

Brussels, 5 March 2010

Tackling the gender pay gap – Frequently Asked Questions

Why do we need to tackle the gender pay gap?

At 18% across Europe, the gender pay gap remains intolerably high and stubborn. Equal pay for equal work is one of the European Union's founding principles. Enshrined in the Treaty of Rome in 1957, it was the subject of a 1975 directive which prohibits all discrimination in all aspects of pay between women and men for the same work or for work of equal value. Although there has been considerable progress towards equality and there are now fewer cases of direct discrimination, there are still important differences between men's and women's earnings in the EU. Closing the gender pay gap is a priority for achieving gender equality at the workplace.

What are the causes of the gender pay gap?

The gap is linked to a number of causes that are frequently interrelated: the undervaluing of women's work, segregation in the labour market, traditions and stereotypes and problems in balancing work and private life. The gender pay gap is the consequence of all these factors and inequalities in the labour market.

How can closing the gap help the economy?

Closing the gap can benefit companies. Employers who promote gender equality into their workplaces create better places to work for everyone. Paying women and men for their actual skills and valuing their contribution on an equal basis lead to the recruitment and retention of the best and most talented staff.

There are also benefits for the economy as a whole. The under-utilisation of women's skills is a lost resource for the economy and for society at large. With an ageing population and falling birth rates, this is an even more pressing problem. A better use of women's skills allows Europe to confront global competition.

Finally, closing the gender pay gap contributes to creating a more equal society and to financial and economic independence for women.

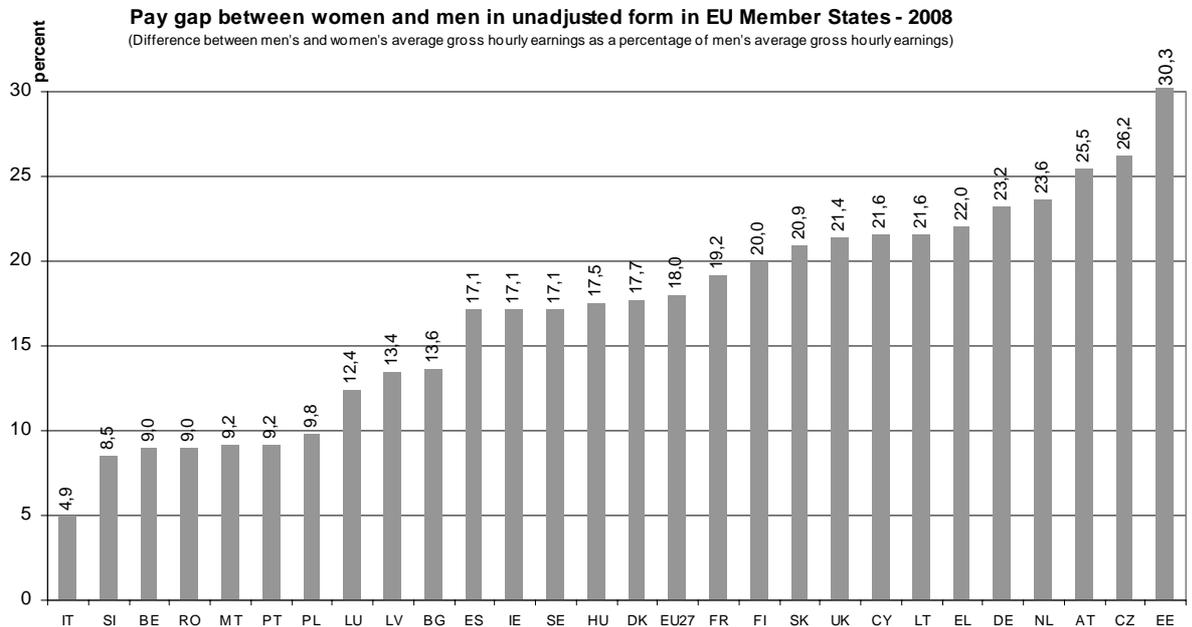
Is the gender pay gap issue important for European citizens?

The results of a new Eurobarometer survey on attitudes to gender equality in the EU¹ show that Europeans consider closing the gender pay gap to be one of the two top priorities for action – together with violence against women. In a list of options in the field of gender equality, Europeans believe that these two areas must be addressed as a priority above all other options (62% of Europeans for the fight against gender-based violence and 50% for the gender pay gap).

More than 80% of Europeans think that urgent action should be taken to tackle the gender pay gap.

How big is the pay gap in different Member States?

Measured as the "relative difference in average gross hourly earnings between women and men," the gender pay gap is estimated to be 18% in the EU as a whole (see graph below).



Source: Eurostat. Structure of Earnings Survey 2006 and national sources (2008) for yearly SES-comparable estimates. Provisional data for EU27, FR, ES and CY. Exception to the reference year : 2007 data for IE, DK, NL and EE.

Why are the gender pay gap figures so different across the Member States?

The latest Eurostat data (2008) show that there are still considerable differences between the Member States, with the pay gap ranging from less than 10% in Italy, Slovenia, Belgium, Romania, Malta, Portugal and Poland to more than 20% in Slovakia, United Kingdom, Cyprus, Lithuania, Greece, Germany and the Netherlands and more than 25% in Austria, the Czech Republic and Estonia.

The pay gap measures the earnings differences between men and women that are in paid employment. It should be looked at in conjunction with other indicators linked to the labour market which reflect the different working patterns of women and the extent to which women and men can reconcile their work, private and family life:

- In most of the countries in which the female employment rate is low (e.g. Malta, Italy, Greece, Poland, Hungary, Romania, Slovakia), the pay gap is lower than average, which may reflect the small proportion of low-skilled or unskilled women in the workforce.
- Highly segregated labour markets, meaning that women are more concentrated in a restricted number of sectors and/or professions, (for example, countries with the highest sector segregation: Estonia, Latvia, Lithuania, Ireland, Slovakia, Finland, Sweden; countries with the highest occupational segregation: Estonia, Slovakia, Latvia, Finland, Bulgaria, Lithuania, Cyprus) tend to result in higher pay gap statistics.

¹ Special EUROBAROMETER 326 "GENDER EQUALITY IN THE EU IN 2009" conducted in autumn 2009 in all 27 Member States: http://ec.europa.eu/public_opinion/archives/eb_special_en.htm

- Countries in which a significant proportion of women work part-time (for example, the Netherlands, Germany, the UK, Austria, Belgium, Sweden, Luxembourg) tend to have a relative high gender pay gap.
- Institutional mechanisms and systems on wage setting can also influence the pay gap.

Has the pay gap changed over recent years?

The gender pay gap has practically remained constant during the last 15 years. It has increased only slightly from 17.7% in 2006 to 18 % in 2008. However, the trend is very different among the Member States and in some countries the gap has even increased during the last years.

Since November 2008 Eurostat has used a new methodology to calculate the gender pay gap which improves the comparability of this indicator among the Member States: instead of a mix of various national sources, it now uses an EU harmonised source (Structure of Earnings Survey), with the support of comparable national sources for the yearly estimates.

What can we do to close the gap?

Tackling the gender pay gap requires a multifaceted approach because it involves different participation patterns of men and women in the labour market.

The Commission will work closely with the 27 EU Member States to address the gender pay gap. It will use all available instruments, both legislative and non-legislative, to reduce significantly the gap by the end of its mandate.

The Commission identified possible legal issues/options that it will pursue through consultation with social partners: company reporting and transparency on pay; measures to ensure the gender-neutrality in job classification and pay scales and making sure that sanctions in case of a breach of the right to equal pay are dissuasive and proportionate. The Commission will conduct an in-depth cost and benefit analysis of these potential measures.

To support employers in their efforts to tackle the gender pay gap, the Commission will encourage initiatives promoting gender equality at the workplace with equality labels, charters and awards. Likewise, the Commission will explore how to support most effectively Member States' activities on the development of tools which help employers to analyse the reasons for the existence of unjustified gender pay gaps within their companies.

The Commission has decided to continue the information campaign launched in March 2009. It aims to raise public awareness of the gender pay gap and to explain how it can be tackled. The first phase in 2009 was a pilot phase in five Member States. The second phase will introduce new tools and take the campaign to the national and regional levels.

How is the pay gap being tackled in the Member States?

The actions implemented by the Commission can contribute to the efforts and actions that Member States are already taking. Some examples of good practices from the Member States:

- **Transparency of wages: Portugal** obliges employers (with some exceptions) to display the individual earnings of their staff while the social partners in **Austria** are negotiating a legal transparency requirement for firms with 25 or more employees.

- **Social dialogue:** In **Finland**, gender pay has been specifically placed on the bargaining agenda within the national pay agreements through an "equality allowance."
- **Equality plan:** The **UK** has established a framework for equal pay reviews in public sector organisations. **France** introduced compulsory reporting by companies on the comparative situation of salaries and an obligation to define and plan the steps needed to eliminate the gender pay gap.
- **Awareness raising initiatives:** The **Dutch** "Day of Equal Pay" is an example of government and social partners working together to promote awareness of the gender pay gap. Similar awareness raising initiatives have also been developed in **Belgium, Germany, France** and **Austria**.

What is new about the Commission's gender pay gap awareness campaign?

The campaign will be more decentralised with actions tailored to the national context in the 27 Member States to increase national media awareness. National authorities, non-government organisations, social partners and citizen services in the Member States will act as multipliers for the campaign's messages.

A new tool (the gender pay gap calculator) has been designed to visualise the problem.. Employers are invited to calculate the pay gap in their organisation. Employees can find out the pay gap in their working environment: for instance, a young Spanish mid-wife working in an organisation of between 50 and 249 employees and who has been to secondary school would find that the average pay gap in her comparable group of employees in Spain is 60.3%.

What tools are used in the campaign?

The campaign features a website with information, figures and promotional material, which includes posters, a campaign toolbox to be distributed across the EU, a video news release and a video clip showcasing how the pay gap affects women throughout the lifecycle. Other activities include advertising in public transport and in the European press. The campaign will run until October 2010.

Further information

Gender pay gap press pack

<http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=708&furtherNews=yes>