Recommendations on the application of the principle of equal pay for men and women

2008/2012(INL) - 18/11/2008 - Text adopted by Parliament, single reading

The European Parliament adopted, by 590 votes to 23 with 46 abstentions, a resolution on the application of the principle of equal pay for men and women.

The own-initiative report had been tabled for consideration in plenary by Edit **BAUER** (EPP-ED, SK) on behalf of the Committee on Women's Rights and Gender Equality.

The report, firstly, points out that, in the European Union, women earn on average 15% less than men and up to 25% less in the private sector. To earn as much as a man in one year, a woman would have to work until 22 February of the next year (i.e. 418 calendar days). This shows the extent of the gap in earnings between women and men in spite of the adoption of an important body of legislation over the last 30 years.

It is to highlight this important imbalance that the Parliament addresses a list of **recommendations to the Commission** with the aim of fighting this gap in earnings between the genders.

The first key measure called for by the Parliament is that of a **legislative proposal** on the revision of the existing legislation relating to the application of the principle of equal pay for men and women following the detailed recommendations found in the annex to this report. This proposal should be submitted to the Parliament before **31 December 2009** and should be based on Article 141 of the EC Treaty. Parliament considers that it is essential to ensure the better and earlier implementation of the provisions of the Directive 2006/54/EC of the European Parliament and of the Council on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation by ensuring that the Member States, social partners and equal opportunity organisations apply the measures designed to ensure the application of the principle of equal pay.

More symbolically, Parliament calls for the organisation of a **European Equal Pay Day** which must contribute to raising awareness about the existing wage gap and encourage all those involved to take additional initiatives to eliminate this gap.

To measure the progress made, MEPs also call upon workers' and employers' organisations to jointly develop objective job evaluation instruments, in order to reduce the pay gap between men and women.

Details of the proposed recommendations: from a practical point of view, the measures called for by the Parliament to combat the gap in earnings in the context of the revision of Directive 2006/54/EC may be summarised as follows:

1. **Recommendation 1: definitions:** Parliament calls for a more detailed definition of certain concepts. It suggests, in particular, that the gap in earnings should be less linked to differences in gross hourly pay and that the existing definition should integrate variables such as direct, as well as indirect, pay discrimination. Equality in earnings should also extend to pensions. The definition should also include remuneration, the definition of which should cover any net wages and salaries as well as any work-related financial entitlements and in-kind benefits. Equal pay should also apply to pensions.
2. **Recommendation 2: analysis of the situation and transparency of results:** Parliament wants there to be greater awareness of the gap in earnings among employers and by the Member States. The standard of information will need to be improved; better statistics on pay rates especially in the

professions traditionally dominated by women will need to be provided; and compulsory pay audits should be introduced in companies with at least 20 employees. Those statistics should be coherent, comparable and complete aiming at abolishing discriminatory elements in pay connected with the organisation and classification of work.

3. **Recommendation 3: work evaluation and job classification:** according to MEPs, women should be able to take advantage of training in wage negotiations, job classification and pay-scaling. Member States are invited 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. Member States should carry out a thorough assessment centred on professions dominated by women as well as 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, for use as a source of data and assessment grids for determining pay, with due regard to the principle of comparability.
4. **Recommendation 4: equality bodies:** Parliament considers that equality promotion and monitoring bodies should play a greater role in diminishing the gender pay gap. They should be empowered to be able to monitor, report, and, where possible, enforce more effectively and more independently the application of gender equality legislation. This is why it is calling for the revision of Directive 2006/54/EC in order to enhance their mandate by equality.
5. **Recommendation 5: social dialogue: f**urther 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 (more often given to men than women). 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, 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**.
6. **Recommendation 6: prevention of discrimination:** Parliament calls for the amendment of Article 26 of Directive 2005/54/EC (prevention of discrimination) to include a specific reference to pay discrimination with a view to ensuring that Member States and the social partners adopt specific measures relating to training and job classification. Among the measures to prevent discrimination, MEPs suggest a clause in public contracts requiring the respect for gender equality and equal pay. It should be noted that the Parliament did not accept the committee's suggestion to introduce a specific label (such as a 'quality certificate for gender and pay policies') which could confer on them certain advantages in terms of support measures and boost their chances of securing public contracts.
7. **Recommendation 7: gender mainstreaming:** Parliament calls for an amendment to be made to Article 29 of Directive 2006/54/EC to include precise guidelines concerning the principle of equal pay and closing the gender pay gap. To do so, the Commission will need to provide concrete tools to evaluate pay gaps based on reports drawn up in the Member States, create a databank containing information concerning changes to the systems for the classification of workers, collate and disseminate results of experiments relating to the reform of work organisation or define guidelines on means of redressing the pay gap.
8. **Recommendation 8: sanctions:** Parliament calls on the Member States to take the necessary measures to ensure that infringement of the principle of equal pay for work of equal value is subject to **appropriate sanctions**. Provisions already exist in this area however they are not sufficient to avoid infringement of the equal pay principle, therefore Parliament proposes to conduct a study on the feasibility, effectiveness and impact of launching possible sanctions such as: **compensation or reparation**, which should not be limited by fixing a prior upper limit; 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 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 and identification of offenders, which should be made public.

9. **Recommendation 9: streamlining of EU regulation and EU policy: Parliament** note that, often, a wage penalty appears to be linked to part-time working. This situation requires an evaluation and the possible revision of Council Directive 97/81/EC concerning the Framework agreement on part-time work concluded by UNICE, CEEP and the ETUC. Lastly, a concrete target for reducing the pay gap should be introduced urgently in the Employment Guidelines.