demonstrate the Commission's political commitment towards tackling the gender pay gap and was successful in translating this commitment into a list of concrete actions. It however also invited the Commission to look for synergies between measures taken by key stakeholders at European, national and corporate level. The annexed description of concrete measures shows that multiple efforts have been made and continue being made to reach out to stakeholders, whose commitment is necessary for bringing about change. In some cases, these efforts could however have been more substantial.

In addition, further measures could have been taken to address segregation in those sectors where women are traditionally overrepresented, such as education, nursing, and healthcare. Similarly, additional efforts may have been useful to bring about change in women's underrepresentation in corporate and political decision-making.

<sup>&</sup>lt;sup>53</sup> https://ec.europa.eu/newsroom/just/item-detail.cfm?item\_id=115277.

<sup>&</sup>lt;sup>54</sup> https://ec.europa.eu/info/events/annual-colloquium-fundamental-rights/2018-annual-colloquium-fundamental-rights-2018nov-26\_en.

The latest data from 2018 shows very slow movement in tackling the gender pay gap and the gender pension gap during the implementation period of the action plan (by 0,3 percentage points for the gender pay gap between 2017 and 2018 for the EU-28). Despite being on the decrease, the gender pay and pension gaps continue to be significant in the EU on average, and are far from being closed.

The evaluation of the current equal pay provisions, conducted under the action plan, has shown that better and more easily available information on pay levels can reveal possible gender biases or discrimination in corporate pay structures or at industry level. Stronger pay transparency measures should make it easier to identify pay discrimination in individual cases. Awareness of different pay levels for equal work or work of equal value within a company can also make it easier for individuals to challenge pay discrimination before national courts. By bringing structural differences into light, pay transparency can also facilitate an analysis of the underlying causes of the gender pay gap and ensure better-targeted policy action.

As announced in President Ursula von der Leyen's Political Guidelines of the Commission 2019-2024, together with this implementation report and at the same time with the publication of the equal pay evaluation, the Commission presents an EU gender equality strategy for 2020-2025<sup>55</sup>. The strategy sets out further actions to close the gender pay gap, an initiative to introduce binding pay transparency measures. The implementation of the individual actions has likewise comprehensively underlined the close link between the gender pay gap and gender stereotypes. Addressing gender stereotypes will also be one of the policy objectives of the EU gender equality strategy.

## **5.2** Conclusions

Due to its set of holistic actions, the action plan has provided a broad policy framework and evidenced the commitment of the European Commission to address the gender pay gap in a meaningful way. Thanks to the data collection activities and the evaluation of the equal pay legislation in particular, the implementation of the action plan has helped to create a solid, informed basis for further activities against pay inequalities.

The individual implementation measures, a more detailed description of which is provided in the staff working document in annex, highlight the broad scope of the actions required to effectively close the gap. The action plan, and the broad set of measures taken to implement it, point to a need to move forward from debating the existence of the gender pay gap to taking concrete, concerted measures towards eradicating it.

In addition, the action plan's sectoral actions have helped to underline the need for specific, tailored measures to bring about change towards more equal opportunities in employment and occupation.

As shown in this report, the actions undertaken to implement the EU action plan 2017-2019 on tackling the gender pay gap will inform the European Commission's future work to close the gender pay gap.

<sup>&</sup>lt;sup>55</sup> A Union of Equality: Gender Equality Strategy 2020-2025, COM(2020)152.