Make Mothers Matter’s Response to EU Public Consultation on Strengthening the principle of Equal Pay between men and women through Pay Transparency

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Introduction

Makes Mothers Matter is convinced that the gender pay gap (GPG) can be closed if appropriate measures are implemented at the EU level, and especially if the unequal share of unpaid care work between men and women is addressed. In order to complement our analysis we mandated De Brauw Blackstone Westbroek N.V. to uncover legislative and non-legislative measures, including pay transparency measures, as well as initiatives that organisations can take to strengthen the principle of equal pay between men and women as enshrined in article 157 Treaty on the Functioning of the European Union ("TFEU").

While it is essential to implement measures to combat direct discrimination as laid down under article 157 TFEU, the gender pay gap is a more complex problem. Accordingly, in this Annex, we address the problem of unequal pay between men and women in a broader way. To capture various (even the less evident) indirect causes of pay discrimination, the gender pay gap will be examined from a "chain reaction" perspective, encompassing not only the immediate effects but also the root causes of the problem.

Therefore, attention should be drawn to the root causes of the persistent GPG including the lack of pay transparency and the unequal share of unpaid care work which leads to the motherhood penalty.

Indeed, the GPG cannot be tackled if it is not visible and pay transparency is a step towards making it visible. More pay transparency legislation would “facilitate effective application of the equal pay principle in practice”. It would also “reveal potential gender bias or discrimination in pay structures and contributes to raising awareness and improving understanding of the causes of the gender pay gap.” Therefore, Make Mothers Matter welcomes the European Commission public consultation on the revision of the Directive 2006/54 to strengthen enforcement mechanisms and increase pay transparency.

To enforce pay transparency, MMM recommends several measures to be included in the Directive proposal and, where appropriate, voluntarily implemented by European enterprises, as they will enhance the effectiveness of the ongoing effort to combat gender pay discrimination.

However, the GPG will never be tackled if the unequal share of unpaid care work is not addressed. Make Mothers Matter is convinced that the wage gap between men and women cannot be solved without substantive action on care work, mostly undertaken by mothers.

Indeed, women spend far more time on unpaid care work than men, and this trend significantly increases when women have children. Women with children under 7 years of age in the EU on average spend 20 hours per week more than men on unpaid work. In addition, more than 1 in 3 women reduce their paid hours to part-time due to care

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1 These unpaid services consist of: providing care for infants and children (active and passive), the permanently ill or temporarily sick, as well as for older relatives and the disabled; household maintenance, cleaning, washing, cooking, shopping; and all volunteer work for community services. R. ANTONOPOULOS (2008), *The Unpaid Care Work-Paid Connection*, Working Paper no. 541, Levy Economics Institute of Bard college, New York.


3 Ibid.
responsibilities, while only 1 in 10 men do the same. More than 32% of the potential female workforce (aged 20-64) in 2019 is away from the labour market in the EU, because they are looking after children or incapacitated adults.

The unequal division of care work between genders and the devaluation of care work contributes to continuing gender segregation in education and in the labour market. It has a strong effect in perpetuating women’s lower labour force participation over the life course and women’s disproportionate participation in precarious employment and reinforces the gender gap in pay and pensions. For example, the employment gap which currently lies at 11.5% in the EU is especially high for mothers and women with caring responsibilities. The unequal division of care work between genders also hinders the opportunity for mothers to advance in their professional career and improve their skills.

This is the translation of the motherhood penalty suffered by women with children. The gender wage inequality is not only a pay gap between men and women but also between mothers and fathers and between women without children and mothers. The fact that women and especially mothers take a much larger share charge of unpaid care work, has not sufficiently been considered in the analysis of the gender pay gap and when proposing measures to tackle it.

With the gender pay gap discussion receiving increased publicity, it became undisputed that a significant connection exists between unpaid care work and women’s poverty. This vulnerability towards poverty is exacerbated when mothers are single.

Unpaid family care work is indispensable. Someone must respond to the material, educational and emotional needs of the members of a family, not only children but also people affected by a handicap, illness, or old age. As the population of Europe is ageing, the need for care will only increase and the care gap as well. The motherhood penalty raises concerns not only about the gender pay gap, but also about the ability of societies to manage a sustainable balance between economic and social aspects. Make Mothers Matter strongly believes that gender equality will not be achieved until unpaid care work is recognised, reduced, and redistributed.

Therefore, Make Mothers Matter recommends that other measures are considered by the European Commission at EU level and, where appropriate, voluntarily implemented by European enterprises.

Section 1: Pay transparency measures

Equal pay for equal work or "work of equal value" is one of the founding principles of the EU. Despite the binding force of this principle through article 157 TFEU and measures enshrined in Directive 2006/54/EC, women are still disadvantaged in the workplace. One of the primary reasons for this persisting pay gap is an ineffective implementation and enforcement of the existing legal provisions on the national levels.

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In accordance with article 157(3) TFEU, the EU has since enacted a number of measures to ensure the effective application of the principle of equal pay for equal work or "work of equal value", chief among which is Directive 2006/54/EC.

Both prior to, and since the passing (and subsequent implementation at national levels) of Directive 2006/54/EC, the CJEU has ruled on several cases concerning pay discrimination claims. CJEU's jurisprudence, discussed in more detail in section 3.1.1 below, has gone some way towards clarifying some of the key terms contained in the TFEU and Directive 2006/54/EC, such as "pay" and "work of equal value". In particular, in the landmark 1976 Defrenne II ruling\(^7\), the CJEU established that the principle of equal pay is a fundamental principle of the European Community that has direct effect and may therefore be brought to, and enforced by, national courts in individual Member States ("MS").

Nevertheless, wage statistics and national experts both report that the measures taken so far have proved inadequate to effectively combat, much less eliminate pay discrimination. In 2018, women's gross hourly earnings were on average 14.8% below those of men in the EU. This figure increases to 20% or more in Estonia, Germany, the Czech Republic, and the UK\(^8\). At all levels – European, national, and corporate – more needs to be done.

This Annex identifies factors that contribute to the persistence of gender-based pay discrimination and draws on expert opinions and national practices to suggest measures that could be replicated to address this issue on a much wider scale.

In our view, the most pressing change desired on the EU level concerns the definition of "pay" and "work of equal value". Under Directive 2006/54/EC currently in force, these key definitions lack the necessary complexity and precision derived from the CJEU's extensive case law. Given that this lack of precise criteria for assessing what constitutes "pay" and which jobs are to be considered identical or "of equal value" impedes the victims of pay discrimination to bring their claims to the respective national courts, a refined definition is desired. To ensure proper protection of the victims of the gender pay gap and to legislate the principles derived from CJEU case law, we suggest amending the definition of "pay" to cover a non-exhaustive list of items that constitute "pay" and broadening the definition of "work of equal value" so it captures additional factors, including training, work conditions etc.

Article 157 TFEU provides that each Member State shall ensure proper application of the principle of equal pay for male and female workers for equal work or "work of equal value". At first glance, article 157 only covers direct discrimination. However, the European Court of Justice (the "CJEU") confirmed that EU gender equality law encompasses both direct and indirect discrimination. While direct discrimination boils down to an assessment of whether an employee has been treated less favourably compared to another person in a comparable situation, the concept of indirect discrimination measures whether the applied policies have had a more unfavourable impact on a group of persons of one sex\(^10\). We recommend the EU Commission that it would be desirable for Directive 2006/54 EC to be revised to mirror the equal pay principles developed by the CJEU.

\(^6\) Directive 2006/54/EC is a minimum harmonisation Directive that draws on article 157(1) TFEU by requiring EU Member States to adopt specific measures to target the persisting pay gap between women and men.

\(^7\) Case C-43/75, Defrenne v SABENA [1976] ECR -00455.


\(^10\) S. BURRI, Towards More Synergy in the Interpretation of the Prohibition of Sex Discrimination in European Law? A Comparison of Legal Contexts and some Case Law of the EU and the ECHR, p. 14
Pay transparency is essential to make the GPG more visible. In response to the EU Commission’s public consultation of the gender pay gap and the EU Commission’s Action Plan 2017-2019, we collected a number of best practices adopted by various EU Member States as well as multinational companies that are recommended to be elevated to the EU level.

Therefore, Make Mothers Matters recommends that the Directive proposal includes the following measures:

A. Abandoning or relaxing the comparator requirement

Requiring a worker to establish that they have been discriminated against in comparison to another leads to difficulties when pursuing equal pay claims. Naturally, the more restrictive the comparator requirement, the higher the hurdle that the worker must clear. This is particularly true in cases where the employment market is largely segregated, with the majority of women working in the lower-paid sectors of the economy. Accordingly, countries like France, Norway, and Spain do not require a reference to an actual comparator\(^\text{11}\). This practice, which was also mentioned in the EU Commission’s staff working document “Evaluation of the relevant provisions in the Directive 2006/54/EC implementing the Treaty principle on 'equal pay for equal work or work of equal value’\(^\text{12}\), should therefore be encouraged on a wider scale, removing an unnecessary impediment to the enforcement of the workers' right to equal pay.

Naturally, establishing a clear definition of "work of equal value" would make it easier for a victim of pay discrimination to establish a suitable comparator, and thus provide the necessary evidence for her claim to be successful. This is due to the fact that an accessible (and inclusive) definition of "work of equal value" would allow workers to look beyond their own position and their own enterprise for a comparator.

Furthermore, the need for an individual comparator can be mitigated, and eventually extinguished by generating greater amounts of statistical pay data pursuant to existing and proposed pay transparency measures. The EU Commission has highlighted that several Member States already allow the use of statistics and data as evidence of pay discrimination\(^\text{13}\). As victims of pay discrimination obtain easier access to such data and gain more opportunities to use the data to support their claims, the usefulness of the comparator requirement is more likely to come into question.

It is recognised that many of the Member States, in particular those that still have very stringent comparator rules in place, requiring the comparator to work at the same employer, same position, and at the same time as the victim of pay discrimination. Those jurisdictions will find it difficult to abandon the comparator requirement altogether.

Accordingly, although it is desirable to eventually abandon the requirement to establish an individual comparator, at present the EU Commission can limit itself to relaxing the requirements that a victim of pay discrimination must fulfil when establishing a comparator by allowing a hypothetical comparator to be used instead of an 'actual' one.

\(^{11}\) EUROPEAN COMMISSION (2017), DG Justice and Consumers, The enforcement of the principle of equal pay for equal work or work of equal value, p. 43.


B. Compulsory pay audits

So far compulsory pays audits have only been recommended by the Commission for companies with at least 250 employees. Several MS have implemented it. However, across MS the implementation has been different in terms of minimum thresholds of employees and type of information on which the employer needs to report. While the EU Commission Recommendation has been successful in encouraging MS to enforce transparency measures, its efficiency will highly depend on its enforcement and application of sanctions for non-compliance.

C. Certification requirement

This measure has notably been introduced in Iceland in 2017, which hopes that the certification will result in the elimination of the pay gap by 2022.

In Iceland, the required certification is based on the ISO "Equal pay management system - Requirements and guidance" (the Icelandic version is known as ÍST 85:2012). This obligation applies to every company and institution that employs 25 or more employees. Once the company has been granted such a certificate, the company receives the right to use the Equal Pay Symbol, i.e. a quality stamp that can be used to enhance and promote the image and reputation of companies and institutions. In case of non-compliance, daily fines are imposed, and the right to use the Equal Pay Symbol is withheld.

The Netherlands has introduced a similar legislative proposal which is currently in preparatory stages and has not been debated upon yet.

D. Pay reports

As it was suggested in the EU Commission Recommendation, some countries have implemented a pay reporting requirement. The level of reporting varies across Member States, however generally speaking, we find that a more detailed reporting measures, paired with a consistently applied enforcement system would be advisable for all Member States.

Aside from the degree of detail and reinforcement via controls and sanctions, disclosure of the contents of the pay reports to the employees contributes to the positive results of tackling unequal pay.

E. Assessment plans

Another good practice when it comes to pay transparency measures comes from Portugal. If the Authority for Working Conditions in Portugal detects that a company rewards women and men differently for the same or similar work, that employer will be notified and required to submit and then implement (within 120 days) a 12-month plan to assess those pay differences. Twelve months after implementing the plan, the employer must inform the Authority for Working Conditions of the results of the realisation of the plan, demonstrating any justified, gender-neutral pay differences (e.g., stemming from qualification, productivity, attendance or seniority) and the correction of any unjustified pay differences. If an employer fails to comply with the rules on assessing pay differences, they can be deprived of the right to take part in public tenders or calls for tender for a period of two years.

Despite being a reparative measure and not a preventive one, the consequences of non-compliance could prove sufficiently severe to effectively incentivise undertakings to change practices that perpetuate gender-based pay discrimination.
F. Employee’s right to obtain pay information

Only a few states followed the Commission Recommendation to introduce a right for individual employees to request information on pay levels, including Finland, Ireland, and Norway.

Norway has introduced the most advanced rights in this regard so far. On the basis of the Gender Equality Act, employees in Norway have the right to request the pay data of individual comparators at the company level. This data must be kept confidential and the comparators must be informed. Moreover, trade union representatives may seek information in support of the individual in accordance with specifics laid down in the applicable collective agreement. In contrast, the rules in Finland and Ireland both oblige the employer to receive the comparator’s consent to the disclosure of information regarding their salaries. If that consent is withheld, the employee may apply to the Equality Ombudsman in Finland to request the information, provided reasonable grounds to suspect pay discrimination.

Further, Cyprus has adopted a non-obligatory measure that encourages employers to, upon request, provide employees or their representatives with information on equal pay and on the average number of men and women per position.

G. Introduction of pay transparency tools

Some states developed specific tools to measure unequal pay between gender within individual companies. One of such tools – *Logib* – was introduced by the Federal Office for Gender Equality in Switzerland. *Logib* is a self-assessment pay calculator that can check whether a company is implementing the ‘equal pay for equal work’ principle. The tool is an easy-to-use software package that is suitable for companies with 50 or more employees. Such pay calculators based on the Swiss model are used in Germany, Luxembourg, and Poland.

As seen from the above assessment, the Commission has a vast range of options to promote increased pay transparency in the EU. On top of the recommendations already included in the Commission Recommendation such as the employee’s right to obtain information on pay levels, pay audits and pay reports, we recommend that the Commission harmonises the size of companies affected by the compulsory pay audit requirement and specifies the type of information companies have to disclose. In addition, sanctions and penalties to be applied in case of non-compliance should also be examined.

Section 2: Other measures to close the GPG

Section 2.1: Recognising, Reducing and Redistributing unpaid care work

Pay transparency measures are crucial to make GPG more visible. As already mentioned, GPG will never be tackled unless the unequal share of unpaid care work between mothers and fathers and society at large is not addressed. *Make Mothers Matter* is convinced that the gender wage gap cannot be solved without substantive action on care work, mostly undertaken by mothers.

Women take the lion’s share when it comes to unpaid family care work. Indeed, women spend on average 39 hours on unpaid work, compared to men who do 19 hours of unpaid work per week.

Gender stereotypes which associate domestic and care work with women and paid work with men, and which have the effect of devaluing care work, play a big role in the way women and men distribute their time.
The unequal division of care work between genders and the devaluation of care work contributes to continuing gender segregation in education and in the labour market. It has a strong effect in perpetuating women’s lower labour force participation over the life course and women’s disproportionate participation in precarious employment and reinforces the gender gap in pay and pensions. The unequal division of care work between genders also hinders the opportunity for mothers to advance in their career and improve their professional skills.

The fact that women take a larger share of essential care work, has not sufficiently been considered in the analysis of the gender pay gap and when proposing measures to tackle it. However, “neglecting unpaid care work leads to incorrect inferences about levels and changes in individuals’ well-being and the value of time, which in turn limit policy effectiveness across a range of socio-economic areas, notably gender inequalities in employment and other empowerment areas.”

The unequal share of care has a negative effect on women’s availability on the labour market, forcing them to reduce their paid working hours. In addition, women also tend to spend longer periods off the labour market due to caring responsibilities. Consequently, these career interruptions and adaptations of the time spent at work influence the hourly pay, and impact future earnings and pensions but also their career progression, time for training or retraining.

This is the translation of the motherhood penalty suffered by women with children. The gender wage inequality is not only a pay gap between men and women but also between mothers and fathers and between women without children and mothers.

Not only women take the lion’s share of the care of children, they also bear the brunt of long-term informal care duties as they represent 62% of all people providing long-term care duties for older people or people with disabilities.

Unpaid family care work is indispensable. Someone must respond to the material, educational and emotional needs of the members of a family, not only children but also people affected by a handicap, illness, or old age. As the population of Europe is ageing, the need for care will only increase and the care gap as well. The ‘motherhood penalty’ raises concerns not only about the gender pay gap, but also about the ability of societies to manage a sustainable balance between economic and social aspects. Make Mothers Matter strongly believes that gender equality will never be achieved until unpaid care work is recognised, reduced, and redistributed.

1. Care needs to be recognised

A. Definition of “work”

Currently, there are no workable definitions codified on the national level on what ‘work’ is, as equal pay legislation concerns paid work and, more generally, labour law also takes ‘work/labour’ to mean paid labour (in money or in kind).

Establishing a definition for the term "work" would be helpful to recognise the value of unpaid care work as it contributes to the pay inequality between genders, and it is important to acknowledge that on a legislative level. Make Mothers Matter recommends considering unpaid care work as work giving access to social rights, for instance as it is

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14 OECD Development Centre (2014), Unpaid Care Work: The missing link in the analysis of gender gaps in labour outcomes.
the case of pension ‘care credits’\textsuperscript{15} or when contributing to pension as an assimilated period during maternity, paternity or parental leave.

According to the ILO Resolution concerning statistics of work, employment, and labour underutilization\textsuperscript{16}, “work comprises any activity performed by persons of any sex and age to produce goods or to provide services for use by others or for own use”. In addition, five mutually exclusive forms of work are identified: (a) own-use production work comprising production of goods and services for own final use (which includes childcare and instruction, transporting and caring for elderly, dependent or other household members and domestic animals or pets, etc.); (b) employment work comprising work performed for others in exchange for pay or profit; (c) unpaid trainee work comprising work performed for others without pay to acquire workplace experience or skills; (d) volunteer work comprising non-compulsory work performed for others without pay; (e) other work activities.

B. Conduct time-use surveys more frequently

For the gender pay-gap to be recognised, it needs to be visible. For this purpose, surveys are an appropriate tool to provide data that allows to make comparisons between male and female earnings, education, representation in decision-making, access to employment and good working conditions, allocation of time spent doing care and domestic work and social activities, etc.

The Structure of earnings survey (SES) serves as the basis of the methodology to calculate the unadjusted gender pay gap, which is defined as the difference between the average gross hourly earnings of men and women expressed as a percentage of the average gross hourly earnings of men. The SES “is carried out with a \textit{four-yearly periodicity} according to Regulation (EC) No 530/1999. The most recent reference years available for the SES are 2010 and 2014. Eurostat computed the gender pay gap for these years on this basis. For the intermediate years (2011-2013) countries provide Eurostat gender pay gap estimates benchmarked on the SES results.”\textsuperscript{17}

In addition, the Harmonised European Time Use Surveys (HETUS) are “national surveys conducted in European countries to quantify how much time people spend on various activities, including paid work, household chores and family care, personal care, voluntary work, social life, travel and leisure” These surveys are essential in order to know how men and women allocate their time. However, they are only held \textbf{every 10 years} “on the basis of a gentlemen’s agreement between participating countries and Eurostat.”\textsuperscript{18}

These surveys have only been conducted two times:


\textsuperscript{15} Care credits can be understood as an example of compensation within a system of pension provision that is inextricably linked with contributions to the paid labour market –what is termed ‘gainful employment’ in the policy literature, and which is consequently prone to producing gender inequalities in terms of pension accumulation prospects”. See A. VLACHANTONI (2008), Care credits in European pension systems, available at : https://eprints.soton.ac.uk/166799/1/Microsoft_Word_-_CRA_DP_0801.pdf
\textsuperscript{18} EUROSTAT (2019), Harmonised European Time Use Surveys (HETUS) – Overview, available at: https://ec.europa.eu/eurostat/web/time-use-surveys
When it comes to measuring the way men and women allocate their time, two surveys conducted by Eurofound are particularly relevant: the European Working Conditions Survey (EWCS) which is conducted every five years, and the European Quality of Life Survey (EQLS) which is conducted every four to five years.

As it can be seen from the above analysis, surveys which are used to collect data to measure gender-inequalities in the EU such as time-use surveys are conducted very infrequently. This is also illustrated by the fact that the European Institute for Gender Equality (EIGE) in its 2019 Report could not update its section on the domain of time-use due to a lack of data. As a consequence, gender inequalities in the allocation of time for care and domestic work and social activities cannot be efficiently measured.

Make Mothers Matter therefore recommends that surveys used to collect data to measure gender-inequalities in the EU and especially time-use surveys are conducted more frequently, with a focus on surveys measuring the allocation of time spent doing care and domestic work. As such we recommend reviewing EU Regulation on structural statistics on earnings and on labour costs and to conduct the Structure of earnings survey more frequently and in all EU countries and make HETUS compulsory and more frequent.

C. “Care Credits”

Pension provision has always been a problem for women in that pensions were not designed with them directly in mind, rather women were intended to be indirect beneficiaries of the pension system through the marital bond to their husbands.

The gender gap in pensions (GGP) is one of the many manifestations of inequality between men and women. In 2017 the GGP – the gap between the average pre-tax income received as a pension by women and that received by men – stood at 37.5% in the 65 and over age group, which is unacceptable. The report on the need for an EU strategy to end and prevent the gender pension gap (2017) encourages the Member States, on the basis of a pooling of best practice, to introduce, to the benefit of both women and men, ‘care credits' to offset breaks from employment taken in order to provide informal care to family members and periods of formal care leaves, such as maternity, paternity and parental leave, and to count those credits towards pension entitlements fairly. Care credits take the form of an amount of time in months/years that is ‘credited’ to the carer’s working record as if the carer were employed in the labour market. Theoretically, such amounts of time can be credited to a carer’s pension contributions irrespective of whether the care is provided to underage children, elderly persons, or sick or disabled persons. Such credits should be awarded for a short, set period in order not to further entrench stereotypes and inequalities.

In some Member States, the periods of time spent caring for children, disabled or elderly are counted as care credits for retirement purposes. These care credits are intended to balance the impact of interrupted careers on women’s pension benefits, providing compensation for a loss of income due to periods when providing care (or are credited as pensionable years as if the carer was employed in the labour market). The implementation of the care credit systems varies substantially between the member states. Broadly speaking, the differences lay mainly in: the type of care credits provided only for childcare (Cyprus, Lithuania), only family or eldercare (Finland) or both childcare and family/eldercare (Germany, Poland, Switzerland)); the specific characteristics of the provisions regarding care credits,

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19 COUNCIL REGULATION (EC) No 530/1999 of 9 March 1999 concerning structural statistics on earnings and on labour costs.
for parts or for the whole of the periods that maternity and/or parental benefits are received (Spain, Hungary and Poland), for extended periods of time (Austria, Sweden, France, Luxemburg), or an increasing number of contribution years with an increasing number of children as part of a pro-natalist policy (Austria, Greece) and the assumptions behind the provision of care credits, which are generally harder to ascertain, but which do still play an active role. Except for Denmark, Slovenia and the Netherlands, most Member states include childcare credits in their statutory pension schemes, but care credits for a carer role with older people is uncommon. Care credits within statutory pension schemes are only in place in the Czech Republic, Finland, Germany, Italy, Luxembourg, Poland and the United Kingdom (for the duration of the period of care), Ireland (full basic pension in case of providing care to an incapacitated person for a period of up to 20 years) and Slovakia (for the period in which the benefit for care for a sick relative is received).

For instance, in Germany the time spent on caregiving is recognised in pension calculation\(^\text{24}\): it recognises that a parent who has stayed at home up to 3 years to take care of children during this period will also generate pension credits (1 or 3 depending if the children are born before or after 1992). This means mothers or fathers will have an increased amount in pensions as a result of this legislation.

Given the above, a clause in the new Directive containing an obligation for the Member States to ensure that unpaid care work does not disproportionately disadvantage women is highly desirable. In addition, we support the call for action from the European Parliament to:

1. Develop models for eliminating the gender gap in pensions, which results from the gender employment and pay gap and from time for caring for children and other family members not being considered.\(^\text{25}\)
2. Safeguard and restore the equity function of social security pensions in pension reforms, including through care credits in pension schemes and to allow more flexible transitions from work into retirement.

D. Validation of informal skills

The skills acquired by parents when taking care of a child, older or dependent persons of the family should be recognised. They should also be able to benefit from flexible paths of training, upskilling and re-skilling.

The Council Recommendation on Key competences for Lifelong Learning\(^\text{26}\) defines competences as a combination of knowledge, skills, and attitudes. Key competences are those needed for personal development, employability, social inclusion, and active citizenship. The Council conclusions of the European Union on Education highlighted in 2019\(^\text{27}\) that the key role of lifelong learning policies in empowering societies to address the technological and green transition in support of inclusive and sustainable growth.

\(^{24}\text{ Article 249 SGB VI from the German Social Code}\)


\(^{27}\text{ COUNCIL of the EUROPEAN UNION (2019), Conclusions on “The key role of lifelong learning policies in empowering societies to address the technological and green transition in support of inclusive and sustainable growth”, available at: https://www.consilium.europa.eu/en/meetings/eycs/2019/11/08/}\)
Among the key competences mentioned in the Council Recommendation we know that in the domains of STEM, digital literacy and entrepreneurial attitudes women are lagging behind men.

Policies need to consider women, especially mothers, who in many cases have devoted time to caring duties and whose skills are considered "out of the labour market". The skills of many women are still undervalued, either because society is not aware of them or because they are not considered as economically important. Caring for children or for older people and taking time off from work endangers the career development of the person making that decision. Investing in the future generation does not get any recognition and is not considered to procure any material value to society.

Policy makers should consider a lifecycle perspective and facilitate discontinuous career paths rather than linear ones, allowing men and women to withdraw from work partially or completely to educate and care for their children or dependent relatives, and then re-enter the labour market without being heavily penalised.

Many women lose their jobs when they become mothers and many mothers have difficulties finding a job. Maternity develops in women a new set of skills, especially soft skills. These skills need to be recognised also on the labour market. This new set of skills comes basically through non-formal and informal learning. Learning does not happen only in a classroom.

In France, a system of Validation of Acquired Experience (VAE)\(^\text{28}\) was introduced in September 2015. It allows anyone to obtain a professional certification by validating his/her experience acquired in the context of a professional and/or extra-professional activity. To request the validation of the achievements of his/her experience, it is necessary to have exercised a salaried, non-salaried, or voluntary activity.

As the Skillstools European project highlights\(^\text{29}\) “there is plenty of scientific and sociological evidence demonstrating that motherhood is a moment of intellectual development, skill growth and explosion of energies. Moreover, there is a clear affinity between the complex environment that a parent needs to manage within the family (regarding the intensity of the relationships, the development of authority, motivational and listening skills, etc.) and the modern workplaces, that nowadays require more and more empathic and interpersonal skills”.

Danone Italy has implemented family-friendly policies for its employees\(^\text{30}\)(with inclusive and customized child care support, doubling social security contributions during maternity leave and providing and encouraging a policy of 10 days of paid paternity leave, versus 5 days provided by national law, e.g.). It also introduced the MAAM Tool – Maternity as a Master\(^\text{31}\), a digital tool aimed at measuring and enhancing the improved skills of employees, during and after, parental leave. It serves enterprises and employers to better acknowledge the soft skills acquired through maternity and when becoming a parent. A research conducted by Danone shows the astonishing effects of these


\(^{29}\) https://skillstools.eu/mom/


\(^{31}\) https://www.maam.life/en/ The tool is based on the life-based learning method, focused on raising awareness and providing opportunities to practice transferable skills daily. This method brings learnings from home to work – and vice versa –.
initiatives. 32 Multiple companies across Europe, (including Accenture, BCG, and Heineken) implemented the MAAM Tool.33

An EU funded project developed an instrument to validate the skills obtained in the family context, the FamCompass34. This instrument assesses 'family competences’, competences men and women have obtained in family life, in their roles as educators, homemakers and caregivers. Family competences are valuable human resources.

In short, we need education systems and lifelong learning opportunities where women’s skills can be integrated and fully considered in the labour market. A lifecycle approach can notably be supported by recognizing and validating the competences and skills acquired while doing unpaid family care work. There should be truly flexible pathways, up-skilling, and re-skilling and especially a recognition of those "other" less tangible skills that are as important and valuable as the others.

E. Raising awareness

While legislation and rules change, it is essential to change mind-sets. With this aim in mind, it is important to take action to raise citizens’ awareness at the national, international, and corporate level.35 Among these initiatives we find:

- Government-backed projects

Various Member States specific government-backed projects were set up to raise awareness, e.g., in Cyprus, Estonia and Hungary. These projects include informative seminars and initiatives to foster cooperation between the government and employers. Such as the "Against Gender Gap!Plan."36

- Equal Pay Day

Various countries have introduced an 'Equal Pay Day' 'Equal Pay Day' has been introduced in Austria, Belgium, Cyprus, Czech Republic, Germany, Estonia, Spain, France, Sweden, Slovakia, Portugal, and the United Kingdom. 37

- Equality Employer

Another straightforward and fiscally non-invasive measure is introducing a special label that can be used by undertakings that have achieved a consistently excellent record of compliance with equal pay legislation. One of the most effective strategies to encourage companies to not only promote but also introduce equal pay policies is to reward them if such policies are in place. This practice has already been adopted in Cyprus ("Equality Employer" and

32Some of the results of the research:100% of mothers returned to work, 42% of mothers are promoted when going back to work, 100% of dads benefit from paternity leave of 10 days (versus 4 days by law), 85% of mothers breastfeed, 0,7% of absenteeism (versus 5,4 % in Italy). Regarding the skills they developed: 83% of new mothers and fathers in the organisation participating in the master perceived an improvement in their soft skills, 79% felt more energised, 75% felt more engaged with the company, 35% had more ability to manage priorities and timing, 35% had more empathy, 35% more ability to delegate, 15% had more ability to take decisions, 20% had more mental agility, 10% more had the ability to manage complexity.


35 Some results of these policies Facilitate access to life-long learning and re-skilling after a career break due to caregiving reasons as it can enable their retry into the labour market.

36EUROPEAN COMMISSION (2019), National cases and good practices on equal pay, pp. 50, 55, 61.

37 Ibid., pp. 47, 70, 79-80.
the "Best Practice" -equal treatment and/or equal pay-) in Cyprus\textsuperscript{38} in Malta ("Equality Mark")\textsuperscript{39}; in Norway (the annual Equality Prize)\textsuperscript{40} and in Germany ("eg-check" project).\textsuperscript{41}

The requirements that a company needs to fulfil are progressively harmonised across the EU, the body certifying the undertakings' compliance with equal pay legislation – and granting permission to use the "Equality Employer" label – can be elevated to the European level.

- Employers

The companies have a wide array of actions that can be implemented in order to foster gender equality and the retention and promotion of female talent, including organisation of campaigns promoting the equal pay principle, implementation of internal policies recognising a right to family life of employees (flexible working hours, parental leave and a revision of existing policies), as well as implementation of measures promoting transparency of remuneration and promotions; providing training, facilitating support networks and appointing a diversity manager or a task force; and measures which seek to raise awareness of the problems related to the gender pay gap (such as the OLX-the largest job advertisement service in Poland- campaign).\textsuperscript{42}

- Other actors

Such as equality bodies and trade unions, can play a role in awareness campaigns. The 16:09 movement (16:09-rörelsen) – was introduced in Sweden by the Swedish Women's Lobby (Sveriges Kvinnolobby) in 2012 and is now a cooperation between political women's unions, trade union organisations and women's movement societies. The goal is to raise awareness about the gender pay gap by showing that women work without pay from around 16:09.\textsuperscript{43}

In short, the EU, Member states, companies and other actors have a vast array of options at their disposal when it comes to raising awareness. Some of these options - such as the introduction of an Equality Employer label - are not only effective, but also fiscally non-invasive. Accordingly, the EU Commission would be well advised to place the promotion of the equal pay principle at the forefront of its awareness-raising efforts and encourage individual member states to do the same.

F. Fiscal incentives for employees and employers

Different mechanisms of fiscal relief could be put in place by governments to bridge the gender pay gap. In this section we will describe several good practices already put in place by some countries.

1. Subsidies and tax breaks for parents

To alleviate the burden of childcare costs, some Member States give tax breaks and subsidies to parents. A good practice comes from Germany where the subsidies are tied to income, and low-income families may therefore even be entitled to free childcare. Further, all families can avail themselves of tax allowances in the form of a tax deduction or exemption for a certain amount of the childcare costs.

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\textsuperscript{40} European Commission (2017), DG Justice and Consumers, The enforcement of the principle of equal pay for equal work or work of equal value, p.96.
\textsuperscript{41} Ibid.
\textsuperscript{42} https://vimeo.com/396921353
\textsuperscript{43} https://sweden.se/society/gender-equality-in-sweden/
France has a comprehensive family policy. It provides a wide range of subsidised childcare services and a generous and varied allowances system, especially for large families. These measures are efficient as France is amongst the Member States with the highest fertility and employment rates of women with children.

Large families also benefit from significant tax concessions. Especially favours families with at least three children as the tax unit is not the individual but the household (“quotient familial”). Each household amounts to a certain number of shares according to marital status and the number of children: a married couple is entitled to two shares, to an additional half-share for the first two children and an additional share per child after the third child. This mechanism gives rise to a significant reduction in taxes, to the extent that the total household income is divided by the number of shares it is made up of and that the taxes are calculated on the basis of this income after adjustment.

2. Fiscal incentives for companies

Fiscal incentives can also be put into place to reward companies that provide easier access to childcare services for their employees. For example, Austria introduced a deduction from taxable income if companies either provide childcare services internally or give benefits to their employees in the form of childcare services. Similar measures have also been introduced in France, Germany and Poland, whereas in the United Kingdom, employers can provide their employees respectively with "universal service vouchers" (CESU) and childcare vouchers, which can be used as payment for home based childcare.

*Make Mothers Matter* believes that these tax breaks and subsidies which benefit parents and employers providing easier access to childcare services for their employees, are steps towards bridging the GPG and therefore recommends that such measures be implemented in other member states.

G. Contribution to the economy: the value of care in GDP

Investing in care can contribute to long-term economic development, through contributing to the quality of human resources and the development of human capabilities as well as creating sustainable, high-quality jobs.

Indeed, unpaid care work provides, and produces, a huge amount of goods and services, for human development, health, education, and sanitation. The ILO estimates unpaid care work to be around USD 11 trillion, or 9%, of global GDP.

The World Bank pointed out that GDP only measures flows of income but does not tell us whether health care, education, and the wealth of the natural world are being built up or plundered. The Economist called for a “new metric” of economic progress that included “unpaid work in the home, such as caring for relatives”.

The Beijing Platform for Action addressed the issue of the invisibility of unpaid care work and urged countries to “conduct regular time-use studies to measure, in quantitative terms, unremunerated work”. Time-use surveys can

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44. N. FOLBRE, (2018), *Developing care: Recent research on the care economy and economic development.*


47. ITUC (2016), *Investing in the Care Economy: A Gender Analysis of Employment Stimulus in Seven OECD Countries*, International Trade Union Confederation.


also serve to estimate the monetary value of unpaid care work, in absolute value and as a percentage of GDP in so-called ‘Household Satellite Accounts’.

If we want to really bring women’s work out of the shadows and overturn the stereotypical gender roles that relegate women to more than their fair share of household labour, we must first take the blinders off the GDP. 52

There should exist public spending policies that support the unpaid care work of nurturing, raising, educating children as an investment in Early Childhood Development and human capital. This is no longer recognised as a mere expenditure by many actors and institutions, such as the World Bank, but rather they acknowledge the high potential return on investment: in addition to preventing social and health problems linked to burnout and stress, and countering declining fertility rates, it could help ensure that every child develops to its full physical, emotional, intellectual and social potential, which in turn could break the cycle of poverty, prevent violence and foster more peaceful societies.

Therefore, Make Mothers Matter recommends to continue the task of improving, in cooperation with the EU institutions, indicators for measuring and monitoring people’s wellbeing in the EU, and alternative to the GDP, taking into account the work carried out by other relevant international actors. We also call to include an economy of wellbeing perspective horizontally in national and Union policies and in particular to include gender equality recommendations in the European Semester and to put people and their wellbeing at the centre of policy design. 53

2. Care needs to be reduced

A. Care choices

Mothers need to have an economically feasible choice between an outsourced or an in-family care solution enabling them to take care of their under school-age children themselves. The current standard model, based on economic criteria, makes it difficult for women to raise children while being in full-time employment.

The adjustability of the working hours should not be confused with part-time working which is currently the more accessible way for mothers to manage a balance between their private and professional lives.

According to the latest neuroscience studies a child’s first 1,000 days is the unique time in the person’s life to shape the brain and increase the ability, as an adult, to contribute productively to the economy and society. Parents and caregivers have a huge role to play in providing this support. Their babies’ bodies and brains are counting on them to give them the best start in life. But while parents want time to bond with their children and give them the protection, nutrition and stimulation their developing brains need, many just don’t have the time because of the pressure to work long hours, often far from home, to support their families. 54

The measures we propose are:

- A real choice for parents and caregivers on how to care for children. Parents should have an economically feasible choice between an outsourced or an in-family care solution enabling them to take care of their under school-age children themselves. This can be achieved by giving child and family benefits such as the provision of universal child

54 WORLD ECONOMIC FORUM (2019), Family-friendly policies benefit all of us. Here are 4 ways to boost them, available at: https://www.weforum.org/agenda/2019/07/4-ways-to-build-family-friendly-policies-parental-leave/
benefits for all families. For instance, in Finland\textsuperscript{55} a flexible allowance on childcare is the most commonly used social service among families. As every child under school age has a right to day-care, all families have access to free universal day care for children aged eight months to five years. This childcare is also flexible, providing the option of full-day childcare centres, as well as municipal playgrounds with adult supervision where parents can accompany the child. In addition, the government can also give the allowance to parents who stay at home and provide ‘home day-care’ for the first three years.

In order to ensure that women are able to access the labour market once they have given birth, it is necessary that formal services such as childcare centres that are accessible, affordable and of a high quality exist and available until mandatory school age. Childcare affordability is crucial in order to close the GPG. However, according to Eurostat\textsuperscript{56}, the main obstacle to the use of childcare is the cost it represents for families. This discourages parents, in particular mothers from working. Some Member States have taken steps to reduce this cost. For example, Malta provides free childcare for children whose parents work or are in education. Ireland offers parents free childcare services on a part-time basis. This so-called "Early Childhood Care and Education (ECCE) Scheme" provides parents with 15 hours of free centralised private childcare services per week. Parents using this scheme may also purchase additional hours. The provision of community-based childcare services is also key to reducing and distributing unpaid care work. For families that make the choice of informal services (parents, close family members, community based carers, Leihamas or "borrow" a grandmother, intergenerational residences where young/old communities come together to form a "family", e.g.), these choices should also be supported and organised.

- Long-term care services for disabled and older people should be affordable, accessible and of quality.

- Career Breaks: an illustration of career break is the Belgian Time Credit system in which after two years of employment with the same employer, workers have a maximum three to four years of time credit (leave, often with replacement revenues from social security), which they can either take by switching to part-time for a period of time, or take the leave in chunks. This type of time-credit can only be taken for the care of children, older dependents, severely sick or disabled family members. Many women use this time-credits to care for their children while continuing their work. The time-credit system exists on top of parental leave arrangements and is accounted for in the calculation of pensions in Belgium. This system is a good example in how labour laws can support burden-sharing in families, whilst encouraging women to stay in the labour market.

Accounting for the leave periods in the national pension system avoids the pension gap growing too large because of family arrangements.

**B. Work-life-Balance measures**

Beyond transparency measures, work-life balance measures are crucial to allow parents and in particular mothers to remain in employment or reduce their career breaks. They are crucial to combine work and care as a majority of mothers in Europe prefer to remain in the labour market but to also have time to devote to their families, specially when the children are young\textsuperscript{57}. Therefore, we call for practices/measures that allow a flexibility of choices for the families, by supporting them in all their choices.

\textsuperscript{55} Available at: https://ec.europa.eu/social/main.jsp?catId=1109\&intPagId=4516\&lan


The EU work-life balance directive adopted last year included the right to request flexible working conditions for parents of children until 12 years old and people with caring responsibilities. It implies the right for workers to request their employer to adapt their working conditions. These include flexible schedules, the reduction of working time and tele-work. Benefits are proven: productivity and job retention increase, absenteeism decrease, resources allocated in a better manner and better employee commitment. The Right to Request exists in the UK for working parents since 2003 and due to its success, it was extended to every employee since 2014.

However, MMM would like to see this right broadened to parents of children until 18 years old. The presence of parents when children arrive home is very important to support them in their homework which can decrease school dropout, bullying etc. Very few work-life balance measures exist for older children and this is a crucial one. In addition, we would also like that the situation of the self-employed (close to 33 million workers or 14% of the working population in Europe) is taken into account so these workers can benefit from an EU framework on family leave schemes.

In addition, MMM supports initiatives and measures adopted by companies to help employees better reconcile work and family life as part of their CSR policies.

The EFR certificate from Spain, provides an audit of internal policies which have an impact on work-life balance promoted by our member Más Familia Foundation58, and supported by the Spanish Ministry of Health and Social Policy. It has already helped more than 600 organisations (companies, universities, municipalities, etc) to implement a new work culture allowing for better harmony between work, family, and personal spheres. It has shown that companies, which have conciliation policies, have better productivity, retention rate and lower absenteeism and accidents.

Nestlé introduced the new "More inclusive and enhanced global parental support policy" (starting in 2020)59, sets minimum standards of 18 weeks parental leave for primary caregivers and 4 weeks for secondary caregivers, which can be increased where required by local regulations or when the company chooses to offer more leave.

3. Care needs to be redistributed

A. Maternity leave

The EU Directive on Work-Life Balance for parents and family carers adopted in July 2019 was to enable parents and people with caring responsibilities to better balance their work and family life However, it did not include the revision of the maternity leave directive from 1992, which is outdated.

MMM calls for the revision of the maternity leave Directive extending the period of leave to 18 paid weeks and with a remuneration at least of sick pay level.

B. Paternity and parental leave schemes

To reduce the gender pay gap, it is essential to redistribute care between men and women and between families and all parts of society, to support fathers’ involvement and promote a better sharing of domestic and parental responsibilities.

58 https://www.masfamilia.org
Fathers must be involved from the start with putting in place special leaves for prenatal visits, paternity leave, shared parental leave. It is essential to combat stereotypes of the roles of men and women through awareness campaigns, targeting mothers as well. State members must address occupational segregation and the undervaluing of jobs within the care and educational sectors, by encouraging men to join these professions.

One of the ways to promote male participation in unpaid care work is by enforcing, or at the very least promoting, equal paid parental leave, obliging men to take time off work and participate in unpaid care work. Finland currently has legislation planned to this effect, expected to enter into force in 2021. The Finnish proposal also extends the total family allowance of parental leave from 11.5 to over 14 months. Sweden has implemented another approach to promote male participation in unpaid care work. The Swedish government resolved to reward couples who split the paid parental leave equally between them, by offering additional days of paid parental leave. Although the measure did not initially encourage co-parenting sufficiently, and consequently there were plans to scrap it in 2017, it is still in place today.

**MMM** recommends the Commission to enable parents and carers to dedicate time to their families. As such, we recommend extending parental leave to 6 months per parent, remunerated at least as sick pay level or a decent remuneration and make it more flexible to take. This will encourage the uptake by fathers so they can take a more important caregiving role and spend more time with their children without jeopardising their careers.

The Netherlands has implemented a good example guaranteeing (unpaid) care leave whereby it is possible to register as a caretaker for sick family members, or other persons needing care ('mantelzorg'). OrangeMantelzorg is an unpaid care of a certain minimum intensity provided over a period of at least three consecutive months (only an annual appreciation payment of EUR 250 is allowed), but it is possible for mantelzorgers to receive government subsidies.

Companies are also encouraged to implement internal policies regarding parental leave. Similarly, as with flexible work arrangements, companies are encouraged to go the extra mile and to implement policies more favourable to their employees.

### C. Carer’s leaves

The EU Directive on Work Life Balance for parents and family carers included for the first time a carer’s leave, equal to 5 days per worker, per year, whose payment will be decided by the national governments. The directive represents a minimum standard for all EU countries that must be considered as such. MMM asks EU Member states to pay this carer leave at least at sick pay level (according to national legislation) so that it will not be also taken by men. When leave is unpaid is mostly women who take it.

### Section 2.2: Other measures

#### A. Introduction of compulsory Gender Quotas

While pay inequality between men and women can be addressed through direct measures, such as revising the interpretation of key terms under the new Directive or introducing transparency requirements (Section I), countries should also be encouraged to take measures to guarantee women the same opportunities as men. One of the core reasons why it is mostly women who take paid or unpaid leave or decide to work part-time, is the higher income and the more senior job title of their (predominantly male) partners.
Research shows that having more women in top management positions can help to not only close the pay gap but also to improve company’s performance. In fact, it has been suggested in the American Sociological Review that the presence of high-level female managers has a much larger impact on gender wage inequality than promoting women to lower-level managerial positions.60

Further, the 2020 Gender Pay Gap report61 reveals that the greatest challenge preventing the economic gender gap from closing is women’s under-representation in emerging roles, i.e., in cloud computing, just 12% of professionals are women, and in engineering and Data and AI the numbers are 15% and 26%, respectively.

While no measures have been taken yet regarding gender quotas in specific fields, some countries have introduced measures to ensure the fair representation of women in senior positions. Such policies have been adopted in Iceland (2010), France (2011), Belgium (2011), Italy (2012), the Netherlands (2013), Germany (2015), Portugal (2017) and Austria (2017). However, the gender quotas take different forms in the different countries.

First, the required percentages differ. The laws in Austria, Germany and the Netherlands require the supervisory board to be composed of at least 30% of women, whereas in Iceland the threshold is higher, requiring 40% women on the boards of all companies with more than 50 employees.62

Similar quota targets have been enshrined in the Finnish Equality Act, which includes a quota provision according to which advisory boards must have at least 40% of both men and women. This provision applies to state-administration committees, working groups and other similar bodies as well as municipal boards, committees, and inter-municipal cooperation bodies. Similarly, the 2007 Spanish Gender Equality Act mandated that all large public and private Spanish firms appoint a target of 40% of each gender to serve as board directors by 2015. This quota applies to all large private and public firms.65 The Spanish Gender Equality Act further provides for an incentive for quota compliant undertakings, which may receive preferential treatment in the public procurement process.

Following the enactment of quota laws in Spain, an assessment study was carried out to measure the effectiveness of these quota targets. The results showed that although the number of women on Spanish corporate boards had increased, those complying with the Spanish Act are mostly those that depend on public contracts and are, therefore, directly affected by the Act’s promise of preference in public tendering.66

The gender quotas have been also applied outside of Europe. In 2018, the US state of California passed a law requiring female representation on corporate boards. By the end of 2019, public companies based in California had to have at least one female director, with more female directors required by 2021, depending on the size of the board. Thanks to these measures, women now hold 20% of board seats among the 3,000 most valuable publicly traded companies.

61 WORLD ECONOMIC FORUM (2019), Mind the 100 year gap, available at: https://www.weforum.org/reports/gender-gap-2020-report-100-years-pay-equality
62 In Austria, this applies to listed companies and companies with more than 1000 employees, whereas in the Netherlands this applies to corporate boards of large public and limited liability companies
65 Undertakings that fulfil two of the following conditions: (i) more than 11.4 million euros in total assets, (ii) more than 22.8 million euros in annual revenue, and/or (iii) more than 250 employees
66 Article 34.2 of the Spanish Gender Act. 101.
in the USA, according to executive data collection, and these numbers are projected to grow considerably in the coming years.

Another difference is the level of sanctions in case of non-compliance. For example, in the Netherlands and Spain the introduced quotas are "soft", that is they do not establish negative consequences for companies that fail to meet the target. In contrast, in Belgium, France, and Italy, non-compliant undertakings can be fined, banned from paying directors, or even dissolved. In Norway, non-compliant companies can be removed from the national trade register.

Considering that a direct link between introducing gender quotas and closing the gender pay gap has been established, similar measures should be considered on an EU level such as the adoption of the ‘Woman on Boards’ directive proposal. Considering various forms of these gender quotas, i.e., variance in percentages, affected undertakings, and sanction options, the EU Commission has a lot of discretion in deciding which measures should be most effective. To ensure a long-lasting change, the measure should be aimed at all undertakings covered by the law rather than at a certain group, such as undertakings that depend on public contracts.

B. National equality bodies and promotion of dialogue between social partners

National equality bodies play an important role in enabling the victims of pay discrimination to identify breaches of the equal pay requirement by their employers, and in informing and assisting such workers in bringing forth their claims. The minimum standards regarding the mandates, independence, and effectiveness of national equality bodies were set in a 2018 Recommendation by the Commission. However, this Recommendation has not, to date, resulted in the effective closing of the gap between the various equality bodies established in the EU member states. Accordingly, the EU Commission should consider elevating the status of the Recommendation from soft law to a binding element of the Directive proposal by making an explicit reference to it in the Directive’s text.

In addition, even in countries where these bodies are empowered to make changes, awareness of their existence is relatively low among the population.

Considering the importance of equality bodies in closing the gender pay gap, we recommend that steps should be taken to raise awareness among the working population and grant them more wide-ranging powers.

Lastly, national legislators can and should be made aware of the potential for positive influence that the active participation of national equality bodies can have on the collective bargaining processes that invariably affect a large proportion of the working population.

C. Support for women returning to work to increase employability

It is important to recognise and foster female talent at any stage of the career and in particular after a career break due to caregiving. Therefore, it is crucial to give them access to lifelong learning including re-skilling programmes. Therefore, access to training will increase the employability potential of the mothers re-entering the labour market. This is particularly relevant as motherhood often triggers a career re-orientation allowing to combine work and family life.


Other good practices to inspire companies that could contribute to this end, are mentoring programmes led by female executives and other role models. JP Morgan Chase has implemented a mentorship program called "Women on the Move" for female employees who became mothers. These sessions led by volunteer mentors, assist mothers with their transition back to work, (covering a range of topics, from balancing career and family, to finding the best childcare, and talking to managers about career goals).

In addition, it is very important to promote a culture of leadership based on results and not on presence. This will have a positive effect on women who can then better advance in their careers as they have limited time for networking with colleagues after work.

Networking schemes are an additional measure that can support employees returning after an extended absence. They aim to create a safe platform where female employees can freely share their concerns or receive guidance on returning to work. Sharing experiences and tips helps to ensure the development of female talent. "Deloitte's Women's Initiative", (launched in 1993), is another notable example. Since its start, the network has led to an increase in retention of women now reaching the same numbers as for the retention of men. This success has increased the company's turnover considerably.

Another example is the women's network of McKinsey & Company: "McKinsey Women", which has fostered connections between women in the company's offices across the world. This also has led to retention of female talent at the firm, and by 2019 women represented 44% of McKinsey’s total workforce, while also representing 39% of the managers.

For the above-mentioned schemes, it is important to strike a balance between emphasising the importance of female participation, while not making this participation compulsory, or attaching any negative connotation to an individual's choice not to participate. These programmes should have as their aim, a sea-change within the general culture, and not a change of women or their mindsets.

Recommendations:

In this paper, Make Mothers Matter identified and proposed a number of best practices adopted by various EU member states and multinational companies to be considered at the EU level.

In addition, we also make the below recommendations:

1. Regarding pay transparency:

Pay transparency is essential to make the GPG more visible. Therefore, Make Mothers Matters recommends that the Directive proposal includes the following measures:

- Clearly define the principles of “equal pay for equal work” and “work of equal value”
- Abandon the requirement to establish an individual comparator by allowing a hypothetical comparator to be used instead of an 'actual' one

72 https://www.mckinsey.com/about-us/diversity/women-at-mckinsey
73 Talent naar de Top (January 2020), Sleutelmomenten: inzichten en interventies met impact voor diversiteit en inclusive, p. 21.
- Compulsory pay audits
- Company voluntary equality plans
- Compulsory pay audits
- Certification requirement
- Pay reports
- Assessment plans
- Employee’s right to obtain pay information
- Introduction of pay transparency tools to measure unequal pay between gender to measure unequal pay between gender

As seen from the above assessment, the Commission has a vast range of options to promote increased pay transparency in the EU. On top of the recommendations already included in the Commission Recommendation such as the employee’s right to obtain information on pay levels, pay audits and pay reports, we recommend that the Commission harmonises the size of companies affected by the compulsory pay audit requirement and specifies the type of information companies have to disclose. In addition, sanctions, and penalties to be applied in case of non-compliance should also be examined.

2. Other measures to close the GPG:

- Consider unpaid care work as work giving access to status and social rights, for instance when contributing to pension as an assimilated period during maternity, paternity, or parental leave

- Review the EU Regulation on structural statistics on earnings and on labour costs to conduct the Structure of earnings survey more frequently and in all EU countries and make HETUS compulsory and more frequent

- Develop models for eliminating the gender gap in pensions

- Safeguard and restore the equity function of social security pensions in pension reforms, including through care credits in pension schemes

- The recognition and validation of competences and skills acquired by doing unpaid family care work and the adoption of a lifecycle approach that integrates flexible pathways, up-skilling and reskilling

- Place the promotion of the equal pay principle at the forefront of the EU awareness-raising efforts and encourage individual member states to do the same

- Adopt work-life balance measures at legislative and company level allowing families, especially mothers, to adjust their employment according to the needs of each child, the ages and number of children.

- Provide a true choice between formal and informal childcare for parents which can be achieved by giving child and family benefits such as the provision of universal child benefits for all families

- Childcare centres should be accessible, affordable and of high quality

- Long-term care services for disabled and older people should be affordable, accessible and of quality

- Acknowledge the contribution of unpaid care work to early childhood development and to education

- Give tax breaks for parents such as tax deduction or exemption for a certain amount of the childcare costs

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74 Council Regulation (EC) No 530/1999 of 9 March 1999 concerning structural statistics on earnings and on labour costs
- Provide fiscal incentives for companies that provide easier access to childcare services for their employees

- Continue the task of improving indicators for measuring and monitoring people’s well-being in the EU, as alternative to the GDP, considering the work carried out by other relevant international actors

- Include an economy of wellbeing perspective horizontally in national and Union policies, include gender equality recommendations in the European Semester and put people and their wellbeing at the centre of policy design

- Extend paid parental leave to 6 months per parent paid at sick pay level at least and make it more flexible to enable the uptake fathers

- Review the maternity leave directive to extend the leave to 18 weeks paid at sick pay level at least

- Pay carer’s leave at least at sick pay level (according to national legislation) so that it will not be taken only by women

- Raise awareness about national equality bodies among the working population and grant them more wide-ranging competences

- Include specific measures to target vulnerable groups such as single mothers.

- Promote mentorship programmes led by female executives and other role models and networking schemes
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