



**POLICY BRIEF** No 2019/33, MAY 2019

## **Bridging the Gap: Equal Pay for Equal Work**

Rafaela Papadaki

### **Key points**

Since the signing of the Treaty of Rome (1957) gender equality has been shed light on significantly. In 2017 the European Commission adopted the **2017-2019 Action Plan to tackle the gender pay gap**, showing that up to this date the importance of equality and more precisely pay equality is major. In Greece several laws and bodies have been initiated that aim towards the elimination of the pay gap, however there is still much to be done, in order to realize the principal of equal pay for equal work. This policy brief suggests,

- Establishing more state-funded institutions, such as kindergartens and after-school care, to provide help for working women.
- Integrating sociological lessons at school, in order to instill the significance of gender equality in the youth.
- Improving and enhancing the existent supervisory bodies so that companies follow the law and provide equal opportunities as well as equal remuneration to female employees.
- Imposing, through the law, a minimum percentage of female participation in directive and administrative positions, which would be supervised from the above-mentioned supervisory bodies.

*Rafaela Papadaki is an undergraduate student at the Department of International and European Studies, University of Piraeus and a member of the Turkish and Eurasian Studies Laboratory.*



## Introduction

The gender pay gap is an issue directly related to the people, since it doesn't only have economic but also social consequences. To begin with, the *gender pay gap* refers to the discrimination of salary for equal work or work of equal value between women and men. This problem can be attributed to many factors that are laid mainly on the core of Greece's social structure. Due to its importance, the EU has taken legal steps in order to fight this discrimination. The Treaty of Rome introduced the Article 119 which is now converted to Article 157 of the TFEU and determines the principle of equal gender pay. Furthermore, the European Commission published the **EU Action Plan 2017-2019** which once again points out the need to tackle the gender pay gap on many levels. Each member-state must pay respect and apply this principle, aiming to fight inequality altogether.

On top of that, it is important to highlight that eliminating gender discrimination would not only benefit women but would also bring a positive effect for companies and generally the economy, since women, according to statistics, are highly qualified. Therefore, giving everyone, despite their sex, equal opportunities could help the economy take advantage of various skills and thus function to its full effect. However, up to this day, the implementation of EU's principles regarding equal pay has not been very effective, leading to stable or even growing numbers of discrimination.

## Analysis

As it was above mentioned, the gender pay gap is present in most of the European countries, as well as in Greece. More precisely, the pay gap between women and men in Greece in 2012 stood at 12.5%. In order to understand this issue and eliminate it, we must first determine the main causes that lead to it.

First and foremost, we must address that the gap which is observed in earnings between the two sexes does not only reflect the discrimination in wages but also the differences between employment rate, work segregation and age-related factors that affect women as professionals.

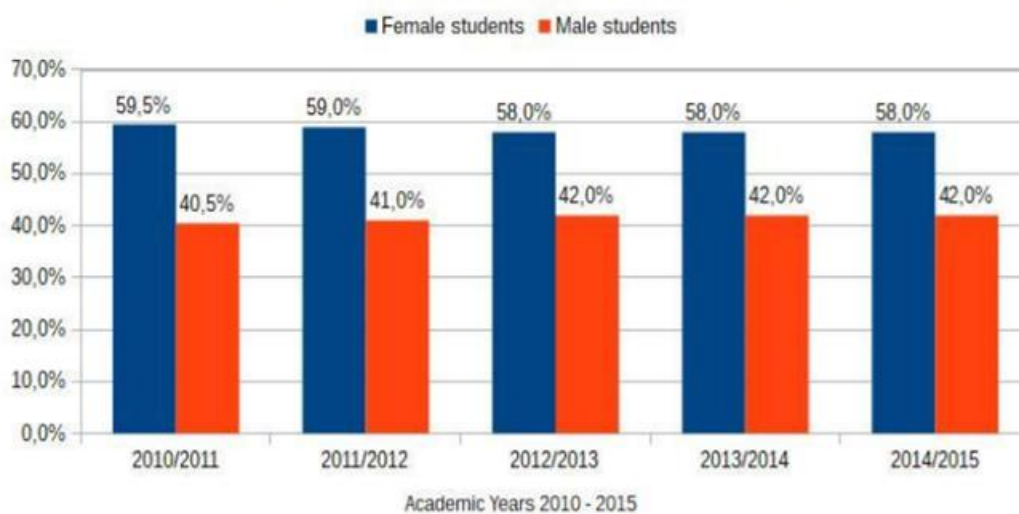
To begin with, the first step that needs to be taken towards the alleviation of pay discrimination is the actual participation of women in the job market. As statistics show, women have a high rate of excellence in education. Nevertheless, this fact is not reflected in the way that women are treated in the work environment nor in the positions that they are given. Women are more likely to take up jobs that are related to humanities, arts or healthcare, which are lower paid, whereas men tend to follow careers in technological and scientific sectors that are highly remunerated. On top of that, one key factor that leads to vast discrimination towards women is the predominance of men in management and



decision-making positions. In 2015 only 20.6% of women in Greece were parliamentary members and only 9.3% in contrast to the 21.7% of EU's women made it to supervisory or management boards.

Of course, the gender pay gap is the result of many other factors too, among of which stands the high unemployment rate of women, which creates an important gap in the wages between the sexes. This case can be broken down to two different parts. On the one hand, unemployment due to stereotypes and discrimination (*Net Pay Gap*) and on the other hand unemployment due to personal duties that frequently interrupt a woman's career (*Unadjusted Pay Gap*). Firstly, despite the high level of education that many women have, they seem to find it harder to get a job. That can be attributed to the stereotypes which prevail in our country and support that women do not belong in the labour force but in households, taking care of their families. Besides that, it is often believed that females are more sensitive and thus cannot make reasonable decisions and obtain key positions. Furthermore, females are far more affected by their role as mothers, daughters, wives etc., compared to men, that rarely quit their jobs in order to take care of their family.

Percentage of regular students in Universities, by gender



In the meantime, it comes with no surprise when a woman gives up her career to raise a child or even look after the elderly. Moreover, it is a common – although illegal- case that women are laid off when they get pregnant or married, since many employers believe that their personal life will hinder their performance at work. As a result, the unemployment rate of women in Greece reached 23.7% in 2018. Even more alarming is the fact that higher unemployment rate of females is observed among the ages of 15-24,25-29,30-44 when people are most productive. This phenomenon is mainly caused by the fact that during this period women create families and are expected to focus more on their new responsibilities. As it is reasonable, due to that factor, men are more likely to continue their



careers, obtain more experience and thus gain higher earnings in the longterm. This way a vicious circle is created, in which women are not given equal professional opportunities and cannot prove their capabilities.

**Πίνακας 1. Ανεργία (%), κατά φύλο και ομάδες ηλικιών**

Ηλικία	Δ' τρίμηνο					
	2015			2016		
	Άρρενες	Θήλειες	Σύνολο	Άρρενες	Θήλειες	Σύνολο
<b>Σύνολο</b>	<b>21,2</b>	<b>28,4</b>	<b>24,4</b>	<b>19,9</b>	<b>28,1</b>	<b>23,6</b>
<b>15-24</b>	44,1	54,3	49,0	42,2	48,6	45,2
<b>25-29</b>	33,5	41,9	37,4	28,0	40,6	33,6
<b>30-44</b>	19,2	27,9	23,2	17,7	28,4	22,6
<b>45-64</b>	17,3	21,4	19,0	17,4	22,0	19,4
<b>65+</b>	12,6	5,9	10,0	14,8	12,4	13,8

## Recommendations

In order to fight the phenomenon of the pay gap as well as the general inequality that women face in the pursue of a career, suitable measures need to be taken. These measures must be targeted and have a practical tone so that they could be directly enacted in our country.

### 1. Work-life balance

A very important part of the gender pay gap is the difficulties that females face when trying to balance their job and family. As it was mentioned above, women tend to spend more time caring for their families, which results in losing professional opportunities. This issue can be battled with the development of more infrastructure (e.g. kindergartens, all-day schools, places for creative preoccupation of children etc.) by the State. This way more women could pursue a career, enhance their professional profile and aim for higher salaries. However, for those who might see this step as a great expenditure for Greece, we should highlight that through such initiatives more positions could be created, and the overall unemployment rate could decrease.

### 2. Transparency



Of course, the EU has made many efforts towards pay equality. However, the final responsibility of following the legislation lies with businesses. It is very common for employers to overlook the law in favor of their benefits. This is the reason why an online platform should be created, where businesses would upload data related to wages broken down by gender and position. At the same time a special committee should be established, which would examine these data and determine if each business follows the norms. This institution could be part of the Greek Ombudsman. Such a platform would not include any personal data but only figures and percentages of salaries and positions taken from men and women. As a continuation of this measure, the State could impose fines to those who do not offer equal remuneration for equal work or work of the same value due to gender discrimination.

### 3.Starting from the bottom

In many countries, as well as in Greece, legal frameworks or even bodies that are in charge of assuring equality do exist but there is yet no significant result. More specifically, in Greece, citizens can refer to the ombudsman in order to report a discriminatory act against them. Furthermore, there are labor inspectorates that can inspect whether a company follows the law of equality between women and men.

Despite these institutions, there is still discrimination in wages. Consequently, a measure that could be taken and affect the gender pay gap directly, is the increase of wages in the sectors that women take up most positions, such as nursing, education etc. Through this change the gap would shrink, and many female employees would be benefited. Greece could use European funds to apply this step, which would also give a boost to the Greek economy.

### 4.Breaking the “Glass-Ceiling”

A very important change that needs to be made so that women could enjoy better work benefits and take active part in decision-making procedures is the designation of a minimum percentage of females in managerial positions. This way the predominance of males in directive sectors would be tackled.



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*European Commission Recommendations(2014/124/EU)*.

COMMISSION RECOMMENDATION of 7 March 2014 «The value of work should be assessed and compared based on objective criteria, such as educational, professional and training requirements, skills, effort and responsibility, work undertaken, and the nature of tasks involved. » (2014/124/EU)

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Article 2-11,16, paragraph 2 of L.