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NOTE

From:	Presidency
To:	Delegations
Subject:	Tackling the Gender Pay Gap: Valuation and Distribution of Paid Work and Unpaid Care Work - Draft Council Conclusions

Delegations will find attached a set of draft Council Conclusions prepared by the Presidency. This document will be discussed in the Social Questions Working Party (virtual meeting) on 18 September 2020.

A report prepared by the European Institute for Gender Equality (EIGE) will be distributed in due course as an addendum to this document (10514/20 ADD 1).

Procedure

*The Presidency hopes that an agreement on these conclusions can be reached in two meetings. Delegations are therefore invited to make every effort to develop their positions in good time, with a view to holding a productive discussion at the meeting on 18 September. Written comments are welcome **even before the first meeting**, and should be sent to the following email addresses:*

LIFE.social@consilium.europa.eu and DE-Pres-Equality@brue.auswaertiges-amt.de

*NB. The **deadline for written comments** after the first meeting will be **24 September 2020**.*

Tackling the Gender Pay Gap:
Valuation and Distribution of Paid Work and Unpaid Care Work
Draft Council Conclusions¹

NOTING that:

- 1) The Covid-19 pandemic has shown how indispensable paid and unpaid care work is for economic stability as well as for the continued functioning and well-being of our societies. During the pandemic, the European public has expressed its appreciation for essential occupations, especially work in the care sector. This is therefore an opportune moment to enhance the status of care work, whether paid or unpaid, which currently is mainly performed by women.
- 2) During the pandemic, childcare facilities and schools had to close down for long periods of time, and, as a result, care responsibilities predominantly fell on families, forcing parents to make new arrangements in order to reconcile such responsibilities and paid work. The pandemic also highlighted the fact that unpaid care work has a significant economic value that is not yet sufficiently taken into account, for example, in the calculation of Gross Domestic Product (GDP).

¹ Conclusions adopted within the context of the review of the implementation of the Beijing Platform for Action, with particular reference to Critical Areas of Concern F (Women and the Economy).

- 3) In order for both women and men to be able to participate in paid work to the fullest desirable extent, they need to share unpaid care work on a more equal basis. At the same time, the availability, accessibility and affordability of high-quality public infrastructure and external services for childcare and care for the elderly, as well as for household chores, are crucial for enabling women and men with care responsibilities to participate in the labour market and thus to contribute to the economy and society as a whole.
- 4) Gender equality and Human Rights are at the core of European values. Equality between men and women is a fundamental principle of the European Union enshrined in the Treaties and recognised in Article 23 of the Charter of Fundamental Rights of the European Union. Article 8 of the Treaty on the Functioning of the European Union (TFEU) requires the Union, in all its activities, to aim to eliminate inequalities between women and men, and to promote equality.
- 5) Article 157 TFEU requires the Member States to ensure that the principle of equal pay for male and female workers for equal work or work of equal value is applied. With a view to ensuring full equality in practice between men and women in working life, Article 157 TFEU also allows the Member States to maintain or adopt positive action measures. Their aim is to provide for specific advantages in order to make it easier for the underrepresented sex to pursue a vocational activity or to prevent or compensate for disadvantages in professional careers.
- 6) Gender equality and work-life balance are affirmed in Principles 2 and 9 of the European Pillar of Social Rights proclaimed by the European Parliament, the Council and the Commission on 17 November 2017.

- 7) Gender equality policies are drivers of smart, sustainable and inclusive growth and a precondition for the achievement of prosperity, competitiveness and full employment, as well as social cohesion, inclusiveness and wellbeing. Meanwhile, the shrinking of the workforce as a result of demographic developments within the EU makes it necessary to attract and retain highly trained specialists, especially women, on the labour market.
- 8) According to the European Commission's Gender Equality Strategy 2020-2025, "eliminating the gender pay gap requires addressing all of its root causes, including women's lower participation in the labour market, invisible and unpaid work, their higher use of part-time work and career breaks, as well as vertical and horizontal segregation based on gender stereotypes and discrimination."
- 9) According to the United Nations' Beijing Platform for Action,² it is often within the framework of financial, monetary, commercial and other economic policies, as well as tax systems and rules governing pay, that individual men and women make their decisions, *inter alia*, on how to divide their time between remunerated and unremunerated work. Thus, the development of these economic structures and policies has a direct impact on women's and men's access to economic resources and their economic power and consequently also on the extent of equality between them as well as in society as a whole.

² <https://www.un.org/womenwatch/daw/beijing/platform/economy.htm#diagnosis>

- 10) According to the EU Directive on Work-Life Balance for Parents and Carers “the equal uptake of family related leave between men and women also depends on other appropriate measures, such as the provision of accessible and affordable childcare and long-term care services, which are crucial for the purpose of allowing parents, and other persons with caring responsibilities to enter, remain in, or return to the labour market. Removing economic disincentives can also encourage second earners, the majority of whom are women, to participate fully in the labour market.”
- 11) In 2002, at its meeting in Barcelona, the European Council set the so-called Barcelona Objectives, which called on the Member States to remove disincentives to female labour force participation and strive, taking into account the demand for child care services and in line with the national patterns of childcare provision, to provide childcare.

WELCOMING

- 12) [The report by the European Institute for Gender Equality (EIGE) entitled “Gender inequalities in care and consequences on the labour market”, which presents findings on the linkages between gender inequalities in paid work and in unpaid care work.]³

STRESSING that:

- 13) Women’s employment has steadily increased in all EU Member States over the last few decades. However, compared to men, women still more often work in precarious and informal jobs, and in jobs that offer limited hours or insufficient social security, as well as in short-term jobs, part-time jobs and low-paid jobs. Women also suspend their employment more often than men. This applies in particular to migrant women who experience multiple discrimination on the labour market.

³ See 10514/20 ADD 1, to be distributed in due course.

- 14) Inequalities between women and men in the context of the labour market can be measured i.a. by means of several different indicators. The average gender pay gap in the EU is currently 15.7%. As a consequence, women not only have lower earnings, but also receive lower pensions in all EU Member States – on average, 30% lower than men (gender gap in pensions), with the extent of the gap varying widely among the Member States. The gender gap in overall earnings is almost 40%.
- 15) The causes of the gender pay gap are manifold and intertwined. Women are less represented in leading positions than men (vertical segregation in the labour market) and concentrated in different sectors and occupations than men (horizontal segregation in the labour market). Furthermore, the causes include women's more frequent part-time work and career breaks as well as gender-based discrimination, the lack of transparency in wage structures and, not least, the traditionally lower pay for occupations such as care work, in which women are over-represented. The determining deeper underlying causes include received social norms, stereotypical role models, structural barriers, power structures and different incentives and disincentives as well as different career opportunities available to women and men. The situation is often perpetuated by the institutional, political and legal framework that affects the choices that women and men make, inter alia regarding career paths, working hours or assuming responsibility for unpaid care work at the household level.

- 16) Another neglected cause behind women's lower participation in the labour market as well as their lower earnings in comparison to men is the unequal distribution, throughout the life course, of unpaid care work between women and men, including childcare, adult care and household chores.
- 17) Almost all women in the EU (92%) are regular carers⁴, and 81% are daily carers. Conversely, only 68% of men provide unpaid care work at least several days a week and only 48% do so every day. Employed women in the EU spend on average 3.9 hours per day on indirect care work (housework and household chores) and direct care work such as caring for children or for elderly relatives and relatives with disabilities. By contrast, employed men spend on average only 2.6 hours per day on such care work. The difference is even greater between employed women and men who are living as a couple with children: 5.3 hours for women and 2.4 for men. In 2018, 31% of employed women aged between 20 and 64 worked on a part-time basis, as compared to just 8% of employed men. 29% of part-time employed women reported choosing part-time work because of having to care for children or adult relatives as compared to only 6% of men. Caring for children or relatives is the reason most commonly named by women in the EU for working part-time.

⁴ Regular carers provide unpaid care work for at least several days a week (draft Report by EIGE, page 11).

- 18) These statistics suggest that there is a considerable “care gap“ between women and men across the EU.⁵ However, in the absence of an agreed EU-wide indicator, and of comprehensive national data based on time-use surveys, EU-wide calculations and comparisons of the distribution of unpaid care work between women and men are currently not possible.
- 19) The bulk of paid care work – direct as well as indirect – is carried out by women, who make up 76% of the care workforce in the EU (37 million out of 49 million employees). Most of the nurses, healthcare, childcare and domestic workers and teachers in the EU are women. When it comes to domestic work (household services) the figures available do not show the full picture, due to the prevalence of undeclared employment. Paid care work, care occupations as well as household services, have traditionally been characterised by a low appreciation by society as well as low wages and a lack of career development opportunities. As a result, there is a shortage of skilled labour in the areas of early childhood education and personal health services. Furthermore, undeclared employment in household services has traditionally been characterised by a lack of social security.
- 20) The more unpaid care work women provide, the less time they are able to spend on paid work; the more paid work men pursue, the less time they are able to spend on unpaid care work. The gender pay gap and the gender care gap must therefore be analysed together, as they are to a large extent mutually dependent and mutually reinforcing phenomena.

⁵ Time use surveys (HETUS) currently carried out in 15 Member States confirm this.

- 21) A narrower gender pay gap in all EU Member States can only be taken as a sure indicator of progress in gender equality if it is accompanied by higher labour market participation by women. The gender pay gap might be narrow when unpaid care work is mostly performed by women and paid work is seen as solely men's domain. In such situations, a low gender pay gap results from low regular female employment accompanied by a positive selection effect, i.e. there are fewer women in employment, but they are well paid. Thus, the gender pay gap is only one of several important indicators of gender equality within the labour market – it tells us nothing, for example, about women who do not engage in paid work.
- 22) To achieve both equal pay and comprehensive equality on the labour market, a two-pronged approach is required: *firstly*, the provision of public infrastructure and external services to allow for the 'outsourcing' of direct care work (childcare and adult care) and indirect care work (housework and household chores), so that women and men both have the equal opportunity to engage in paid work, and *secondly*, the partnership-based sharing of paid and unpaid work between women and men (all types of care work).
- 23) This set of Conclusions builds on previous work and political commitments voiced by the European Parliament, the Council, the Commission and relevant stakeholders in this area, including the documents listed in the Annex.

THE COUNCIL OF THE EUROPEAN UNION

INVITES the Member States, in accordance with their respective competences and taking into account national circumstances and respecting the role and autonomy of the social partners, to:

- 24) Take steps to ensure equal opportunities for personal development and free choice in decisions relating to care work for both women and men, as well as steps to encourage a more equal distribution of unpaid and paid work between women and men.

- 25) Promote a better understanding and greater awareness of the distribution and valuation of paid work and unpaid care work and their impact on the equality of women and men.
- 26) Enhance the valuation and the social and economic recognition of unpaid care work.
- 27) Improve public infrastructure and the availability of external services in order to support women and men in the partnership-based sharing of paid and unpaid work, with due regard to each Member State's specific situation and needs.
- 28) Promote the externalisation of direct and indirect unpaid care work; for example, by examining the possibility, under certain conditions, to financially support working parents, single parents or caring relatives in using personal and household services, while ensuring fair and decent working conditions, fair wages and social security for all workers in this sector.
- 29) Strive to improve public infrastructure and external services that provide direct care so that they are flexibly designed in such a way as to be available, accessible and affordable for all households or persons in both rural and urban areas, including in terms of public transport. Also strive to improve the quality of care by providing employees with the necessary qualifications and training and by determining an appropriate ratio of carers to persons cared for.
- 30) Promote the enhancement of the status and the valuation of the care professions (care, health, and education).
- 31) Combat illegal employment, including undeclared indirect care work performed by irregular domestic workers.

- 32) Analyse the specific problems and dangers faced by providers of domestic work, including persons employed via service agencies as well as individuals working in private households. Pay particular attention to the working and living conditions of the many migrant women and women with a migrant background working in this sector, including mobile workers, as well as to their specific vulnerability.
- 33) Sign and ratify the ILO Convention concerning decent work for domestic workers of the International Labour Organisation (Convention No 189).
- 34) Develop and establish an institutional, political and legal framework for the partnership-based sharing of paid work and unpaid care work between women and men, including the following elements:
- a. Well-developed, affordable and accessible childcare and short and long-term adult care facilities and infrastructure in both urban and rural areas.
 - b. Well-developed and affordable public transport services ensuring the accessibility of the care facilities and – in case of household work – the employers' domicile.
 - c. to the extent introduced by the Work-Life-Balance Directive:
 - i. Financial incentives that foster the partnership-based sharing of unpaid care work, including non-transferable compensation during parental leave after birth or adoption of a child;
 - ii. Opportunities for workers to temporarily reduce or adapt their working hours, with a view to reconciling work, family and private life; and
 - iii. Flexible and reasonable working arrangements for workers in need.
 - d. Reduction of financial disincentives that directly or indirectly encourage and perpetuate the unequal sharing of unpaid care work and paid work between women and men.

INVITES THE EUROPEAN COMMISSION AND THE MEMBER STATES, in accordance with their respective competences and respecting the role and autonomy of the social partners, to:

- 35) Design and implement targeted measures to combat harmful gender stereotypes that restrict the free choices of girls and boys and women and men. Such measures could include the following:

- a) Combating harmful gender stereotypes in early childhood and pre-school education with a view to ensuring that girls and boys can choose their occupations freely.
- b) In the context of career guidance offered in schools, informing all students of the consequences of the choice of occupation, including in terms of income, and about the gender gaps related to employment, their causes and the ways to eliminate them.

- c) Undertaking interdisciplinary research into the impact of harmful stereotypes on gender equality and observing the cross-sectoral inclusion of the topic.

- 36) Improve the collection of data regarding the participation of women and men in the labour market and their respective time use, as well as data regarding the provision of unpaid care work by women and men, and the associated interdependencies. Ensure the collection of valid data showing the real usage of time. Ensure that data are comparable at the EU level (in case of national statistics) and coherent with nationally collected data (in case of EU-wide statistics). Ensure that the data is disaggregated by sex and age and that it captures the differences between mothers and fathers, as well as between women and men without children, and that it also includes statistics on all the care provided to dependent relatives.
- 37) Implement time use surveys on the basis of the standard set by the Harmonised European Time Use Surveys (HETUS), so as to support Eurostat in the development and calculation of an indicator for measuring the “gender care gap“ by comparing the time spent by women and men on unpaid care work and on paid work and analysing the interdependencies.
- 38) Step up efforts to tackle undeclared work in the household services sector and seek to develop statistics on the number of domestic workers active in the EU, taking into account the fact that these services are often provided undeclared.

CALLS ON THE EUROPEAN COMMISSION to:

- 39) Step up the efforts to reduce the gender pay gap and gender gaps in care, using all available measures, and to follow up the measures set out in the EU Action Plan 2017 – 2019 on Tackling the gender pay gap.

- 40) Carry out, promote and publicise further research on the care economy, on care needs, on care occupations and on the status of paid and unpaid carers, as well as their working conditions.
- 41) Support long-term public investment in high-quality, affordable and accessible care facilities and infrastructure, in the development of caring skills and in care services.
- 42) Consider women's situation in the labour market, and consistently follow a gender mainstreaming approach in all relevant aspects of the European Semester.

CALLS ON EUROSTAT to:

- 43) Develop an EU-wide indicator for measuring “the gender care gap” on the basis of the Harmonised European Time Use Surveys (HETUS), using representative data, so as to compare the time spent by women and men on unpaid care work and on paid work, and to analyse the interdependencies, with a view to supporting the further development of evidence-based gender equality and family policies.
- 44) Undertake research, in collaboration with EIGE, on the value of unpaid care work in relation to paid work, and develop ways of statistically measuring the success of work-life balance measures such as family-related leaves, including by monitoring take-up rates among women and men.

- 45) Develop additional indicators for measuring macro-economic performance including paid and unpaid care work, the care economy, and gender gaps in time use, including a new NACE⁶ classification specifically focused on personal and household services (PHS), in order to facilitate the monitoring and analysis of this sector.
- 46) Propose appropriate methods for the collection of comparable data as a basis for an evidence-based policy approach to intersectionalities, especially “sex and ethnicity/origin,” “sex and age” and “sex and disability”.

CALLS ON THE SOCIAL PARTNERS to:

- 47) Give full consideration to gender equality in the context of collective bargaining so as to ensure fair and decent working conditions for all women and men and close the persistent gaps in pay, income and pensions.
- 48) Raise the salaries of care workers to a level that matches the social importance and real economic value of care work.
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⁶ NACE = Nomenclature statistique des activités économiques dans la Communauté européenne;
General Industrial Classification of Economic Activities in the European Communities

References

1. EU interinstitutional

European Pillar of Social Rights

https://ec.europa.eu/commission/sites/beta-political/files/social-summit-european-pillar-social-rights-booklet_en.pdf

2. EU legislation

Council Directive 2004/113/EC of 13 December 2004 implementing the principle of equal treatment between men and women in the access to and supply of goods and services. OJ L 373, 21.12.2004, p. 37–43.

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*).

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*).

3. Council

All Council Conclusions on gender equality and other relevant subjects, including especially those cited below:

- Council Conclusions on Women and the Economy: Reconciliation of work and family life as a precondition for equal participation in the labour market (17816/11)
- Council Conclusions on Moving towards more inclusive labour markets (7017/15)

- Council Conclusions on Enhancing the Skills of Women and Men in the EU Labour Market (6889/17)
- Council Conclusions on Enhanced measures to reduce horizontal gender segregation in education and employment (15468/17)
- Council Conclusions on Enhancing Community-based Support and Care for Independent Living (15563/17)
- Council Conclusions on Closing the Gender Pay Gap: Key Policies and Measures (10349/19)
- Council Conclusions on the Economy of Wellbeing (13432/19)
- Council Conclusions on Gender-Equal Economies in the EU: The Way Forward: Taking Stock of 25 Years of Implementation of the Beijing Platform for Action (14938/19)

4. Trio Presidency

Trio Presidency Declaration on Gender Equality signed by Germany, Portugal and Slovenia (July 2020)

5. European Commission

Commission Recommendation 2014/124/EU of 7 March 2014 on strengthening the principle of equal pay between men and women through transparency (OJ L 69, 8.3.2014, p. 112–116)

Communication from the Commission of 26 April 2017: "An initiative to support work-life balance for working parents and carers" (COM(2017) 252 final)

EU Action Plan 2017-2019: Tackling the gender pay gap (COM(2017) 678 final)

Report 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") (COM(2018) 273 final)

Commission Recommendation (EU) 2018/951 of 22 June 2018 on standards for equality bodies (OJ L 167, 4.7.2018, p. 28–35)

Challenges in long-term care in Europe - A study of national policies 2018. European Social Policy Network.

Report 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") (COM(2018) 273 final)

2019 Report on equality between women and men in the European Union

https://ec.europa.eu/info/sites/info/files/aid_development_cooperation_fundamental_rights/annual_report_ge_2019_en_0.pdf

European Commission. Advisory Committee for Equal opportunities for women and men - *Opinion on challenges for gender equality in a rapidly ageing society*, October 2019.

Common European Guidelines on the Transition from Institutional to Community-based Care and Toolkit on the Use of European Union Funds for the Transition from Institutional to Community-based Care.

https://ec.europa.eu/regional_policy/en/policy/themes/social-inclusion/desinst/

A Union of Equality: Gender Equality Strategy 2020-2025. 6678/20. (Commission reference: COM(2020) 152 final.)

6. European Parliament

Resolution of 30 January 2020 on the gender pay gap (2019/2870(RSP))

Own initiative report on Care services in the EU for improved gender equality
(2018/2077(INI))

7. EIGE

"Gender Inequalities in care and consequences on the labour market," 2020. 10514/20 ADD
1.⁷

8. Eurofound

Striking a balance: Reconciling work and life in the EU, 2019.

https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef18065en.pdf

9. European Economic and Social Committee

The impact of social investment on employment and public budgets (SOC 496/2013)

<https://www.eesc.europa.eu/en/our-work/opinions-information-reports/opinions/impact-social-investment-employment-and-public-budgets>

10. Other

The Beijing Declaration and Platform for Action (UN agenda for gender equality and women's empowerment)

⁷ To be distributed in due course.

The UN Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW)

Sustainable Development Goal (SGD) 5.4 of the United Nations 2030 Agenda for Sustainable Development

ILO Convention 100 (Equal Remuneration), 1951

ILO Convention concerning decent work for domestic workers of the International Labour Organisation (Convention No 189), 2011

ILO report "Care work and care jobs for the future of decent work", 2018.

http://ilo.org/global/publications/books/WCMS_633135/lang--en/index.htm