

ETUC Resolution on Gender Pay Transparency Directive

Adopted at the Executive Committee Meeting of 22-23 October 2019

Introduction

Pay transparency reveals the pay structures of an organisation and enables trade unions to take action to address persistent pay gaps. Pay transparency means that every worker knows how much they and their co-workers, managers and CEOs make. Pay transparency means that gender biases and discrimination, even if unconscious, are stripped away as everyone can see their effects laid out numerically in the cold light of day. Pay transparency means that workers and their unions are provided with information about all the pay, bonuses and additional benefits paid throughout the organisation, it provides information on the tasks and skills relevant to job evaluation for the purpose of establishing equal pay for work of equal value, it guarantees that workers are free to discuss their pay and gagging clauses and threats against workers who discuss their pay are prevented.

Pay transparency can play a crucial role in ensuring substantial progress in addressing the gender pay gap. It helps unveiling the systematic undervaluation of women's work at the heart of the persistent gender pay inequalities. It highlights the feminisation-segregation of occupations and the insufficient appreciation and remuneration of the work performed by women in specific jobs or whole sectors. Pay transparency can support trade unions' bargaining strategies to reduce unfair and/or unnecessarily large pay differentials between groups of workers, as well as to better tackle low pay in general.

Such pay transparency is lacking in practice in number of European countries that is why the ETUC is backing the commitment made by the incoming President Mrs Von der Leyen, that in her first 100 days she will bring forward a proposal for pay transparency to address the gender pay gap. To meet this commitment the Commission will need to bring forward a Directive that will require Member States to introduce measures that oblige all employers, in both private and public sectors to adopt full pay transparency policies and practices, it will also need to prevent certain practices that work against the achievement of equal pay. For the Directive to bring about real change it must also empower workers and their unions to collectively bargain for "Positive Action" on foot of the pay transparency information. It is essential that collective bargaining is supported so that it can play its essential role to effectively implement the principle of equal pay.

The ETUC is calling for a Directive that will

- require all employers, in both public and private sectors, to adopt pay transparency policies and practices; including a requirement to produce pay audits and annual action plans covering all aspects of pay equality including the gender pay gap;
- support unions to engage in discussions with employers to address the pay gap including through positive action measures;
- promote and strengthen the right to negotiate and conclude collective agreements; including for the modalities of pay transparency in an organisation or sector;
- require employers to provide information to workers and their union on the gender-neutral criteria applied for job evaluation for the purpose of establishing equal pay for equal work within the organisation;
- ensure that transparency applies throughout organisations and refers to the whole remuneration package, including benefits, bonuses, shares, pension,

company car allowances etc along with other information such as the pay ratio between the CEO and the lowest paid workers;

- ensure that information on gender pay differences includes a break down by gender and age and other discriminations that may multiply the effect of gender discrimination;
- prevent practices that operate to undermine pay transparency, such as pay secrecy clauses in contracts and other prohibitions placed by employers on workers discussing pay, require that jobs are advertised with the pay scales included in the job advertisement;
- ensure that employers cannot hide behind Privacy, Data Protection rules or administrative burden claims to avoid pay transparency;
- ensure the definition of workers is the broader as possible and includes self-employed workers and platform employers;
- include effective access to justice and sanctions so that employers take action
- require Member States to deliver analysis and benchmarks for effectively addressing and eradicating pay gaps on the labour market.

The ETUC will lobby for the achievement of a **new** Directive concerning Gender Pay Transparency that achieves these priority objectives as set out above.

Trade Unions taking action: next steps

Giving concreteness to our principles and guidelines for greater pay transparency must engage all level actors and institutions. The ETUC and its affiliates will pursue our priority objectives via a strategic and comprehensive action plan.

- The ETUC will intensify the dialogue with the European Commission, addressing both the President Von der Leyen and Commissioners Dalli and Schmit with the demand to ensure they urgently bring forward proposals for an ambitious, coherent and effective Gender Pay Transparency Directive to bring about genuine improvements with respect to gender pay gap.
- The ETUC will lobby the European Parliament, via addressing both the relevant parliamentary groups, the key MEPs, and the competent Committees.
- The ETUC will consistently lobby Member States, addressing the Permanent Representations and the Council in all possible occasions, with the active involvement and support of affiliates.
- At the same time, national trade unions are requested to engage and put the case for a strong directive on gender pay transparency before their governments, parliaments and all institutional instances who can play a role in promoting fast and meaningful progress of the initiative.
- ETUC and national trade unions will put gender pay transparency on the agenda for social partners' discussions at all levels and ensure it will remain a high priority.
- The ETUC and its affiliates will collaborate and intensify alliances with civil society organisations in order to strongly engage the public opinion and strengthen the possible common demands for greater gender equality.
- The ETUC will report back to the ETUC Executive Committee on developments.

Please see below (annexes) “Putting the Case for a Pay Transparency Directive”.

Annex I

Putting the Case for a Pay Transparency Directive

Annexes to ETUC Resolution on Gender Pay Transparency Directive

« In the first 100 days of my mandate, I will table measures to introduce binding pay-transparency measures. »

Ursula von der Leyen, European Commission President-Designate

Introduction

The Commission President-Designate has announced to table binding measures to address pay transparency using the EU's legislative power to tackle one important reason for the existing gender pay gap.

The principle that women and men should receive **equal pay** for **equal** work has been enshrined in the European Treaties since 1957 (today: Article 157 TFEU) and is now embedded in the Gender Equality Recast Directive (2006/54/EC).ⁱ Moreover, the right to **equal pay** for work of **equal** value was reiterated as a principle in the European Pillar of Social Rights, on 17 November 2017. In line with this law, people who have suffered direct or indirect pay discrimination can take legal action without fear of retaliation from their employer.

In 2014, The European Commission set out to strengthen the principle of equal pay between women and men by providing a set of recommendations aiming to help EU member states to end pay discrimination and the gender pay gap.

In order to further combat the gender pay gap, the European Commission adopted an "EU Action Plan 2017-2019: Tackling the Gender Pay Gap". The Action Plan tried to address the various root causes of the gender pay gap though with little success judged by the latest analysis of the gap.ⁱⁱ This has led the Commission to conduct a public consultation "Evaluation of the provisions in the Directive 2006/54/EC implementing the Treaty principle on equal pay."ⁱⁱⁱ The consultation set out to examine:

- The lack of transparency measures;
- Divergencies in the use of gender-neutral job evaluation and classification system across the EU;
- The lack of effective application of job evaluations;
- The functioning of the existing standards to protect victims of pay discrimination based on gender, especially the right to compensation for victims and dissuasive effects of penalties.

In Spring 2019, the Commission issued a report, which concluded among other things that the implementation of the equal pay principle was most effectively done in the public sector and in the research community, in stark contrast to the private sector.¹

Recalling the ILO Convention, the European Council in its conclusions, stated that Article 2 of the International Labour Organisation Equal Remuneration Convention of 1951

¹ NB: The highest number of respondents came from Germany, Spain, Italy and Belgium (in that order). 18 percent of submissions came from businesses or business associations while only 6 per cent came from trade unions (on par with NGOs)

provides that each Member shall promote and ensure "the application to all workers of the principle of equal remuneration for men and women workers for work of equal value", so referring to the establishment of rates of remuneration without discrimination based on sex.^{iv}

ETUC Demands

The ETUC, preparing for an impending legally binding proposal on gender pay transparency by the European Commission, sets out its demands of what such a legal measure must include to address the entrenched gender pay gap in the European Union.

The ETUC 2008 position on the Communication of the European Commission 'Tackling the pay gap between men and women' emphasised that "pay scales, job classification and job evaluation systems must be reviewed regularly to ensure that they are gender neutral and that they don't include any directly or indirectly discriminatory features..." and called on the EU "to oblige employers, via legislation, to produce pay audits and annual action plans covering all aspects of the pay gap on a mandatory basis."^v The 2015 ETUC Resolution on collective bargaining as a tool to close the gender pay gap noted that "Improved data transparency is essential to enable unions to engage in discussions with their governments and in negotiations with employers". It recommended enhancing transparency by the EU, national legislation and social partners, drawing-up gender-neutral criteria for job evaluation by social partners in cooperation with governments and making pay audits for employers mandatory.^{vi}

This new resolution has three objectives:

- It sets out the ETUC position on gender pay transparency in regard to legally binding measures at EU level;
- It raises awareness of the importance of gender pay equality and the need to act at European level;
- It provides an update on the gender pay gap at European level, by taking into account the effects of the economic downturn.

I. Definition of a Worker

The broadest definition of worker should be applied - beyond the one already existing in article 141 so that **all** workers are covered, including civil and public servants, particularly those who have non-traditional contracts, e.g. zero-hour contracts, "if and when" contracts and contracts of personal service, including self-employed workers.

II. Definition of work of equal value

Since there is no EU level definition of work of equal value, nor any clear assessment criteria for comparing different jobs, the European Commission must undertake work to reach agreement at EU-level on how to define "work of equal value". The definition must be guided by existing case law.

III. Gender pay audit

Compulsory gender pay audits for employers with more than 10 employees should be done every year. The audit should include sex disaggregated data on the average remuneration by category of employee or position; an analysis of the job evaluation and classification system used, pay regulations and practices applied for initial salary setting, pay increases and additional allowances; the length of working experience or tenure of the

employees, and detailed information on pay. **The audit results should be available upon request by both workers and their representatives.** Bi-annual evaluation of the audit processes should be foreseen by law, involving worker representatives/on the basis of social dialogue. **Collecting information on pay levels broken down by gender**

Member States, employers and social partners should be required **to set up robust systems to regularly collect information** on pay levels that are broken down by gender for categories of employees doing the same work or work of equal value and include components beyond the fixed basic salary, such as payments in kind and bonuses.

IV. Pay reports

Member States must put in place measures that ensure that **employers** with at least 10 employees fulfil a bi-annual pay reporting duty on gender-segregated pay levels by category of employee or position, the number of employees according to gender per job title or category should also be included. Moreover:

- Average pay levels would have to be based on accumulated, actual wages paid per hour, not on the formal wage levels indicated in the collective agreement or other applicable wage grid;
- Anonymised pay reports must be made public to employees and their representatives;
- If reporting duties are not carried out, they must be sanctioned (as per European Parliament Resolution of May 24, 2012) by law by way of administrative or penal fines. Involving trade unions and equality bodies and giving them the necessary competence in this respect might help compliance with pay transparency measures.

Member States should be required to submit annual reports monitoring and assessing the evolution of gender pay gap, using wage indicators systems, for example. These are valuable tools in keeping a lens on inequalities in the wage systems and address them in negotiations as well as to conduct pay comparison and detect possible discriminations.^{vii}

V. Job evaluation frameworks free from gender bias

The right to equal pay for work of equal value must be strengthened by requiring employers to use job evaluation frameworks free from gender bias. Such frameworks should be implemented by the social partners.

- Gender-neutral criteria for job evaluation should be drawn up by social partners jointly at national or sectoral level (ideally in cooperation with governments) with specific guidance on how to adopt and implement gender-neutral criteria and how to make equal value assessments in collective agreements that address the under-valuing of women's work.^{viii}

VI. Right to request information:

- Employees have the right to request the pay data of individual comparators² at company level;
- Employees have the right to request information on general pay levels, broken down by gender, for categories of employees doing the same work or work of equal value. This information should go beyond information on basic salary but should include payments in kind, bonuses, etc.
- Trade union representatives may seek information in support of the individual according to the specifics laid down in the directive and/or the specific collective agreement.

VII. Annual reports

Member States should be required to submit annual reports monitoring and assessing the evolution of gender pay gap, using wage indicators systems, for example. These are valuable tools in keeping a lens on inequalities in the wage systems and address them in negotiations., are another tool to conduct pay comparison and detect possible discriminations.^{ix}

VIII. Collective Bargaining

The role of collective bargaining in reducing pay inequalities between women and men should be promoted at all levels (national, sectoral, local and company) and should be reflected in a specific article in the future pay transparency directive.

A strong regulatory framework on gender equality, requiring pay transparency is necessary as it will force reluctant employers to take gender equality issues seriously. However, legislation alone is not enough. A multi-faceted approach, also enshrined in trade unions' and collective bargaining, is needed.

Annex II: Glossary of Terms

Equal Pay

Women and men should be paid the same amount of money for doing the same or similar jobs.

Equal Pay for Work of Equal Value

The concept of “work of equal value” includes but goes beyond “equal work”. Equal pay for work of equal value covers not only cases where men and women do the same or similar work, but also the situation where they do different work. When men and women perform work that is different in content, involving different responsibilities, requiring different skills or qualifications, and is performed under different conditions, but is overall of equal value, they should receive equal remuneration. This concept is critical to eliminating discrimination and promoting equality, since women and men often perform different jobs, under different conditions. The European Court of Justice has held on several occasions that determining equal value involves comparing the work of a female and a male worker by reference to the demands made on them in carrying out their tasks.

² Some legislation on equal pay requires a claimant to identify an actual **comparator** in the same employment. A woman can claim equal pay for equal work with a male colleague or colleagues (known then as a comparator). It is for her to choose the colleague(s), although she does not have to identify them by name at the outset.

The skills, effort and responsibility required, the work undertaken, and the nature of the tasks involved are relevant.

Gender (why don't we simply refer to sex?)

Gender refers to the socially constructed characteristics of women and men – such as norms, roles and relationships of and between groups of women and men. It varies from society to society and can be changed. While most people are born either male or female, they are taught appropriate norms and behaviours – including how they should interact with others of the same or opposite sex within households, communities and workplaces. When individuals or groups do not “fit” established gender norms they often face stigma, discriminatory practices or social exclusion – all of which adversely affect health. It is important to be sensitive to different identities that do not necessarily fit into binary male or female sex categories.^x

Gender Equality

Refers to equal chances or opportunities for groups of women and men to access and control social, economic and political resources, including protection under the law (such as health services, education and voting rights). It is also known as equality of opportunity – or formal equality. Gender equality is often used interchangeably with gender equity, but the two refer to different, complementary strategies that are needed to reduce gender-based health inequities.^{xi}

Gender Pay Gap

Gender inequalities in pay are often assessed through an indicator known as the gender pay gap. The gender pay gap measures the difference between male and female average (hourly) earnings as a percentage of the male earnings. Overall, features such as differences in educational levels, qualifications, work experience, occupational category and hours worked account for the “explained” part of the gender pay gap. The remaining and more significant part, the “unexplained” portion of the pay gap, is attributable to the discrimination – conscious or unconscious – that is pervasive in workplaces.^{xii}

The gender pay gap gets worse when pay includes **a discretionary component**. Recent data from the Workplace Gender Equality Agency (WGEA) in Australia shows that when the pay gap was calculated based on total remuneration instead of base salary, the pay gap was higher in all manager and non-manager categories, suggesting that women receive lower discretionary bonuses than men. Such research is still lacking in the European Union. Gender bias in the workplace may be a contributing factor.

Men are paid more than women even in traditionally female occupations. According to research by the University of California, San Francisco, male nurses out-earned female nurses by an average of 5,100 USD per year and the gap has remained stagnant for the last 30 years. Men also out-earn women in female-dominated professions such as teaching.

The gender pay gap is worse for minority women. While women's average earnings are 77 per cent of men's average earnings in the US (2012), African American women earn only 64 per cent and Hispanic women make just 55 per cent of what their white, non-Hispanic male counterparts earn. **These figures are taken from US research as there are no or little data available for the European Union for minority women.**

Gender Pension Gap

The level of the gender pension gap is estimated to be an average of 39% across the EU. Most of EU Member States have gender gaps in pensions greater or equal to 30%, almost twice the figure of the gender pay gap.^{xiii}

Job evaluation method (JEM)

In order to determine whether different types of work have the same value, they can be assessed through a job evaluation method. For example, some of the jobs that have been compared in the context of evaluating equal pay for work of equal value include: caterers and cleaners (mostly women) with gardeners and drivers (mostly men); social affairs managers (mostly women) with engineers (mostly men); and flight attendants (mostly women) with pilots and mechanics (mostly men). Minimum wages in sectors or occupations where women predominate are often lower than those of men. This can partly be explained by their lack of representation in bargaining processes, but also by societal norms and the tendency to undervalue women's work.^{xiv}

Pay Equity Measures

Require employers to identify and correct gender discrimination that may be present in their compensation practices and to adjust the wages of employees in female job classes so that they are at least equal to the wages of employees in male job classes when they are found to be comparable in value based on skill, responsibility and working conditions.

Pay Transparency

Achieving pay equity at work requires greater pay transparency. According to the Workplace Gender Equality Agency (Australia), the pay gap is almost non-existent when pay is set transparently as compared to 20.6 per cent when pay information is withheld.^{xv}

Annex III. What is the gender pay gap situation?

Defined by Eurostat on the basis of hourly earnings and as the gap between men's and women's earnings as a percentage of men's, this gap averages 16% across the EU. It ranges from a gap of more than a quarter (27%) in Estonia to around a fiftieth (2%) in Slovenia. According to Eurostat, women's average gross hourly pay is lower than men's and the gender pay gap in the EU is still approximately 16% and is only very slowly decreasing or is even increasing in some Member States. Also, the gender overall earnings gap indicator shows that the gender gap is around 40% in the EU-28.

^{xvi}

What is the trend?

There has been a systematic rise in earnings inequalities across Europe precipitated by the economic and financial crisis in 2009. The decline of collective wage bargaining has contributed to a rise of wage inequality but is not the only explanation. Data shows that between 2008 and 2012 income distribution inequality grew in countries affected by the economic downturn, resulting from pay cuts in the public and private sectors, and a growth of in-work poverty due to the cutting or freezing of minimum wages. Earnings inequality between the highest and lowest income earners has profound implications for the gender pay gap.^{xvii} Women working in the public sector, which was shrinking on account of the crisis, were particularly vulnerable.

In some countries pay cuts or freezes have been introduced in a way that hits higher paid workers harder, so closing the gender pay gap. However, in the long term, cuts to equal opportunities programmes intended to improve women's access to higher qualified and better paid jobs seems likely to have the opposite effect. In any case, if jobs and earnings are lost in the public sector, an area which often offered women better opportunities than the private sector, the consequence may well be a widening of the overall gender pay gap.

Overall the figures show that there is much still to do, but also that progress can be and has been made.

What are the consequences?

Failure to pay women equally limits their ability to attain economic stability. If women were paid the same as men, for instance, the poverty rate among working women could decrease from 8.0% to 3.8%, according to the Institute for Women's Policy Research.^{xviii} This impacts the children of these women, too. Of the 5.6 million children in poverty today, 2.5 million would come out of poverty if the gender pay gap closed, the study states.

Different groups of women are differently affected. Experts expect the gender pay gap to close by 2059, based on the rate it narrowed between 1960 and 2016. But the most immediate beneficiaries will be white and Asian women, who earn 79 cents and 87 cents to every white man's dollar, respectively. (US data only)

The reasons for the gender pay gap

Factors behind the gender pay gap include: segregation in the labour market, both within industries (including the fact that there are fewer female managers) and between industries, where women are found in low paid sectors; part time work, which is less-well paid; the impact of maternity, education and age; and structural discrimination.

The gender pay gap reflects ongoing discrimination and inequalities in the labour market, which, in practice, mainly affect women. Its causes are complex, multiple and interrelated:

- direct discrimination and the lack of pay transparency;
- the undervaluing of women's work, skills and competence;
- women over representation in low-paid, casual and part-time work;
- horizontal segregation of the labour market: women are concentrated in sectors and occupations which are generally lower paid and less valued;
- vertical segregation: women hold lower paid positions, have less job security and face more career obstacles;
- lack of flexible working arrangements and biased family-leave schemes (including unpaid parental leave; no statutory paternity leave; low-paid maternity leave);
- unequal division of paid and unpaid work between women and men;
- gender roles and traditions, which may influence the choice of educational paths.^{xix}

Annex IV. Workers, Pay, Equal Pay and Article 141 EC^{xx}

WHAT DOES ARTICLE 141 EC ON EQUAL PAY PROHIBIT?

Article 141 EC not only prohibits direct discrimination based on sex in the field of pay, but also indirect discrimination. Direct sex discrimination occurs when a person is treated less favourably on grounds of his or her sex. Indirect discrimination refers to discrimination which is the result of the application of a sex-neutral criterion, which disadvantages, in particular, persons belonging to one sex compared with persons of the other sex. **An important question in equal pay cases is always whether the work performed by a female worker is 'equal' to the work performed by a male worker.** In this respect, the European Court of Justice (ECJ) has decided that Article 141 EC also extends to 'work of equal value'. As far as the comparison of the pay which the female and the male worker receive is concerned, the ECJ has stressed the need for genuine transparency, permitting an effective review. This is only achieved if the principle of equal pay is observed in respect of each of the elements of remuneration granted to men and women. Comprehensive or global comparisons of all the considerations granted to men and women are not allowed. This implies that often a comparison should be made between the work performed and the salary received by male and female workers. However, such comparisons are not always necessary. Finally, the prohibition applies not only to sex discrimination arising out of individual contracts, but also collective agreements and legislation.^{xxi}

Who is a 'worker in the sense of Article 141 EC?

The concept of a 'worker' has a Community-law meaning and it cannot be interpreted more restrictively in national law. A worker is a person who, for a certain period of time, performs services for and under the direction of another person in return for which he or she receives remuneration. The concept of a worker does not include independent providers of services who are not in a subordinate relationship with the person who receives the services. But once a person can be considered as a 'worker' in the sense of Article 141 EC, the nature of his or her legal relationship with the other party to the employment relationship is not relevant for the application of that article. This may imply, inter alia, that even when a person is considered as being self-employed under national law, Article 141 must nevertheless be applied.

What is pay?

According to the – extensive and sometimes ground-breaking – case law of the ECJ on this issue, pay includes not only basic pay, but also, for example, overtime supplements, special bonuses paid by the employer, travel facilities, compensation for attending training courses and training facilities, termination payments in case of dismissal and occupational pensions. In particular the extension of Article 141 to occupational pensions has been very important.

Why is pay equity important?

No lasting improvements in the economic status of women can be expected as long as their time and talents are valued less than men's. Promoting equal pay helps to address pay discrimination and gender pay gap, and contributes to enhancing overall gender equality in the world of work. Addressing gender pay differentials has benefits at all levels: overall, women benefit from a fairer system of recognition and remuneration, their families benefit economically, employers benefit from having the right people with the

right skills, and society benefits from both social justice and productivity. Specific benefits of closing the gender pay gap include:

Individual and household level

- Reduces women's financial dependence, thus increasing their influence and status in the household and community;
- Makes women and their families less vulnerable to fall into poverty;
- Makes it less likely that low-income households, including those headed by women, become poor or remain poor;
- Increases women's pensions and decreases the risk of poverty in old age;
- Ensures sustainable recovery for women in times of economic crisis.

Company level

- Better recruitment and selection practices;
- Lower turnover rates and increase in productivity;
- Increased reputation and attractiveness;
- Increase in the capacity of enterprises to attract and retain the best people.

Societal level

- Improves the unequal domestic division of labour between men and women, and allocation of time between paid and unpaid work over lifecycle;
- Helps changing stereotypical views regarding women's aspirations, preferences, capabilities and "suitability" for certain jobs.^{xxii}

Annex V. What works – data and evidence on positive impact of pay transparency measures

Research carried out at national level shows a relationship between pay transparency measures and the improvement of the overall situation on equal pay and equal opportunities of men and women in employment at large.

One example related to the issue of employees' entitlement to pay information is **Portugal**, where an obligation for employers to provide employees with information on average salaries by category of workers was introduced in 2009. Stakeholders consider this a significant reason behind the relatively small gender pay gap in that country. Further, as part of the "Revalue work to promote gender equality" project financed by the European Commission and with technical assistance from the ILO, a tripartite sectoral committee was set up to develop a job evaluation method (JEM) for the catering sector. The implementation of the JEM has helped reduce the gender pay gap by tackling discrimination against women in female-dominated jobs that were traditionally undervalued^{xxiii}.

The **Swedish** equal treatment legislation introduced an employers' obligation to regularly issue a report on the pay situation including an analysis of pay practices and gender pay differentials. A national study conducted in 2011 states that, of the different measures introduced by the government, the wage mapping obligation has had the biggest effect on tackling pay discrimination. In addition, a review carried out by the Equality Ombudsman concludes that between 2006 and 2008 approximately 6000 people have received wage adjustments following this obligation.

France is an example of equal pay being included in collective bargaining: legislation introduced in 2006 obliges employers and trade unions to once a year discuss the gender

pay gap issue during collective agreement negotiations at company and sector level. As a result of the introduction of this obligation, the proportion of collective agreements that address the gender pay gap has increased substantially (from 3 % in 2007 to 10 % in 2010). In addition, most of these collective agreements not only contain a brief diagnosis of the situation, but also present specific indicators and a list of measures to close the gender pay gap.

These specific examples of the implementation in line with three out of the four core transparency measures suggested in the EC Recommendation 2014 and their impacts demonstrate that measures under Recommendation have the potential of contributing to an overall reduction of pay discrimination as well as of the gender pay gap.^{xxiv}

Research in **Denmark** shows that the much-discussed measure of requiring firms to disclose gender segregated wage-statistics to clarify differences in women's and men's wages reduces the pay gap by 7%. Economists from universities in Denmark and the US examined wage statistics of Danish companies prior to, and following, the introduction of Denmark's 2006 Act on Gender Specific Pay Statistics' which obliges companies with more than 35 employees to report on gender pay gaps. In order to fully comply with the new transparency law, firms additionally needed to have at least ten men and ten women within a given occupation. After the regulation the researchers found that the gender pay gap had shrunk 7% in the approximately 1000 Danish firms governed by the new 2006-legislation.^{xxv}

"We know now that wage-transparency works and it is a measure that can be applied nationally as well as internationally. From this point, it is really just a question of whether or not the politicians actually wish to do something about the pay-gap between men and women" -Professor of Economics Morten Bennedsen, University of Copenhagen and INSEAD global Business School.

Annex VI: Further Resources

The 24-page political framework of Commission President Designate Ursula von der Leyen – including her promise to come forward with a new directive on pay transparency:
https://ec.europa.eu/commission/sites/beta-political/files/political-guidelines-next-commission_en.pdf

The International Labour Organisation (ILO) on the gender pay gap: Pay Equity: a key driver of gender equality,
https://www.ilo.org/wcmsp5/groups/public/@dgreports/@gender/documents/briefingnote/wcms_410196.pdf

For view of the public service sector on the gender pay gap:
European Federation of Public Service Unions. 2013. The Gender Pay Gap in Public Services,
<https://www.epsu.org/article/epsu-puts-spotlight-missing-data-gender-pay-gap>

Why pay attention to the pay gap? Advice for employers:
People Management. 2018. The hidden consequences of gender pay gap reporting,
<https://www.peoplemanagement.co.uk/experts/legal/hidden-consequences-gender-pay-gap-reporting>

2014 Recommendations and Gender Pay Gap Action Plan by the European Commission:
https://ec.europa.eu/info/policies/justice-and-fundamental-rights/gender-equality/equal-pay/eu-action-against-pay-discrimination_en

Position of the European Parliament vis-à-vis Commission's Actions on equal pay:
<http://www.europarl.europa.eu/legislative-train/theme-deeper-and-fairer-internal-market-with-a-strengthened-industrial-base-labour/file-gender-pay-gap-action-plan>

Council Conclusions on the Gender Pay Gap (2019):
https://www.consilium.europa.eu/register/en/content/out/?amp=ENTRY&i=ADV&DOC_ID=ST-10349-2019-INIT

European Institute of Gender Equality (EIGE) overview of the gender pay gap across the EU, with insights on how it relates to the gender gap in overall earnings and also the gender pension gap:

Research Note on the Gender Pay Gap. 2019. Tackling the gender pay gap: not without a better work-life balance,

<https://eige.europa.eu/publications/tackling-gender-pay-gap-not-without-better-work-life-balance>

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ⁱⁱ EU action against pay discrimination. Ending pay discrimination by monitoring and enforcing laws and rules.

https://ec.europa.eu/info/policies/justice-and-fundamental-rights/gender-equality/equal-pay/eu-action-against-pay-discrimination_en

ⁱⁱⁱ https://ec.europa.eu/info/law/better-regulation/initiatives/ares-2018-3415794/public-consultation_en

^{iv} Closing the Gender Pay Gap: Key Policies and Measures - Council Conclusions (13 June 2019).
<https://data.consilium.europa.eu/doc/document/ST-10349-2019-INIT/en/pdf>

^v ETUC position on the Communication of the European Commission "Tackling the pay gap between men and women" (2007). June 2008.

https://www.etuc.org/sites/default/files/Equal_pay_Exec_Com_25_June_position_EN_2.pdf

^{vi} ETUC 2015 Resolution: Collective bargaining - our powerful tool to close the gender pay gap.
<https://www.etuc.org/en/document/resolution-collective-bargaining-our-powerful-tool-close-gender-pay-gap>

^{vii} ; ^{viii} ; ^{ix} : Ibid. vi

^x World Health Organisation (WHO). Gender. <https://www.who.int/gender-equity-rights/understanding/gender-definition/en/>

^{xi} World Health Organisation (WHO). Gender.

^{xii} International Labour Organisation (ILO). *Pay Equity: a key driver of gender equality*.
https://www.ilo.org/wcmsp5/groups/public/@dgreports/@gender/documents/briefingnote/wcms_410196.pdf

^{xiii}: Ibid. vi

^{xiv} International Labour Organisation (ILO). Equal remuneration for work of equal value. https://www.ilo.org/global/topics/wages/minimum-wages/rates/WCMS_433906/lang-en/index.htm

^{xv} ; ^{xvi} : Ibid. vi

^{xvii}: Ibid. viii

^{xviii} Institute for Women's Policy Research. 2018. 3 long-term effects the gender pay gap has on women. <https://iwpr.org/3-long-term-effects-gender-pay-gap-women/>

^{xix}: Ibid. vi

^{xx}European Commission. 2008 EU Gender Equality Law. The analysis in this annex is based on this publication by the European Commission – written by Susanne Burri and Sacha Prechal.

^{xxi} ECJ 8 April 1976, Case 43/75 Gabrielle Defrenne v Société Anonyme Belge de Navigation Aérienne Sabena [1976] ECR 455 (Defrenne II), at paras 21-22.

^{xxii} International Labour Organisation (ILO) 2013. Equal Pay: An introductory guide: https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_216695.pdf

^{xxiii} Ibid. vii

^{xxiv}EC. 2017. Report on the implementation of Commission Recommendation on strengthening the principle of equal pay between men and women through transparency. http://ec.europa.eu/newsroom/just/document.cfm?action=display&doc_id=48361

^{xxv} University of Copenhagen. 2018. Wage transparency works. https://news.ku.dk/all_news/2018/12/wage-transparency-works/ ; see also Harvard Business Review. 2019. <https://hbr.org/2019/01/research-gender-pay-gaps-shrink-when-companies-are-required-to-disclose-them>