

8.2. Similarly, the 'political' message on the advantages of the euro and its benefits for Europe must be left up to national authorities, who alone can judge whether and how to transmit the message in the light of their citizens' feelings.

8.3. The practical problems arising from the introduction of the single currency are numerous, but should not be exaggerated, either in practice or in messages directed to the public. The general public should help by taking on board the recommendations: not keeping or changing large sums in cash, avoiding queues to obtain new cash, opening bank or postal accounts where they have not yet done so, and using payment cards whenever possible.

8.4. The bank and retail sectors will have a key role to play: banks in changing the currency in which accounts are held

and transactions effected and, in logistical terms, storing and distributing the new currency; and retail outlets in taking national currency from customers, paying it into banks and, where necessary, giving change in euros. This raises issues of prior supply of coins and notes with the ensuing problems of logistics, security and calculation of interest.

8.5. The Committee intends to make no comments on this aspect, realising that it is a matter for the national authorities and is the subject of delicate negotiations. Logistical problems must be resolved by those responsible and mindful of the duration of dual circulation of new and old currency. Here, the Committee would emphasise that the logistical problems are all the greater in that the period of dual circulation will be short.

Brussels, 29 March 2001.

*The President
of the Economic and Social Committee*
Göke FRERICHs

Opinion of the Economic and Social Committee on 'Wage discrimination between men and women'

(2001/C 155/12)

On 21 September 2000 the Economic and Social Committee, acting under Rule 23(3) of the Rules of Procedure, decided to draw up an opinion on 'Wage discrimination between men and women'.

The Section for Employment, Social Affairs and Citizenship, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 7 March 2001. The rapporteur was Ms Florio.

At its 380th plenary session (meeting of 28 March 2001), the Economic and Social Committee adopted the following opinion by 65 votes to eight, with 14 abstentions.

1. Introduction

1.1. The right to equal pay has been enshrined in Community legislation since its very beginnings: Article 119 of the 1957 Treaty of Rome requires the Member States to apply the principle of 'equal pay for equal work' for men and women.

1.1.1. Later, Directive 75/117/EEC on the approximation of the laws of the Member States relating to the application of the principle of equal pay for men and women states the need for 'equal pay for the same work or for work to which equal value is attributed'.

1.1.2. Article 141 of the Amsterdam Treaty amends and replaces Article 119, and provides the Council with a legal base for adopting measures to guarantee the principle of equal treatment.

1.1.3. Other directives have also helped indirectly to consolidate this right within the European Union⁽¹⁾.

⁽¹⁾ Amongst the most important are Directive 76/207/EEC (Access to employment, vocational training and promotion, and working conditions); Directives 79/7/EEC, 86/378/EEC and 96/97/EC (on social security).

1.2. Finally, the adoption by the European Union of a Charter of Fundamental Rights is a major step towards European citizenship, and re-launches at supra-national level the principles which underpin any democratic constitution. These include the principle of equality between men and women, enshrined in Article 23 of the Charter: 'equality between men and women must be ensured in all areas, including employment, work and pay'.

1.3. The principle of equal treatment is also addressed in the United Nations system, in particular in the Universal Declaration of Human Rights (1948)⁽¹⁾, the Convention on the elimination of all forms of discrimination against women (1979)⁽²⁾, the Beijing Declaration and Platform for Action (1995), and the final document adopted by the Special Session of the General Assembly 'Beijing +5' held in New York in June 2000.

1.3.1. There are several International Labour Organisation regulations relating to the issue, notably that contained in Convention No. 100 on Equal Pay (1951), and ratified by the 15 Member States.

1.4. Community and international legislation thus deems equal treatment when calculating pay to be a truly fundamental right.

2. Pay situation

2.1. Despite the actions and provisions intended to bring pay rates for female workers genuinely in line with those of their male colleagues, the gap still remains, and in some areas even seems to be growing wider. Recent studies have shown that there is an average 27 % difference between wages paid to men and women in the Member States of the European Union, and in some countries it is more than 30 %⁽³⁾. Even taking account of certain structural differences in the male/female labour markets (age, occupation and sector) which cannot be deemed discriminatory, there is still a 15 % gap.

2.2. Male/female pay differentials have grown in EU countries, as a result of a number of economic and social

factors which vary from country to country. Even a more accurate analysis, with the three structural elements factored out (age, occupation, employer's economic sector) shows that the discrepancy remains. It should also be noted that the situation is worse in the higher echelons, where women's pay is on average two-thirds that of men⁽⁴⁾.

2.3. The most recent Eurostat statistics, referring to 1995, show that the average female wage was 72 % of the male wage. The figures relate in particular to full-time employment in all production sectors, except for agriculture, education, health, and personal and administrative services.

2.4. The figures are woefully incomplete, and are difficult to compare owing to the different male/female job profiles. Almost a third of the women in full-time employment in 1995 were clerical staff, whilst only 10 % of men were engaged in similar work. 47 % of men were classed as manual workers, compared to 18 % of women. On average, female factory workers receive more equal pay than female office workers (specific job descriptions), although the position varies from sector to sector, as some industries have more female workers than others (e.g. the textiles sector compared with the mechanical engineering industry).

2.5. Moreover, the Eurostat figures have been superseded by trends in the world of work over the last few years, and they do not take into account new sectors such as new technologies, new job profiles, atypical work, contract work, part-time, teleworking, etc.

2.6. According to the Eurostat figures, which refer to the Member States average, working women are on average younger than their male colleagues: 44 % are under thirty, compared to 32 % of men. The difference narrows down to a negative ratio after the age of thirty, when many women withdraw — either temporarily or permanently — from the labour market, essentially to have children and then to look after them. These choices impact on the return of women to the workplace, career structure and the number of women in managerial posts. This has direct implications for average pay rates, and gender-based pay differentials.

⁽¹⁾ Article 23 of the Universal Declaration of Human Rights.

⁽²⁾ Article 11 of the Convention on the elimination of all forms of discrimination against women.

⁽³⁾ UN/ECE 1999 Women and economy in the ECE region (E/ECE/RW.2/2000/2).

⁽⁴⁾ Employment in Europe, 1998.

2.7. Another difference is caused by the male/female wage structure. As several Commission documents have pointed out, there are various pay structure factors which can lead to gender-based pay differentials, including employment by sector, by type of career and by form of payment (levels, seniority, training, etc.). Or the difference can be due to the type of work and the hours worked — especially overtime.

2.8. This is particularly clear for those working in factories, where overtime makes up a significant proportion of the wage and men are very much in the majority; but it can also be seen in the retail sector in particular, where there is a majority of women and wages are considerably lower.

2.9. Neither does the situation improve for women in low-paid jobs⁽¹⁾, where some three-quarters of the workforce is made up of women. This is only partly explained by the high incidence of part-time work (43 %) which is done mostly by women. Lower wage rates play a significant role for the remaining percentage, and this is to the detriment of women in particular.

2.10. These structural factors and the lack of more specific, up-to-date statistics make it especially difficult to carry out an analysis, and consequently to implement any concrete measures to improve pay equality. One way of achieving a more accurate analysis would be to compare taxes, allowances, social security, childcare and care for dependent relatives in the Member States.

3. Vertical and horizontal discrimination

3.1. An analysis of the different wage structures shows there is a close correlation between wage systems, job and career descriptions in the different sectors, organisation of work, and vocational training and skills.

3.2. It has been shown that pay discrimination against female workers is both horizontal and vertical in nature. It is horizontal to the extent that comparable workers are often paid differently, with female workers receiving less, mainly because their tasks and skills are evaluated differently and thus

also defined differently; there is vertical discrimination in the sense that women find it more difficult to get to the higher rungs of the career-ladder. It should also be noted that — in some countries in particular — welfare services relating to childcare and care for elderly relatives are frequently unable to meet the requirements of a labour market which increasingly needs to ensure that women can access it freely. From this perspective, vocational training schemes could provide another important tool for female workers.

3.3. Female-dominated sectors of the labour market, such as the public sector, caring for the elderly and infants, or in the retail sector, are the least well-paid. Moreover, male-dominated sectors feature economic benefits, bonuses and incentives which further increase pay differentials. Women must therefore be encouraged to turn to male-dominated sectors providing good pay prospects.

3.4. The trend towards a more flexible labour market is not necessarily negative as long as it does not further penalise women and men in terms of wages.

4. Pay differentials in the applicant countries of Central and Eastern Europe

4.1. The wages gap also exists in the Eastern European countries, where women earn 20-25 % less than their male counterparts. Pay differentials in these countries have been seen to increase over the last few years, largely because of widespread labour market segregation. The transition to a market economy, although a necessary and welcome development in itself, has worsened socio-economic conditions for women in some sectors. This is mostly due to the fact that they used to have access to good education and training, and to childcare facilities which were often close to the workplace. The banking sector, which used to be underpaid and female-dominated, has tended increasingly to exclude women, whilst raising wages significantly. There is still a high percentage of women in the public sector, especially in schools and the health service⁽²⁾.

5. Community actions

5.1. As established by the Luxembourg European Council in 1997, all pillars of the Employment Guidelines 2000 include

⁽¹⁾ Workers who earn less than 60 % of the average wage in their country. The figures cover people working at least 15 hours per week (Eurostat figures 1996).

⁽²⁾ UN/ECE 1999 Women and economy in the ECE region (E/ECE/RW.2/2000/2).

gender policies, and the active role of the existing equal opportunities pillar has been reinforced as a key factor in boosting employment. The guidelines for the fourth pillar explicitly call on the Member States to adopt positive measures to promote equal pay and to prevent wage differentials.

5.2. One of the objectives of the European Social Fund is to improve the labour market situation for women, by assessing career development, access to new professional opportunities and to managerial posts, and vertical and sectoral segregation which impacts decisively on income differentials.

5.3. In October 1998, the Commission presented the results of its wage structure survey, which confirmed the existence of wage differentials between men and women, and identified the causes. Once again, the figures refer to 1995 (1994 for France) and do not include Ireland, Austria or Portugal. Naturally, it is important to bear in mind the full range of employment procedures provided for under Treaty Article 128 (including the Employment Guidelines, Council Recommendations to the Member States, and the National Action Plans) which define gender equality as one of the four pillars, and in which the Member States undertake to enact concrete measures to promote equality.

5.4. In 1996, the Commission adopted its Code of Practice on the implementation of equal pay for work of equal value, with a view to eliminating any discrimination, particularly where it is a result of unfair work classification systems or skills assessments. Whilst the Code does not claim to be exhaustive or legally binding, it was intended for the social partners, public and private sector employers, and individuals⁽¹⁾. The Programme relating to the Community framework strategy on gender equality (2001-2005)⁽²⁾ should also be mentioned here.

5.5. The EU Court of Justice has also dealt with numerous equal pay cases. This shows both that female workers are increasingly aware of their wage rights, and that the relevant legislation needs updating to make it more transparent and consistent. The social partners should be heavily involved in adapting it to reflect the changes in the world of work⁽³⁾. It is the social partners' duty to work continually for equality and against discrimination.

6. Recommendations

6.1. The Committee feels it must make a contribution towards eliminating any forms of gender inequality, discrimination and exclusion in the workplace which violate the principle of equal opportunities for men and women.

6.2. Although Community legislation does, in theory, guarantee equal pay, there is still a considerable gap. Moreover, several previous Committee opinions have indeed expressed the need for equal opportunities policies to be strengthened⁽⁴⁾.

6.3. The Committee believes that new EU and national government initiatives are needed to address transparency on male/female pay differentials. The initiatives should comply with the Amsterdam Treaty, in particular Article 141, and with Council Directive 2000/78/EC establishing a general framework for equal treatment in employment and occupation⁽⁵⁾, as stated at the special Ministerial Conference on 'Equal Opportunities and Employment Policy' (Helsinki, 1999).

6.4. The lack of up-to-date statistics on pay differentials is particularly worrying. The Committee therefore calls on the EU institutions and the Member States to collate reliable statistics. The statistics must be sorted according to gender, and offer a sectoral comparison at European, national and regional level. This will provide an up-to-date framework for designing ad hoc policies and any adjustment and harmonisation measures which might be required. It is equally important to promote studies and research into gender pay differentials.

6.5. Studies should also be conducted to determine which sectors are particularly male dominated, so that education and training schemes can be set up to help women enter these sectors. Moreover, female-dominated sectors also need to be identified, and measures taken to provide easier access for men both from the social standpoint, and from the legal standpoint wherever the law is not applied.

⁽¹⁾ COM(96) 336 final of 17 July 1996.

⁽²⁾ OJ L 17, 19.1.2001.

⁽³⁾ A list of the most important Court rulings is appended to this opinion (c.f. 'References' at the end of the document).

⁽⁴⁾ OJ C 116, 20.4.2001 and OJ C 123, 25.4.2001.

⁽⁵⁾ Council Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation, OJ L 303, 2.12.2000, pp. 16-22.

6.6. The Committee considers that the Commission should undertake an examination of how the 1975 Directive and judgments of the European Court of Justice have been implemented in the Member States. On the basis of this examination, discussions should take place on the necessity for a revision of existing EU legislation to take account of the new labour market situation.

6.7. The Committee believes that the Commission should create a permanent Observatory within the DG for Employment and Social Affairs to look into pay issues, including those connected with equal pay for men and women, and to monitor, analyse and compare statistics relating to the different situations in the EU Member States (ETUC, UNICE, Eurostat). The Observatory's duties should include the establishment of common criteria for a nomenclature setting out the various components of pay and analysis of changes in the labour market, with particular reference to new technology sectors, atypical work, and so on. It should also be noted that the Swedish presidency has committed itself to an equal pay project for men and women.

6.8. It is important that the data collected and, in particular, examples of good practice in the Member States, should be published.

6.9. The Committee feels it is essential that the Commission should consult the social partners upstream, in order to provide greater clarity in new Community legislation and measures which are better suited to new labour market conditions.

6.10. Moreover, as provided for in the Employment Guidelines 2000, the Member States would do well to consider including in their national action plans specific actions and instruments to make it easier for women to enter the labour market. They should also take a stand on the measures needed to combat wage discrimination.

6.11. The Committee hopes the 'Code of Practice on the implementation of equal pay for work of equal value' will receive the widest possible uptake by the social partners and the relevant agencies at all levels, and that the social partners and the Commission will produce an updated evaluation of new types of employment and the organisation of the labour market in general.

6.12. With reference to the applicant countries of Central and Eastern Europe, the Committee feels that women's policies should be an integral part of the Community *acquis* they must take on board.

Brussels, 28 March 2001.

*The President
of the Economic and Social Committee*
Göke FRERICH

References

The following are some of the most important EU Court of Justice rulings on equal pay:

Case 80/70	Gabrielle Defrenne v the Belgian State (Defrenne I) (Art. 119)
Case 43/75	Gabrielle Defrenne v Société anonyme belge de navigation aérienne (Sabena) (Defrenne II) (Art. 119)
Case 149/77	Gabrielle Defrenne v Société anonyme belge de navigation aérienne (Sabena) (Defrenne III) (Art. 119)
Case 129/79	Macarthy Ltd v Wendy Smith (Art. 119; Directive 75/117/EEC)
Case 69/80	Susan Jane Woringham and Margaret Humphreys v Lloyds Bank Ltd (Art. 119; Directive 75/117/EEC)
Case 96/80	J.P. Jenkins v Kingsgate (Clothing Production) Ltd (Art. 119; Directive 75/117/EEC)
Case 12/81	Eileen Garland v British Rail Engineering Ltd (Art. 119; Directive 75/117/EEC)
Case 170/84	Bilka-Kaufhaus GmbH v Karin Weber von Hartz (Art. 119)
Case 157/86	Mary Murphy and others v Bord Telecom Eireann (Art. 119; Directive 75/117/EEC)
Case C-33/89	Maria Kowalska v Freie und Hansestadt Hamburg (Art. 119; Directive 75/117/EEC)
Case C-177/88	Elisabeth Johanna Pacifica Dekker v Stichtingvormingscentrum voor Jong Volwassenen (VJV-Centrum) Plus (Directive 76/207/EEC)
Case C-184/89	H. Nimz v Freie und Hansestadt Hamburg (Art. 119; Directive 75/117/EEC)
Case C-435/93	Francina Johanna Dietz v Stichting Thuiszorg Rotterdam (Art. 119; Protocol n. 2)
Case C-249/96	Lisa Jacqueline Grant v South-West Trains Ltd (Art. 119; Directive 76/207/EEC)
Case C-243/95	Kathleen Hill, Ann Stapleton v the Revenue Commissioners, Department of Finance (Art. 119)
Case C-326/96	Levez v T.H. Jennings (Harlow Pools) Ltd (1 December 1998, not yet published)
Case C-66/96	Pedersen and others v Faellesforeningen for Danmarks Brugsforeninger and others (19 November 1998, not yet published)
Case C-281/97	Krüger v Kreiskrankenhaus Ebersberg (9 September 1999; not yet published)

APPENDIX

to the Opinion of the Economic and Social Committee**Defeated amendment**

During the debate, the following amendment, which received more than 25 % of the votes cast, was defeated.

Point 6.7

Replace with the following:

'Both the European Commission and the European Foundation for the Improvement of Living and Working Conditions devote considerable resources to the monitoring of equal pay developments and the implementation of equal pay legislation. These existing structures should continue to analyse developments concerning equal pay. It should also be noted that the Swedish Presidency has committed itself to an equal pay project for men and women.'

Reason

Self-evident

Result of the vote

For: 37, against: 46, abstentions: 2.
