



11 June 2012

Meeting of the National Gender Equality Bodies 2012 IMPLEMENTATION OF EU LEGISLATION ON EQUAL PAY IN PRACTICE

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Introduction

The gender pay gap has been a central issue for employers, social partners, governments, European institutions and other stakeholders for decades.

As the European Commission regularly points out, as well as in the resolution newly adopted by the European Parliament, the pay gap is still wide. Even though the figures have shown slight progress in the past year, there is still a structural challenge.

My intervention today goes beyond the gender pay gap. Indeed, it is, as you know all and as we all recognise, a complex issue.

The extent and reasons for the gap vary from one country to another. There is also a substantial share of the gap that remains unexplained.

Therefore, it is key to acknowledge that the gap does not reflect the gender equality situation in different countries, but it reflects the structure of labour markets, working hours, family and labour market policies and, importantly, individual choices.

The part of the pay gap which is caused by discrimination is addressed effectively by the law at EU and national levels.

What remains is a phenomenon entrenched in our work culture. Addressing it effectively requires a variety of actions that need to be tailored to each national context.

In addition, the gender pay gap is often used as a proxy for gender equality on labour markets in political discussions.



Looking beyond the pay gap

The pay gap is due to various reasons and mainly due to interrelated factors:

- The horizontal and vertical segregation of labour markets - such as the prevalence of women in lower paid sectors (public sector services);
- The cultural and behavioural factors;
- And career breaks.

Employers support the strategic options that reflect this reality.

What should we do?

➤ First lever: challenging stereotypes, informing and better choices

Employers, sometimes on their own, sometimes together with the social partners, have created communication campaigns about wage gaps. They also actively promote diversity and gender equality at the workplace as a good reason for competitiveness and performance.

➤ Second lever: promoting women's participation in decision-making positions

Especially in fields where wage levels are higher than average but in which men are more present than women (e.g.: finance and research). Employers have long implemented training programmes and tutoring incentives to identify talents and create a talent pipeline.

➤ Third lever: to improve the reconciliation of work and private life

Including acting in the field of education and providing more childcare facilities. This is to ensure that women have equal opportunities to pursue their careers and make the same choices as men. Another very important aspect: the choice of flexible working, including for men.

Equal Pay Legislation at national level

There is extensive legislation in the European Union to ensure equal pay. And in the Member States employers are actively involved in following it.

Some concrete examples:

In Bulgaria

Our member the Bulgarian Industrial Association (BIA) participates in the National Council on Equality between Women and Men with the Council of Ministers. This body governs the development and implementation of annual National Action Plans for Promotion of Gender Equality.



A couple of BIA's employees undertake training courses on gender mainstreaming conducted within a project run by the Ministry of Labour and Social Policy under the EC PROGRESS programme.

BIA has also assisted the preparation of amendments to the Labour Code, the Social Security Code and the regulation governing parental leave issues.

In Italy

Companies with more than 100 employees, every two years, have to send a report on their employment situation both to their workers' representative bodies at company level and to the regional "*Consigliera di parità*" (a public representative in charge of monitoring and supporting equal opportunities at the regional level).

In Finland

The gender pay gap programme has been in action since 2005. It is an extensive national programme involving all social partners and the government. The programme set ambitious concrete numeral targets for diminishing the pay gap.

The social partners at sectoral level have worked together on reforming out-dated pay systems and promoted fair and motivational pay systems and knowledge of pay.

Despite substantial efforts and commitments, the achievements of the Finnish programme have been modest but the programme has contributed to a better understanding of the complexity of the pay gap and the need to tackle it at all levels.

In Belgium

Employers faced last year a new bill amending the regulations regarding the fight against the pay gap, despite the fact that the country has one of the smallest gaps in Europe (8.8%), half of which is explainable by part-time work. The new regulation is very difficult for companies.

A study of the Flemish Government indicates that in the generation aged 25-40, on an hourly basis, women earn as much as men. These figures are encouraging and indicate that among the younger generation, women make career choices more similar to men: better educated, higher labour participation and continuous increase in the number of hours, greater participation in sectors and stable higher level function.

The impact of leave arrangements

A recent OECD report underlines the fact that longer leaves have a link with the pay gap. There could be a "penalty for career interruptions linked to childbearing"¹.

BUSINESSEUROPE has long advocated that the Parliament and Commission proposals to extend the length of maternity leave in Europe would be detrimental to the

¹ http://www.oecd.org/document/29/0,3746,en_21571361_44315115_50400285_1_1_1_1,00.html



main objectives sought. Not only will it be costly to employers but it appears also to women.

We have long advocated for a greater sharing of role between parents, and this is the core of the Social Partners' outcomes of the negotiation on parental leave. We have to signal that many men are not taking it because it does not make sense in their career / for financial grounds at household level / cultural repartition of tasks at home whereby mothers assume most of the responsibility in terms of care for children.

Occupational segregation or segmentation has proven to be the most persistent problem and also hardest to address.

The EP resolution: no new messages

The resolution is good at recognising the complexity of the problem and the need for a broad approach.

But when it comes to concrete proposals, it puts a disproportionate attention to companies.

On the issue of wage transparency, this would not only create new administrative burdens for businesses but it would also change many aspects of how wages are formed and also in the negotiation processes of individuals. If transparency is promoted, it must be related to transparency of remuneration systems and not the wages of individuals.

The law obviously cannot solve the complexity of the wage gap and the focus should instead be placed on measures of awareness, such as better understanding of compensation systems and how individuals can influence their own compensation.

The key role of taxation is not addressed in the resolution. This aspect can strongly influence households and thus impede greater participation of women in employment and return to the labour market for second earners.

Training and learning throughout life does not receive enough attention according to employers.

Data collection

The European Parliament is right to put the finger on data. There is a need for concrete figures and objective data collection that everyone can use.

But what we see in fact is a compilation of very subjective and biased data at European level that will not help create the right framework conditions to promote work and reconciliation.

The European Institute for Gender Equality is developing a statistical information system for a "Gender Equality Index". However, it includes a great number of subjective indicators such as the use of precarious work and putting it under the title



quality of work. That is too normative, very biased and does not reflect the different realities of labour markets nor individuals choices.

The Gender Equality Index includes unpaid family work. But looking after the family home should not be in the same category as employment rates – this is not participation but has more to do with how you spend your time.

Conclusions

Firstly, we must acknowledge that labour markets function differently in all the member states.

Secondly, there are different challenges for women to enter and stay in the labour market and climb the career ladder.

Thirdly, there are countries where the infrastructure supporting women's employment is insufficient, and in others, the obstacles are more on the level of stereotypical and traditional attitudes.

We are moving in the right direction when it comes to:

- Solutions adapted to the national situation;
- The involvement of employers unilaterally and social partners in a bipartite or tripartite mode;
- Information, dissemination and reporting, as a core part of the process.

It is also necessary to identify and address the true causes behind the gender pay gap and choose the right policy options in each country.

The European Commission has consulted employers on a range of binding or non-binding legal options at European level and has asked us what the one we would choose is.

BUSINESSEUROPE together with CEEP and UEAPME have reacted as we believe that there is no need to legislate again at this level. But the European Union can support and usefully assist the member states in addressing their national challenges.

The employers would support more synergies between the different DGs notably on the issues of women in science, skills and women entrepreneurship. This is the best way to make an impact and create a virtuous cycle aiming at closing both the gender and the pay gap.

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