



# EUROPEAN COMMITTEE OF SOCIAL RIGHTS COMITÉ EUROPÉEN DES DROITS SOCIAUX

08 November 2017

Case Document No. 6

University Women of Europe v. Finland Complaint No. 129/2016

# OBSERVATIONS BY THE EUROPEAN TRADE UNION CONFEDERATION (ETUC)



# Collective Complaint University Women of Europe (UWE) v. Finland Complaint No. 129/2016

# Observations by the European Trade Union Confederation (ETUC)

(03/11/2017)

# Outline

INTRODUCTION	3
I. GENERAL FRAMEWORK	4
A. International law and material	4 9 13
<ul> <li>B. Further Pertinent Material</li> <li>1. Concerning the Gender pay gap</li> <li>2. Concerning the (under-)representation in decision-making positions within private companies</li> <li>C. Legal Principles</li> <li>1. General considerations</li> <li>2. Gender pay gap</li> <li>3. (Under-)representation in decision-making bodies within private companies</li> </ul>	22 23 24 24
II. SPECIFIC SITUATION	
A. INTERNATIONAL CASE-LAW  1. United Nations  2. International Labour Organisation  3. Council of Europe	29 32
B. FURTHER PERTINENT MATERIAL ON THE SITUATION IN LAW AND PRACTICE  1. Concerning the Gender pay gap	38 38 39
Concerning the Gender pay gap      Concerning the (under-)representation in decision-making positions within private companies      CONCLUSIONS	40 41
A. SUBSTANTIVE CONCLUSIONS  B. PROCEDURAL REQUEST  TABLE OF CONTENTS	42
TABLE OF CONTENTS	42

In availing itself of the opportunity provided in the Collective Complaints Procedure Protocol (CCPP - Article 7§2) the European Trade Union Confederation (ETUC) would like to submit the following observations. The ETUC welcomes the fact that the respondent State has ratified not only the Revised European Social Charter (RESC)¹ but also the Collective Complaints Procedure Protocol (CCPP). However, the ETUC would invite the Government to take the appropriate steps to accept all provisions of the RESC.

# Introduction

- 2 The main content of the complaint is described in the Decision on admissibility of 4 July 2017 and contains mainly two elements:
  - (1) the Gender wage gap,
  - (2) the (under-)representation in decision-making positions within private companies.
- 3 From the very outset, the ETUC would like to highlight that it is strongly committed to achieving equality between women and men. In its Constitution the ETUC clearly states that it

will work throughout Europe for [...]

- the elimination of all forms of discrimination, based on sex, age, colour, race, sexual orientation, nationality, religious or philosophical beliefs or political opinions;
- the promotion of equal opportunities and equal treatment between men and women; [...]<sup>2</sup>
- 4 The ETUC priorities are currently outlined in the Paris Action Programme (2015-2019) and the ETUC Action Programme on Gender Equality 2016 2019, and include in particular:
  - Mainstreaming gender into all ETUC policies;
  - Achieving equal pay between women and men;
  - Eliminating the gender gap in decision-making bodies.<sup>3</sup>
- 5 Against this background, these Observations aim at fulfilling these objectives by providing the European Committee of Social Rights (ECSR or Committee) with as much as possible consistent and comprehensive information on the problems at issue. The Observations will be divided into three parts the first of which will be attributed to the general framework (Part I) whereas the second will deal with the country-specific situation including the relevant international case law concerning the respondent State (Part II) before finally arriving at the Conclusions (Part III).
- At an editorial level, it is indicated that all quotations will be governed by the following principles: they focus on the issues at stake (while still showing the relevant context) and will be ordered chronologically (beginning with the newest text). Emphases in **bold** are added by the ETUC;<sup>4</sup> eventual footnotes are, in principle, omitted. Each time Article 20 of the Charter is mentioned it also includes Article 1§1 of the (First) Additional Protocol which has the same content for those countries which have ratified only the latter provision. Following the Committee's General Introduction to Conclusions 2012, the content of Article 4§3 of the Charter on the right of equal pay is now considered to be included in Article 20 of the Charter.

<sup>3</sup> See for further information: https://www.etuc.org/issue/gender-equality.

<sup>&</sup>lt;sup>1</sup> Unless stated otherwise, Articles without further indication relate to the 1996 RESC.

<sup>&</sup>lt;sup>2</sup> Extract of the Preamble of the ETUC Constitution.

<sup>&</sup>lt;sup>4</sup> Where the original text contains emphases they are highlighted in *italics*.

Therefore, each time these Observations refer to Article 20 of the Charter in relation to equal pay they include also Article 4§3 of the Charter unless otherwise specified.

# I. General framework

7 As Part I, the description of the 'General framework' is setting the foundation for the countryspecific assessment in Part II.

# A. International law and material

- The importance and legal significance of international standards and their interpretation and application<sup>5</sup> is widely recognised. Accordingly, the collective complaint refers in several respects to international standards and the respective case law (in particular CEDAW). Nevertheless, the ETUC would like to add pertinent references to international law and material to the description provided in the complaints because all following International Organisations attribute a great importance to the principle of equality between men and women be it in their standard-setting, the respective case law or in other fields like research, projects, studies etc.
- 9 Unless stated otherwise the respondent State has ratified all the following instruments referred to below.<sup>6</sup>

# 1. United Nations

10 The United Nations (UN) provide for a wide-ranging set of standards (see below a) to d)) and further pertinent material (see below e)).

# a) Universal Declaration of Human Rights

11 The main provisions of the Universal Declaration of Human Rights (UDHR) relating to equality between men and women may be quoted as follows:

#### Article 1

All human beings are born **free and equal in dignity and rights**. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood. [...]

#### Article 23

[...] (2) Everyone, without any discrimination, has the right to **equal pay for equal work**.

b) International Covenant on Civil and Political Rights

## (1) Text

12 The main provisions of the International Covenant on Civil and Political Rights (ICCPR)<sup>7</sup> relating to equality between men and women might be quoted as follows:

Article 2

<sup>&</sup>lt;sup>5</sup> As to legal impact of the 'Interpretation in harmony with other rules of international law' see the ETUC Observations in No. 85/2012 Swedish Trade Union Confederation (LO) and Swedish Confederation of Professional Employees (TCO) v. Sweden - Case Document no. 4, Observations by the European Trade Union Confederation (ETUC), paras. 32 and 33.

<sup>&</sup>lt;sup>6</sup> As legally non-binding instruments, this list does obviously not include the UDHR nor Recommendations nor any 'Further pertinent material'.

<sup>&</sup>lt;sup>7</sup> Adopted by General Assembly resolution 2200A (XXI) of 16 December 1966; entry into force 23 March 1976.

1. Each State Party to the present Covenant undertakes to respect and to ensure to all individuals within its territory and subject to its jurisdiction the rights recognized in the present Covenant, without distinction of any kind, such as race, colour, **sex**, language, religion, political or other opinion, national or social origin, property, birth or other status. [...]

#### Article 3

The States Parties to the present Covenant undertake to ensure the **equal right of men and women** to the enjoyment of all civil and political rights set forth in the present Covenant. [...]

#### Article 26

All persons are equal before the law and are entitled without any discrimination to the equal protection of the law. In this respect, the law shall prohibit any discrimination and guarantee to all persons equal and effective protection against discrimination on any ground such as race, colour, **sex**, language, religion, political or other opinion, national or social origin, property, birth or other status. [...]

# (2) General interpretation

- 13 In its General Comment No. 28 on Article 3 ICCPR<sup>8</sup>, the competent organ to interpret the ICCPR, the Human Rights Committee (CCPR), stated i.a.
  - 31. [...] The Committee has also often observed in reviewing States parties' reports that a large proportion of women are employed in areas which are not protected by labour laws and that prevailing customs and traditions discriminate against women, particularly with regard to access to better paid employment and to **equal pay for work of equal value**. States parties should **review their legislation and practices** and take the lead in implementing all measures necessary to eliminate discrimination against women in all fields, for example by **prohibiting discrimination by private actors in areas such as employment**, education, political activities and the provision of accommodation, goods and services. States parties should report on all these measures and provide information on the remedies available to victims of such discrimination.

# c) International Covenant on Economic, Social and Cultural Rights

14 As complementary to the ICCPR the International Covenant on Economic, Social and Cultural Rights (ICESCR)<sup>9</sup> provides in particular for the protection against discrimination (see below (1)) and for social rights. Its competent organ, the Committee on Economic, Social and Cultural Rights (CESCR) to interpret this instrument has developed a case law in this respect (see below (2)).

# (1) Text

## Article 2

[...] 2. The States Parties to the present Covenant undertake to guarantee that the rights enunciated in the present Covenant will be exercised without discrimination of any kind as to race, colour, **sex**, language, religion, political or other opinion, national or social origin, property, birth or other status [...]

#### Article 3

The States Parties to the present Covenant undertake to ensure the **equal right of men and women** to the enjoyment of all economic, social and cultural rights set forth in the present Covenant.

#### Article 7

The States Parties to the present Covenant recognize the right of everyone to the enjoyment of just and favourable conditions of work which ensure, in particular:

(a) Remuneration which provides all workers, as a minimum, with:

<sup>&</sup>lt;sup>8</sup> Adopted: 29.03.2000 (replacing general comment No. 4).

<sup>&</sup>lt;sup>9</sup> Adopted by resolution 2200A (XXI) of 16.12.1966; entry into force 03.01.1976.

- (i) Fair wages and equal remuneration for work of equal value without distinction of any kind, in particular women being guaranteed conditions of work not inferior to those enjoyed by men, with equal pay for equal work; [...]
- (c) Equal opportunity for everyone to be promoted in his employment to an appropriate higher level, subject to no considerations other than those of seniority and competence; [...]

# (2) General interpretation

- 15 Recently, in its General Comment No. 23 concerning Article 7 ICESCR<sup>10</sup> CESCR defined in more detail the content of para. (a)(i) as follows:
  - 11. Not only should workers receive equal remuneration when they perform the same or similar jobs, but their remuneration should also be equal **even when their work is completely different but nonetheless of equal value** when assessed by objective criteria. This requirement goes beyond only wages or pay to include other payments or benefits paid directly or indirectly to workers. [...]
  - 12. The extent to which equality is being achieved requires an **ongoing objective evaluation** of whether the work is of equal value and whether the remuneration received is equal. It should cover a broad selection of functions. Since the focus should be on the "value" of the work, evaluation factors should include **skills, responsibilities and effort required by the worker, as well as working conditions**. It could be based on a comparison of rates of remuneration across organizations, enterprises and **professions**.
  - 13. Objective job evaluation is important to **avoid indirect discrimination** when determining rates of remuneration and comparing the relative value of different jobs. For example, a distinction between full-time and part-time work such as the payment of bonuses only to full-time employees might indirectly discriminate against women employees if a higher percentage of women are part-time workers. Similarly, the objective evaluation of the work must be free from gender bias. [...]

# d) Convention on the Elimination of All Forms of Discrimination against Women

16 The Convention on the Elimination of All Forms of Discrimination against Women (CEDAW)<sup>11</sup> can be considered as the universal core convention on equality between men and women. It provides also for specific protection in employment (see below (1)) and for social rights. Its competent organ, the Committee on the Elimination of Discrimination against Women (CEDAW) to interpret this instrument has developed a case law in this respect (see below (2) and (2)(b)).

# (1) Text

# Article 1

For the purposes of the present Convention, the term "discrimination against women" shall mean any distinction, exclusion or restriction made on the basis of sex which has the effect or purpose of impairing or nullifying the recognition, enjoyment or exercise by women, irrespective of their marital status, on a basis of equality of men and women, of human rights and fundamental freedoms in the political, economic, social, cultural, civil or any other field.

#### Article 2

States Parties condemn discrimination against women in all its forms, agree to pursue by **all appropriate means** and without delay a policy of eliminating discrimination against women and, to this end, undertake:

<sup>&</sup>lt;sup>10</sup> General Comment No. 23 (2016) on the right to just and favourable conditions of work (article 7 ICESCR); see General comment No. 20 (2009) on non-discrimination in economic, social and cultural rights.

<sup>&</sup>lt;sup>11</sup> Convention on the Elimination of All Forms of Discrimination against Women, 18.12.1979.

- (a) To embody the principle of the equality of men and women in their national constitutions or other appropriate legislation if not yet incorporated therein and to ensure, through law and other appropriate means, the practical realization of this principle;
- (b) To adopt appropriate legislative and other measures, including sanctions where appropriate, prohibiting all discrimination against women;
- (c) To establish legal protection of the rights of women on an equal basis with men and to ensure through competent national tribunals and other public institutions the effective protection of women against any act of discrimination;
- (d) To refrain from engaging in any act or practice of discrimination against women and to ensure that public authorities and institutions shall act in conformity with this obligation;
- (e) To take all appropriate measures to eliminate discrimination against women by any person, organization or enterprise;
- (f) To take all appropriate measures, including legislation, to modify or abolish existing laws, regulations, customs and practices which constitute discrimination against women;
- (g) To repeal all national penal provisions which constitute discrimination against women.

### Article 3

States Parties shall take in all fields, in particular in the political, social, economic and cultural fields, all appropriate measures, including legislation, to ensure the **full development and advancement of women**, for the purpose of guaranteeing them the exercise and enjoyment of human rights and fundamental freedoms on a basis of equality with men. [...]

#### Article 11

- 1. States Parties shall take all appropriate measures to eliminate discrimination against women in the **field of employment** in order to ensure, on a basis of equality of men and women, the same rights, in particular:
- (a) The right to work as an inalienable right of all human beings;
- (b) The right to the same employment opportunities, including the application of the same criteria for selection in matters of employment;
- (c) The right to free choice of profession and employment, the right to promotion, job security and all benefits and conditions of service and the right to receive vocational training and retraining, including apprenticeships, advanced vocational training and recurrent training;
- (d) The right to **equal remuneration**, including benefits, and to equal treatment in respect of work of **equal value**, as well as equality of treatment in the evaluation of the quality of work; [...]
- (2) General interpretation
- (a) Concerning the Gender pay gap
- 17 As early as 1989 in its General Recommendation No. 13<sup>12</sup> the CEDAW defined in more detail the content of 'Equal remuneration for work of equal value' by recommending to the States Parties i.a. that:
  - 2. They should consider the study, development and adoption of **job evaluation systems** based on gender-neutral criteria that would facilitate the comparison of the value of those jobs of a different nature, in which women presently predominate, with those jobs in which men presently predominate, and they should include the results achieved in their reports to the Committee on the Elimination of Discrimination against Women;
  - 3. They should support, as far as practicable, the creation of **implementation machinery** and encourage the efforts of the parties to collective agreements, where they apply, to ensure the application of the principle of equal remuneration for work of equal value.

<sup>&</sup>lt;sup>12</sup> General recommendation No. 13: Equal remuneration for work of equal value, CEDAW, Eighth session (1989)), contained in document A/44/38. Further General Recommendations might be relevant, such as

<sup>-</sup> No. 16 (1991) unpaid women workers in rural and urban family enterprises,

<sup>-</sup> No. 28 (2010) The Core Obligations of States Parties under Article 2 of the CEDAW,

No. 33 (2015) on women's access to justice.

- (b) Concerning the (under-)representation of women in decision-making bodies in enterprises
- 18 In more recent times the CEDAW has also criticised the (under-)representation of women in decision-making bodies in enterprises. Although it has not (yet) provided a 'General Recommendation' on this issue it appears important to highlight the following extracts of 'Concluding Observations' on certain countries which have not ratified the CCPP, whereas extracts of similar CEDAW conclusions on countries which have ratified the CCPP are quoted in Part II.A. of the respective ETUC Observations.
  - (i) Estonia (2016)<sup>13</sup>
    - 28. [...] The Committee is also concerned about: [...]
    - (d) The significant underrepresentation of women in management positions in private companies; [...]
    - 29. The Committee recommends that the State party: [...]
    - (d) Increase the representation of women in **management positions in private companies**, including through temporary special measures; [...]
  - (ii) Slovakia (2015)14
    - 28. The Committee notes the amendment to the Labour Code in 2011 to provide for the equal treatment of women and men in employment and an increase in the representation of women on corporate boards, but is concerned:
    - (a) That significant horizontal and vertical gender segregation exists in the labour market, including the **persistently low representation of women compared with men in economic decision-making positions**, such as on the supervisory board of companies and in executive positions, and that the size of the gender pay gap remains large, women's high levels of education notwithstanding; [...]
    - 29. The Committee recommends that the State party: [...]
    - (b) Enhance measures to achieve the equal and full participation of women in decision-making in the economic sphere, in particular on the management and supervisory boards of public and private companies; [...]
  - (iii) Spain (2015)<sup>15</sup>
    - 28. The Committee [...] is particularly concerned about the following issues: [...]
    - (b) The **low representation of women in managerial and decision-making positions and on boards of directors** (18.2 per cent) and that neither Organic Law No. 3/2007 on effective equality for men and women nor Law No. 31/2014 amending the Corporations Act provides sanctions for the non-enforcement of the required gender balance on the boards of directors of large companies; [...]
    - 29. The Committee recommends that the State party: [...]
    - (d) Take measures to achieve the equal and full participation of women in decision-making in the economic sphere, in particular on the boards of directors of large companies, by introducing mandatory quotas;
  - (iv) Denmark (2015)<sup>16</sup>
    - 29. The Committee welcomes the establishment in 2011 of a tribunal for equal pay, but remains concerned at: [...]

<sup>&</sup>lt;sup>13</sup> Concluding observations on the combined fifth and sixth periodic reports of Estonia, CEDAW/C/EST/CO/5-6 – 18.11.2016.

<sup>&</sup>lt;sup>14</sup> Concluding observations on the combined fifth and sixth periodic reports of Slovakia, CEDAW/C/SVK/CO/5-6 – 25.11.2015.

<sup>&</sup>lt;sup>15</sup> Concluding observations on the eighth periodic report of Spain, CEDAW/C/ESP/CO/7-8, 29.7.2015.

<sup>&</sup>lt;sup>16</sup> Concluding observations on the eighth periodic report of Denmark, CEDAW/C/DNK/CO/8, 11.03.2015.

- (c) The absence of clearly defined sanctions for companies that fail to meet **targets for equal gender representation**; [...]
- 30. The Committee recommends that the State party: [...]
- (c) Provide for adequate and clearly defined sanctions for companies that fail to meet targets for equal gender representation and provide specific mechanisms for the prompt enforcement of such sanctions; [...]

# e) Further pertinent material

The importance of the principle of equality between men and women is furthermore underlined by the inclusion in the <u>UN 2030 agenda</u>. In its Sustainable Development Goals (SDG) Goal 5. ('Achieve gender equality and empower all women and girls') contains i.a. the following elements:

- 5.1 End all forms of discrimination against all women and girls everywhere [...]
- 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision- making in political, economic and public life [...]
- 5.c Adopt and strengthen **sound policies and enforceable legislation** for the promotion of gender equality and the empowerment of all women and girls at all levels [...]

# 2. International Labour Organisation

- 19 Out of the eight core Conventions of the International Labour Organisation (ILO), the two antidiscrimination Conventions No. 100 and 111 are of specific relevance for this collective complaint.
  - a) Convention No. 100<sup>17</sup>

# (1) Text

#### Article 1

For the purpose of this Convention

- (a) the term *remuneration* includes the ordinary, basic or minimum wage or salary and any additional emoluments whatsoever payable directly or indirectly, whether in cash or in kind, by the employer to the worker and arising out of the worker's employment;
- (b) the term equal remuneration for men and women workers for work of equal value refers to rates of remuneration established without discrimination based on sex.

#### Article 2

- 1. Each Member shall, by means appropriate to the methods in operation for determining rates of remuneration, promote and, in so far as is consistent with such methods, ensure the application to all workers of the principle of equal remuneration for men and women workers for work of equal value.
- 2. This principle may be applied by means of
- (a) national laws or regulations;
- (b) legally established or recognised machinery for wage determination;
- (c) collective agreements between employers and workers; or
- (d) a combination of these various means.

#### Article 3

- 1. Where such action will assist in giving effect to the provisions of this Convention measures shall be taken to promote objective appraisal of jobs on the basis of the work to be performed.
- 2. The methods to be followed in this appraisal may be decided upon by the authorities responsible for the determination of rates of remuneration, or, where such rates are determined by collective agreements, by the parties thereto.

<sup>&</sup>lt;sup>17</sup> Equal Remuneration Convention, 1951 (No. 100). Adoption: 29.06.1951, entry into force: 23.05.1953

<sup>-</sup> Status: Up-to-date instrument (Fundamental Convention).

3. Differential rates between workers which correspond, without regard to sex, to differences, as determined by such objective appraisal, in the work to be performed shall not be considered as being contrary to the principle of equal remuneration for men and women workers for work of equal value.

#### Article 4

Each Member shall co-operate as appropriate with the employers' and workers' organisations concerned for the purpose of giving effect to the provisions of this Convention.

- (2) General interpretation
- (a) General Survey 2012
- 20 In its General Survey 2012,<sup>18</sup> the Committee on the Application of Conventions and Recommendations (CEACR) described the requirements which derive from Convention No. 100 in relation to the gender pay gap as follows:

# Gender pay gap

668. Pay differentials remain **one of the most persistent forms of inequality between women and men**. Although explicit policies of providing lower pay for women have for the most part been relegated to the past, the gender pay gap remains **one of the most obvious examples of structural gender discrimination**. The gender pay gap varies from country to country, and between different sectors within a country. Globally, women earn approximately 77.1 per cent of what men earn (a pay gap of 22.9 per cent) though in some countries women earn considerably less. If wages of part-time workers are included in the calculation, the gap can increase to much higher levels.

669. Many countries have made progress in reducing the pay gap, though in others it has stagnated for many years, or even increased. Even where gender pay differences are **narrowing**, they are doing so **extremely slowly**: at the current rate it is estimated that another 75 years will be needed to bridge the gap. The continued persistence of significant gender pay gaps requires that governments, along with employers' and workers' organizations, take more proactive measures to raise awareness, make assessments, and promote and enforce the application of the principle of equal remuneration for men and women for work of equal value. Collecting, analysing and disseminating this information is important in identifying and addressing inequality in remuneration. [...]

# Equal value: The cornerstone of the Convention

[...] 673. The concept of "work of equal value" lies at the heart of the fundamental right of equal remuneration for men and women for work of equal value, and the promotion of equality. Due to historical attitudes and stereotypes regarding women's aspirations, preferences and capabilities, certain jobs are held predominantly or exclusively by women (such as in caring professions) and others by men (such as in construction). Often "female jobs" are undervalued in comparison with work of equal value performed by men when determining wage rates. The concept of "work of equal value" is fundamental to tackling occupational sex segregation in the labour market, which exists in almost every country, as it permits a broad scope of comparison, including, but going beyond equal remuneration for "equal", "the same" or "similar" work, and also encompasses work that is of an entirely different nature, which is nevertheless of equal value.

674. "Value" while not defined in the Convention, refers to the worth of a job for the purpose of computing remuneration. "Value" in the context of the Convention indicates that **something other than market forces** should be used to ensure the application of the principle, as market forces may be inherently gender-biased. [...]

675. While *Article 1* indicates what cannot be considered in determining rates of remuneration, *Article 3* presupposes the use of appropriate techniques for **objective job evaluation** to determine value, comparing factors such as skill, effort, responsibilities and working conditions.

<sup>18</sup> Report III(1B): <u>Giving globalization a human face</u>, General Survey on the fundamental Conventions concerning rights at work in light of the ILO Declaration on Social Justice for a Fair Globalization, 2008, 2012.

Comparing the relative value of jobs in occupations which may involve different types of skills, responsibilities or working conditions, but which are nevertheless of equal value overall, is essential in order to eliminate pay discrimination resulting from the failure to recognize the value of work performed by women and men free from gender bias. The Committee recalls that the principle has been applied to compare the remuneration received by men and women **engaged in different occupations**, such as wardens in sheltered accommodation for the elderly (predominantly women) and security guards in office premises (predominantly men); or school meal supervisors (predominantly women) and garden and park supervisors (predominantly men). [...]

679. Noting that many countries still retain legal provisions that are narrower than the principle laid down in the Convention, as they do not give expression to the concept of "work of equal value", and that such provisions hinder progress in eradicating gender-based pay discrimination, the Committee again urges the governments of those countries to take the necessary steps to amend their legislation. Such **legislation should** not only provide for equal remuneration for equal, the same or similar work, but also **address situations where men and women perform different work** that is nevertheless of equal value. [...]

# Comparing jobs, determining value

695. The concept of "equal value" requires some method of measuring and comparing the relative value of different jobs. There needs to be an examination of the respective tasks involved, undertaken on the basis of entirely objective and non- discriminatory criteria to avoid the assessment being tainted by gender bias. While the Convention does not prescribe any specific method for such an examination, Article 3 presupposes the use of appropriate techniques for objective job evaluation, comparing factors such as skill, effort, responsibilities and working conditions. Article 3 also makes it clear that differential rates between workers are compatible with the principle of the Convention if they correspond, without regard to sex, to differences determined by such evaluation. [...]

#### Scope of comparison

697. Application of the Convention's principle is not limited to comparisons between men and women in the same establishment or enterprise. It allows for a much broader comparison to be made between jobs performed by men and women in different places or enterprises, or between different employers. **Ensuring a broad scope of comparison is essential for the application of the principle of equal remuneration** given the continued prevalence of occupational sex segregation. [...]

698. The reach of **comparison** between jobs performed by women and men **should be as wide as possible**, in the context of the level at which wage policies, systems and structures are coordinated. As effective application of the principle of the Convention is needed, where women are more heavily concentrated in certain sectors or occupations, there is a risk that the possibilities for comparison at the enterprise or establishment level will be insufficient. In certain countries the scope of comparison is limited to the same employer in legislation. **The European Committee of Social Rights has also considered under the European Social Charter that "[a]s comparisons need to be made in order to determine whether women and men really do receive equal pay, the Committee has consistently found that "the possibility to look outside an enterprise for an appropriate comparison should exist where necessary" (Conclusions XIII-1, p. 121)". Similarly, the Committee of Experts has also asked certain governments to extend the scope of comparison beyond the enterprise. [...]** 

#### Objective job evaluation methods

[...] 701. Whatever **methods** are used for the objective evaluation of jobs, particular care **must be** taken to ensure that they are **free from gender bias**: it is important to ensure that the selection of factors for comparison, the weighting of such factors and the actual comparison carried out are not discriminatory, either directly or indirectly. Often skills considered to be "female", such as manual dexterity and those required in the caring professions, are undervalued or even overlooked, in comparison with traditionally "male" skills, such as heavy lifting. In addition, if job evaluation is to make a positive contribution to resolving wage discrimination and promoting equality, there must be a legal and administrative framework enabling workers to claim equal remuneration on the basis of the assessed value of their

jobs, together with a right to claim redress when job evaluation systems have been found to be discriminatory.

702. A number of analytical job evaluation methods have been developed, for example: in *Sweden*, "Steps to Pay Equity"; in *Switzerland*, the ABAKABA and EVALFRI methods; and in *Spain* the ISOS methods. With respect to the ABAKABA method, the Committee has noted that it takes into consideration characteristics considered to be masculine and feminine, and includes criteria such as repetitiveness and precision of movement, responsibility for the life of others, responsibility for the environment, the number of work interruptions (for example in secretarial and clerical work), empathy and the ability to organize, which are often linked to occupations in which women are predominantly employed. [...]

# b) Convention No. 11119

# (1) Text

#### Article 1

- 1. For the purpose of this Convention the term discrimination includes
- (a) **any distinction**, exclusion or preference made on the basis of race, colour, **sex**, religion, political opinion, national extraction or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation; [...]
- 3. For the purpose of this Convention the terms *employment* and *occupation* include access to vocational training, access to employment and to particular occupations, and terms and conditions of employment. [...]

#### Article 3

Each Member for which this Convention is in force undertakes, by methods appropriate to national conditions and practice [...]

- (b) to enact such legislation [...];
- (c) to repeal any statutory provisions and modify any administrative instructions or practices which are inconsistent with the policy; [...]

# (2) General Interpretation

21 In its General Survey 2012,<sup>20</sup> the CEACR described the requirements which derive from Convention No. 100 in relation equality between men and women as follows:

# (a) General Survey 2012

Chapter 3 - Equality of opportunity and treatment in employment and occupation (Convention No. 111)

#### Introduction

731. [...] As a first step, it is essential to acknowledge that no society is free from discrimination and that **continuous action is required** to address it.

732. [...] The implementation of the national equality policy presupposes the adoption of a range of specific and concrete measures, including in **most cases the need for a clear and comprehensive legislative framework**, and ensuring that the right to equality and non-discrimination **is effective in practice**. Proactive measures are required to address the underlying causes of discrimination and de facto inequalities resulting from deeply entrenched discrimination. [...]

\_

<sup>&</sup>lt;sup>19</sup> <u>Discrimination (Employment and Occupation) Convention</u>, 1958 (No. 111), Convention concerning Discrimination in Respect of Employment and Occupation. Adoption: 25.06.1958, entry into force: 15.06.1960 - Status: Up-to-date instrument (Fundamental Convention).

<sup>&</sup>lt;sup>20</sup> See note 18.

Thematic issues

Defining discrimination

743. Clear and comprehensive definitions of what constitutes discrimination in employment and occupation are instrumental in identifying and addressing the many manifestations in which it may occur. [...] Any discrimination – in law or in practice, direct or indirect – falls within the scope of the Convention.

Direct and indirect discrimination

744. Direct discrimination occurs when less favourable treatment is explicitly or implicitly based on one or more prohibited grounds. [...]

745. **Indirect discrimination** refers to apparently neutral situations, regulations or practices which in fact result in unequal treatment of persons with certain characteristics. It occurs when the same condition, treatment or criterion is applied to everyone, but results in a disproportionately harsh impact on some persons on the basis of characteristics such as race, colour, sex or religion, and is not closely related to the inherent requirements of the job. In referring to the "effect" of a distinction, exclusion or preference, it is clear that intention to discriminate is not an element of the definition in the Convention, which covers all discrimination **irrespective of the intention of the author** of a discriminatory act. The Convention also covers situations in which inequality is observed in the **absence of a clearly identifiable author**, as in some cases of indirect discrimination or occupational segregation based on sex. Challenges related to structural discrimination therefore need to be addressed under the Convention. [...]

Grounds of discrimination: An evolving area

[...]

Sex discrimination and gender equality

782. Under the Convention, sex discrimination includes distinctions based on the biological characteristics, as well as **unequal treatment arising from socially constructed roles** and responsibilities assigned to a particular sex (gender). Gender roles and responsibilities are affected by age, race, class, ethnicity and religion, and by the geographical, economic and political environment. [...]

783. The protection against discrimination applies to both men and women, although considerable inequalities, in law and in practice, exist to the detriment of women. Despite the requirement under the Convention to repeal discriminatory legal provisions, laws discriminating directly or indirectly against women have not yet been relegated to the past. Women are also over-represented in informal and atypical jobs, including part-time jobs, face greater barriers in gaining access to posts of responsibility, and continue to bear the unequal burden of family responsibilities. Stereotyped assumptions regarding women's aspirations and capabilities, their suitability for certain jobs or their interest or availability for full-time jobs, continue to lead to the segregation of men and women in education and training, and consequently in the labour market.

# 3. Council of Europe

22 The Council of Europe (CoE) is characterised by two main human rights instruments, the European Convention on Human Rights (ECHR, see below a)) and the European Social Charter (ESC, see below b)) which is at the very core of this complaint. However, there are also other relevant documents (see below c)).

# a) European Convention on Human Rights

23 In its fundamental Article 14, the ECHR<sup>21</sup> prohibits discrimination<sup>22</sup> in the following terms:

<sup>21</sup> http://www.echr.coe.int/Documents/Convention ENG.pdf

 $<sup>^{22}</sup>$  See as joint publication by the ECtHR and the Fundamental Rights Agency of the EU (FRA) the  $^{12}$  Handbook on European non-discrimination law developing the related ECHR/EU case-law and

#### Article 14 - Prohibition of discrimination

The enjoyment of the **rights and freedoms set forth in this Convention** shall be secured **without discrimination** on any ground such as **sex**, race, colour, language, religion, political or other opinion, national or social origin, association with a national minority, property, birth or other status.

However, this protection requires that the right referred to falls in the ambit of one of the rights enshrined in the Convention or its Protocols. As far as equal pay is concerned the sole Convention right could possibly be Article 1 of Protocol No. 1 (Protection of Property).

24 This lack of protection against discrimination in general has been closed by the adoption of Protocol No. 12,<sup>23</sup> but it still lacks ratification to a large degree.<sup>24</sup>

#### Article 1 - General prohibition of discrimination

- 1. The enjoyment of any right set forth by law shall be secured without discrimination on any ground such as sex, race, colour, language, religion, political or other opinion, national or social origin, association with a national minority, property, birth or other status.
- 2. No one shall be discriminated against by any public authority on any ground such as those mentioned in paragraph 1.
- 25 So far, no cases or ECtHR's rulings on equal pay are known.
  - b) European Social Charter (ESC)<sup>25</sup>
  - (1) Text

Article 4 – The right to a fair remuneration

With a view to ensuring the effective exercise of the right to a fair remuneration, the Parties undertake: [...]

to recognise the right of men and women workers to equal pay for work of equal value; [...]

The exercise of these rights shall be achieved by freely concluded collective agreements, by statutory wage-fixing machinery, or by other means appropriate to national conditions.

Article 20 –The right to equal opportunities and equal treatment in matters of employment and occupation without discrimination on the grounds of sex

With a view to ensuring the effective exercise of the right to equal opportunities and equal treatment in matters of employment and occupation without discrimination on the grounds of sex, the Parties undertake to recognise that right and to take appropriate measures to ensure or promote its application in the following fields:

- a access to employment, protection against dismissal and occupational reintegration;
- b vocational guidance, training, retraining and rehabilitation;
- c terms of employment and working conditions, including remuneration;
- d career development, including promotion.

#### Article E – Non-discrimination

The enjoyment of the rights set forth in this Charter shall be secured without discrimination on any ground such as race, colour, **sex**, language, religion, political or other opinion, national extraction or social origin, health, association with a national minority, birth or other status.

covering the context and background to discrimination categories and defences, the scope of the law and the grounds protected (<u>update</u>, July 2010 – December 2011).

<sup>&</sup>lt;sup>23</sup> Protocol No. 12 to the Convention for the Protection of Human Rights and Fundamental Freedoms, ETS No.177, 04/11/2000.

<sup>&</sup>lt;sup>24</sup> Up to date 18 CoE Member States have ratified and 20 further Member States have signed Protocol No. 12. Out of the 15 CoE Member States having ratified the CCPP six have either ratified (i.e. Croatia, Cyprus, Finland, Netherlands, Portugal and Slovenia) or signed this Protocol (i.e. Belgium, Czech Republic, Greece, Ireland. Italy and Norway) whereas three Member States (i.e. Bulgaria, France and Sweden) have refrained from opting for one of the two alternatives.

<sup>&</sup>lt;sup>25</sup> European Social Charter (Revised), 03.05.1996, European Treaty Series - No. 163.

# (2) Compilation of case law (Digest 2008)

- 26 The 'Digest of the Case Law of the European Committee of Social Rights' (Digest 2008) compiles the main principles deriving from the ECSR's case law based on Statements of Interpretation, Conclusions or Decisions.
- 27 Concerning the principle of equal pay for work of equal value as enshrined in Article 4§3 of the Charter, the Digest 2008 states the following:

# (a) Article 4§3

Article 4§3 guarantees the right to equal pay without discrimination on grounds of sex. This is one aspect of the right to equal opportunities in matters of employment guaranteed by Article 20. As a result, the case-law under Article 20 (see infra) applies *mutatis mutandis* to Article 4§3. Only aspects specifically linked to equal pay are dealt with hereinafter.

The situation as regards equal pay in countries which have accepted both Article 20 and Article 4§3 is examined exclusively under Article 20 and these countries are no longer required to submit a report on the application of Article 4§3.

# The principle of equal pay

Women and men are entitled to "equal pay for work of equal value". This means that the equal pay principle applies to the same work and to "mixed jobs", that is ones performed by both women and men, but also to work of the same value.

The principle of equality should cover **all the elements of pay**, that is basic or minimum wages or salary plus all other benefits paid directly or indirectly in cash or kind by the employer to the worker by reason of the latter's employment.

It must also apply between full-time and part-time employees, covering the calculation of **hourly** wages, pay increases and the components of pay.

## Guarantees of enforcement

#### Legislative means

The right of women and men to "equal pay for work of equal value" must be expressly provided for in legislation.

As far as setting wage levels is concerned, states are free to choose their own methods and can treat this as a matter to be decided by collective bargaining. Domestic law must however **ensure that violations of the principle of equal pay will be sanctioned** and lay down the general rules applying to labour and management when they are negotiating wages (for example, differential pay scales and discriminatory clauses must be ruled out). If full equal pay cannot be achieved through collective bargaining, the **state must intervene** using legal wage-fixing methods or any other appropriate means.

#### Judicial safeguards

Domestic law must provide for appropriate and effective remedies in the event of alleged wage discrimination. Employees who claim that they have suffered discrimination must be able to take their case to court.

Domestic law should provide for an alleviation of the burden of proof in favour of the plaintiff in discrimination cases.

Anyone who suffers wage discrimination on grounds of sex must be entitled to adequate compensation, i.e. compensation that is sufficient to make good the damage suffered by the victim and act as a deterrent to the offender. In cases of unequal pay, any compensation must, as a minimum, cover the difference in pay.

Methods of classification and comparison and other measures

Appropriate classification methods must be devised enabling to compare the respective values of different jobs and carry out objective job appraisals in the various sectors of the economy, including those with a predominantly female labour force.

Domestic law must make provision for comparisons of pay and jobs to extend outside the company directly concerned where this is necessary for an appropriate comparison. The Committee views this as a crucial means of ensuring that job appraisal systems are effective under certain circumstances, particularly in companies where the workforce is largely, or even exclusively, female.

States must promote positive measures to narrow the pay gap, including:

- measures to improve the quality and coverage of wage statistics;
- steps to ensure that more attention is paid to equal pay for women and men in national action plans for employment.
- 28 As regards more generally the principle of equality between men and women privded for in Article 20 of the Charter, the Digest 2008 states the following:

# (b) Article 20

# Definitions and scope

Article 20 guarantees the right to equality at **all stages of working life** – access to employment, remuneration and other working conditions, including dismissal and other forms of detriment, vocational training and guidance and promotion. These words give Article 20 the status of lex specialis in relation to Article 1§2 of the Charter, which prohibits all discrimination at work on whatever ground.

The right to equal pay without discrimination on the grounds of sex is guaranteed by Article 4§3 and the relevant specific case-law is presented under this article (see above): The situation as to equal pay in States party which have accepted Articles 4§3 and 20 is examined under Article 20 only. Consequently, these States are no longer required to submit a report on the application of Article 4§3. [...]

Discrimination in breach of the Charter is constituted by a difference in treatment between **people in comparable situations** which does not pursue a legitimate aim and is not based on objective and reasonable grounds. In determining whether a legitimate aim is being pursued and the measures taken are reasonably proportionate, the Committee applies Article G.

**Indirect discrimination** occurs where a rule, identical for everyone, disproportionately affects men or women without a legitimate aim. Equal treatment of full-time and part-time employees is considered from this angle in particular in respect of social security issues. [...]

The principle of equality applies to all employees, in both the **private and public sectors**.

Means of enforcement

Legal framework

The right of women and men to equality **must be guaranteed by a law**. The Charter requires "states not only to provide for equal treatment but also to protect women and men from discrimination in employment and training. This means that they are obliged to enact a sufficiently detailed legislation explicitly imposing equal treatment in all aspects." It is not sufficient merely to state the principle in the Constitution. [...]

It must be possible to set aside, withdraw, repeal or amend any provision in collective agreements, employment contracts or firms' internal regulations that is incompatible with the principle of equal treatment.

# Right of appeal

National legislation must provide for appropriate and **effective remedies** in the event of alleged discrimination. Employees who consider that they have suffered discrimination must be able to take their case to an independent body.

The **burden of proof must be shifted**. The shift in the burden of proof consists in ensuring that where a person believes he or she has suffered as the result of non-compliance with the principle of equal treatment and establishes facts which make it reasonable to suppose that discrimination has occurred, the onus is on the defendant to prove that there has been no infringement of the principle of equal treatment. The purpose of this rule is to enable courts to deal with discrimination in the light of the effects produced by a rule, act, or practice and hence that the shift in the burden of proof is a key factor in the effective application of rules on protection against discrimination.

By analogy with the case-law in relation to Article 1§2, a number of **other legal steps should be taken** to make the right of appeal fully effective, such as authorising trade unions and other bodies to take action in employment discrimination cases, including action on behalf of individuals or setting up an independent body to promote equal treatment and provide legal assistance to victims.

### Adequate compensation

Anyone who suffers discrimination on grounds of sex must be entitled to adequate compensation, i.e. compensation that is sufficient to make good the damage suffered by the victim and act as a deterrent to the offender.

Adequate compensation means:

- **reinstatement** or retention of employment and compensation for any pecuniary damage suffered in the event of unlawful or unfair dismissal;
- compensation proportionate to the damage suffered, i.e. to cover pecuniary and non-pecuniary damage, where the dismissed employee does not wish to be reinstated or continuation of the employment relationship is impossible;
- in all other cases, bringing the discrimination to an end and awarding compensation proportionate to the pecuniary and non-pecuniary damage suffered.

In accordance with these principles, the Committee considers that compensation should **not** be subject to an **upper limit** as this prevents it from being proportionate to the damage suffered and hence adequate.

When assessing the level of compensation, the Committee takes account of **whether it is high enough to prevent employers from re-offending**. For this purpose, it also considers any other administrative, civil or criminal penalties imposed on employers.

## Protection against reprisals

Employees who try to enforce their right to equality must be **legally protected against any form of reprisals from their employers**, including not only dismissal, but also downgrading, changes to working conditions and so on. National legislation must provide for the same consequences where an employee is a victim of reprisal measures as those described above in the sections on appeal procedures and compensation. [...]

Particular rights of women

[...]

Equal opportunities and positive measures

Since "the aim and purpose of the Charter, being a human rights protection instrument, is to protect rights not merely theoretically, but also in fact" and conformity with the Charter cannot be ensured solely by the operation of legislation, states must take practical steps to promote equal opportunities.

Appropriate measures include:

- adopting and implementing national equal opportunities action plans;
- requiring individual undertakings to draw up enterprise or **company plans** to secure greater equality between women and men; [...]

There is no case-law on discrimination by results, such as the systematic granting of priority to women in sectors of activity in which they are under- represented.

# (3) Statement of interpretation

29 Following the Digest 2008 the ECSR has adopted a specific Statement of Interpretation on 'equal pay comparisons' in the framework of Conclusions 2012:<sup>26</sup>

Under Article 20, equal treatment between women and men includes the issue of equal pay for work of equal value. Usually, pay comparisons are made between persons within the same undertaking/company. However, there may be situations where, in order to be meaningful this comparison can only be made across companies/undertakings. Therefore, the Committee requires that it be possible to **make pay comparisons across companies**. It notes that **at the very least**, legislation should require pay comparisons across companies in one or more of the following situations:

- cases in which **statutory rules** apply to the working and pay conditions in more than one company;
- cases in which several companies are covered by a collective works agreement or regulations governing the terms and conditions of employment;
- cases in which the terms and conditions of employment are laid down **centrally** for more than one company within a **holding** (company) or conglomerate.
- (4) Conclusions (2016) on (under-)representation of women in decision-making functions within the private sector
- 30 In more recent times the Committee has shown an increasing interest in the representation of women in decision-making functions. Indeed, it asked for example <a href="Armenia">Armenia</a>, <a href="Romania">Romania</a>, <a href="Turkey">Turkey</a> and <a href="Ukraine">Ukraine</a> as well as <a href="Belgium">Belgium</a> to provide information i.a. on (increasing) women's participation decision-making positions or posts or noted progress in relation to women's participation in decision making in <a href="Ireland">Ireland</a>.
  - c) Further pertinent material
- 31 The Committee of Ministers has adopted several Recommendations<sup>27</sup> which are in part relevant for the issues at stake.
  - Recommendation No. R(85)2 on legal protection against sex discrimination exhorts member states to take or reinforce measures for the promotion of equality between women and men, including through legislation in the field of employment, social security and pensions, taxation, civil law, the acquisition and loss of nationality and political rights. The Appendix to the Recommendation refers to the need to give consideration to the adoption of special temporary measures designed to accelerate the realisation of de facto equality between men and women in those areas where inequalities exist. In addition, member states are encouraged to adopt suitable machineries and legislation containing effective remedies and sanctions in order to discourage discrimination.
  - Recommendation No. R (98)14 on gender mainstreaming calls on member states to create an enabling environment and facilitate conditions for the implementation of gender mainstreaming in the public sector on the basis of the Council of Europe Report on Gender Mainstreaming. The report sets out the conceptual framework for gender mainstreaming and a methodology for its implementation, accompanied by examples of good practices.
  - Recommendation Rec(2007)17 on gender equality standards and mechanisms provides an extensive list of measures to achieve gender equality in practice, taking into account human rights and the integration of a gender perspective in legislation in all sectors. It recommends specific gender equality standards in private and family life, education, science and culture, economic life, social protection, health, including sexual and reproductive matters, violence against women, trafficking in human beings, conflict and post-conflict situations and specific situation of vulnerable groups exposed to multiple discrimination. The Recommendation also puts forward strategies, mechanisms and tools to achieve gender equality, such as the

-

<sup>&</sup>lt;sup>26</sup> The same applies for Conclusions XX-1 - Statement of interpretation - Article 1 Additional Protocol.

<sup>&</sup>lt;sup>27</sup> For the compilation see <a href="https://rm.coe.int/168058feef">https://rm.coe.int/168058feef</a>.

implementation of complementary strategies; strong institutional mechanisms/national machinery for gender equality; studies and instruments to measure and evaluate progress on the situation of women and men, and the establishment of co-operation and partnerships.

# 4. European Union (EU)

- 32 Equality between women and men is one of the European Union's founding values. It goes back to 1957 when the principle of equal pay for equal work became part of the Treaty of Rome<sup>28</sup> as primary law<sup>29</sup> and later further developed also in secondary law (see below a)). The Court of Justice of the European Union (CJEU) has developed a very rich jurisprudence so far (see below b)). There is also further pertinent material for the purpose of dealing with this complaint (see below c)).
  - a) Legislative framework
  - (1) Primary Law
- 33 With the entry into force of the Treaty of Lisbon in 2009 several sources are relevant:
- 34 The Charter of Fundamental Rights of the European Union (CFREU), legally binding on all EU Member States by virtue of Article 6(1)(3) of the Treaty on the European Union (TEU), provides i.a.:

Article 21 - Non-discrimination

1. Any discrimination based on any ground such as **sex**, race, colour, ethnic or social origin, genetic features, language, religion or belief, political or any other opinion, membership of a national minority, property, birth, disability, age or sexual orientation shall be prohibited. [...]

Article 23 - Equality between women and men

Equality between women and men must be ensured in all areas, including employment, work and pay.

The principle of equality shall not prevent the maintenance or adoption of measures providing for specific advantages in favour of the under-represented sex.

35 Moreover, the principle is enshrined in the founding values of the EU:

Article 2

The Union is founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities. These values are common to the Member States in a society in which pluralism, **non-discrimination**, tolerance, justice, solidarity and **equality between women and men** prevail.

36 The Treaty on the Functioning of the European Union (TFEU) lays down the 'gender mainstreaming principle:

Article 830

In all its activities, the Union shall aim to eliminate inequalities, and to promote equality, between men and women.

37 In the Title on 'Social Policy' a specific article is devoted to the principle of equality between men and women, in particular in relation to 'equal pay'.

<sup>&</sup>lt;sup>28</sup> See for further details http://ec.europa.eu/justice/gender-equality/.

<sup>&</sup>lt;sup>29</sup> Art. 119 EC-Treaty.

<sup>30 (</sup>ex Article 3(2) TEC).

#### Article 15731

- 1. Each Member State shall ensure that the **principle of equal pay** for male and female workers for equal work or work of equal value is applied.
- 2. For the purpose of this Article, 'pay' means the ordinary basic or minimum wage or salary and any other consideration, whether in cash or in kind, which the worker receives directly or indirectly, in respect of his employment, from his employer.

Equal pay without discrimination based on sex means:

- (a) that pay for the same work at piece rates shall be calculated on the basis of the same unit of measurement;
- (b) that pay for work at time rates shall be the same for the same job. [...]

# (2) Secondary law

38 After several directives starting in 1975 the actual secondary legislative framework is defined by Directive 2006/54. In Chapter 1 ('Equal pay') of Title II Article 4 provides:

#### Article 4 - Prohibition of discrimination

For the same work or for work to which equal value is attributed, direct and **indirect discrimination** on grounds of sex with regard to **all aspects and conditions of remuneration** shall be eliminated.

In particular, where a **job classification system** is used for determining pay, it shall be based on the same criteria for both men and women and so drawn up as to exclude any discrimination on grounds of **sex**.

Concerning the Horizontal Provisions in Title III, Chapter 1 on 'Remedies and enforcement' is of particular importance.

39 At least in one specific sector the Capital Requirements Directive (2013/36/EU)<sup>32</sup> secondary legislation addresses directly the female (under-)representation:

[Recital] 60. [...] To facilitate independent opinions and critical challenge, **management bodies** of institutions should therefore be sufficiently **diverse** as regards age, **gender**, geographical provenance and educational and professional background to present a variety of views and experiences. **Gender balance is of particular importance** to ensure adequate representation of population. In particular, institutions not meeting a threshold for representation of the underrepresented gender should take appropriate action as a **matter of priority**. [...] Therefore, diversity should be one of the **criteria for the composition of management bodies** [...]

#### Article 88

[...] 2.(a) [...] Furthermore, the nomination committee shall decide on a target for the representation of the underrepresented gender in the management body and prepare a policy on how to increase the number of the underrepresented gender in the management body in order to meet that target. [...]

#### Article 91 [...]

10. Member States or competent authorities shall require institutions and their respective nomination committees to engage a broad set of qualities and competences when recruiting members to the management body and for that purpose to put in place a policy promoting **diversity** on the management body.

# b) General interpretation

40 One of the longest-standing human rights issues the CJEU is dealing with is the principle of equal pay and later the principle of equality between men and women. It has developed an

<sup>&</sup>lt;sup>31</sup> (ex Article 141 TEC; the first version being Article 119 EEC Treaty).

<sup>&</sup>lt;sup>32</sup> Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC.

important corpus of jurisprudence in this respect.<sup>33</sup> As very important cases one might refer to the leading case <u>Defrenne II</u> (1976) and, for example, also to the <u>Enderby</u> (1993) judgement.

c) Further pertinent material

# (1) EU Institutions

41 In aiming at giving social rights a new impetus the *Commission* has adopted a Recommendation on 'The European Pillar of Social Rights' (April 2017). Its Principle No. 2 refers to:

# Gender equality

- a. Equality of treatment and opportunities between women and men must be ensured and fostered in all areas, including regarding participation in the labour market, terms and conditions of employment and career progression.
- b. Women and men have the right to equal pay for work of equal value.
- 42 In a more specific Recommendation on strengthening the principle of equal pay between men and women through transparency (2014)<sup>34</sup> the Commission had stated the respective principles.
- 43 In a <u>Communication</u> (2013)<sup>35</sup> on the application of Directive 2006/54 the Commission concluded:

Although estimates vary as to how much of the total gender pay gap arises from pay discrimination as prohibited by Article 157 TFEU and Article 4 of the Directive, it appears to be consensual that a **considerable part of it can be traced back to discriminatory practices**.

- 44 The *European Parliament* (EP) has a long-standing tradition to call for effective implementation of the principle of equality between men and women. Specifically, on the issue of equal pay the EP adopted a Resolution (2012)<sup>36</sup> with recommendations to the Commission on application of the principle of equal pay for male and female workers for equal work or work of equal value. Most recently, it has adopted Resolution (2017)<sup>37</sup> on women's economic empowerment in the private and public sectors in the EU.
- 45 The Commission offers additional information on specific websites on <u>Gender equality</u> in general and on the <u>Gender pay gap</u> and the <u>Gender balance in decision-making positions</u> including its proposed 40% objective for the representation of women on Boards.
  - (2) Other bodies
- 46 Without being exhaustive and besides the Fundamental Rights Agency of the EU (FRA) which generally deals with human rights issues, the importance the EU attributes to the question of equality between men and women is shown by the creation of the specific body called

<sup>&</sup>lt;sup>33</sup> See, for example, a <u>Compilation of case law on the equality of treatment between women and men and on non-discrimination in the European Union</u> (3<sup>rd</sup> edition, completed in July 2009), complemented by a further '<u>Discrimination and Gender equality cases overview</u>' (until April 2011); relevant case law since 2011 might be found in the data-base of the CJEU: list of cases under Article 157 TFEU.

<sup>&</sup>lt;sup>34</sup> C(2014) 1405 final, 07.03.2014.

<sup>&</sup>lt;sup>35</sup> COM(2013) 861 final, 06.12.2013, p. 7.

<sup>&</sup>lt;sup>36</sup> (2011/2285(INI), 24.05.2012.

<sup>&</sup>lt;sup>37</sup> (2017/2008(INI), 03.10.2017.

European Institute of Gender Equality (EIGE). Although created as a network of national equality institutions the Equinet contributes to the promotion of equality at EU level.<sup>38</sup>.

# (a) Gender pay gap

47 Specialised bodies or organisations also deal with these problems and try to contribute to overcome them. Recently, *Equinet* has published a report 'A comparative analysis of gender equality law in Europe 2016' summarizing the situation i.a. as follows:

Unfortunately, despite this legal framework, the difference between the remuneration of male and female employees remains one of the great concerns in the area of gender equality: on average, women in the EU earn 16.3 % less than men, and progress has been slow in closing the gender pay gap. The differences can be partly explained by factors other than discrimination: e.g. traditions in the career choices of men and women; the fact that men, more often than women, are given overtime duties, with corresponding higher rates of pay; the gender imbalance in the sharing of family responsibilities; glass ceilings; part-time work, which is often highly feminised; job segregation etc. However, another part of the discrepancies cannot be explained except by the fact that there is pay discrimination, which the principle of equal pay aims to eradicate.

48 In the Conclusions of its <u>2017 Report on equality between women and men in the EU Equinet</u> states:

Over the last years, the gaps in pay, employment and working hours have been plateauing. At this rate of change, it will **take more than a century to close** the overall **gender gap** in earnings.

- (b) (Under-)representation in decision-making bodies within private companies
- 49 The organisation <u>European Women on Boards</u> (EWoB) has published a report on <u>Gender Diversity on European Boards</u> (Realizing Europe's Potential: Progress and Challenges, April 2016)<sup>39</sup> containing i.a. statistics as well as legal and other frameworks.

# B. Further pertinent material

50 As the Committee also refers to other pertinent (e.g. Eurostat) material it appears useful to provide additional information in this respect.

# 1. Concerning the Gender pay gap

51 To measure the extent of the Gender pay gap in relation to the countries concerned the main point is reliable statistical evidence. Thus, the most important statistical source (also referred to by the Committee) is Eurostat.<sup>40</sup> It provides - in a given period of time - the relevant data:

# Gender pay gap in unadjusted form<sup>41</sup>

GEO/TIME	2010	2011	2012	2013	2014	2015
European Union (28						
countries)	16,4	16,9	17,3	16,8	16,7	16,3
Belgium	10,2	9,4	8,3	7,5	6,6	6,5

<sup>&</sup>lt;sup>38</sup> All those bodies offer websites comprising important additional information.

<sup>&</sup>lt;sup>39</sup> Further information might be drawn from http://european.ewob-network.eu/projects/ewob-studies/.

<sup>&</sup>lt;sup>40</sup> Its specific advantage for the examination of all 15 cases lies in the fact that Norway is also included.

<sup>&</sup>lt;sup>41</sup> by NACE Rev. 2 activity (Industry, construction and services (except public administration, defense, compulsory social security) - structure of earnings survey methodology [earn\_gr\_gpgr2] - Extract – in alphabetical order.

GEO/TIME	2010	2011	2012	2013	2014	2015
Bulgaria	13,0	13,2	15,1	14,1	14,2	15,4
Croatia	5,7	3,4	2,9	9,0	10,4	:
Cyprus	16,8	16,1	15,6	14,9	14,2	14,0
Czech Republic	21,6	22,6	22,5	22,3	22,5	22,5
Finland	20,3	19,1	19,2	18,8	18,4	17,3
France	15,6	15,7	15,6	15,5	15,5	15,8
Greece	15,0		•	:	:	:
Ireland	13,9	12,7	12,2	12,9	13,9	:
Italy	5,3	5,7	6,5	7,0	6,1	5,5
Netherlands	17,8	18,6	17,6	16,5	16,1	16,1
Norway	16,1	15,7	14,7	15,5	14,5	14,9
Portugal	12,8	12,9	15,0	13,3	14,9	17,8
Romania	8,8	9,6	6,9	4,9	4,5	5,8
Slovenia	0,9	3,3	4,5	6,3	7,0	8,1
Sweden	15,4	15,6	15,5	14,6	13,8	14,0

http://appsso.eurostat.ec.europa.eu/nui/setupDownloads.do

52 This statistic shows that for all countries concerned by the complaints for which information is available the minimum Gender pay gap still lies above 5.5 %. That means that for all countries the principle of equal pay for work of equal value is not ensured. This is even more true taking into account the lack of clarity in relation to the calculation (e.g. to which extent did they - or at least should they - imply other discriminatory elements like career differences leading to the increase of the pay gap) or in relation to the data basis (e.g. undocumented work or informal economy, both sectors in which the gender pay gap will most probably be even higher).

# 2. Concerning the (under-)representation in decision-making positions within private companies

53 In its updated 'Data table' the European Institute for Gender Equality (EIGE) provides the following information:<sup>42</sup>

Largest listed companies: presidents, board members, (non-)executives and CEOs<sup>43</sup>

Countries	Men	Women	Gap
	(%)	(%)	(points)
EU28	75.4	24.6	50.8
Belgium	70.6	29.4	41.2
Bulgaria	87.2	12.8	74.4
Croatia	77.4	22.6	54.8
Cyprus	89.3	10.7	78.6
Czech Republic	82.9	17.1	65.8
Finland	67.7	32.3	35.4
France	57.9	42.1	15.8
Greece	90.7	9.3	81.4
Ireland	82.7	17.3	65.4
Italy	67.1	32.9	34.2
Netherlands	69.8	30.2	39.6

<sup>&</sup>lt;sup>42</sup> Extract – in alphabetical order.

-

<sup>&</sup>lt;sup>43</sup> 2017-B1; All countries; Men, Women; PC; Members; All sectors [Extract]

Countries	Men (%)	Women (%)	Gap (points)
Norway	56.0	44.0	12
Portugal	84.5	15.5	69
Slovenia	79.0	21.0	58
Sweden	64.5	35.5	29

http://eige.europa.eu /gender-statistics/dgs/indicator/wm idm\_bus\_bus wmid\_comp\_compbm

54 This statistic illustrates that only two countries achieve the Commission's proposed objective (40%, see above, para. 45). However, this data only refers to 'largest listed companies' thus leaving out the quantitively much more important part of the other 'listed companies' as well as non-listed companies. Therefore, it is to be assumed that all countries concerned do not reach this threshold.

# C. Legal Principles

55 This section is aimed at setting the framework for Part II by analysing the fundamental legal questions which are at the core of this case.

# 1. General considerations

- 56 The two main elements raised in the complaint differ very much from a legal point of view. Whereas the first (equal pay) is very 'classic' in the sense of a long-standing tradition of States providing for (general) legislation in this respect but not sufficiently enforcing it the second problem is a fairly new element which is only slowly appearing at international and national level as a problem to be seriously dealt with.
- 57 Against this background being different in character both elements are governed by Article 20 of the Charter, 'The right to **equal opportunities and equal treatment** in matters of employment and occupation without discrimination on the grounds of sex'. <sup>44</sup> From the outset, it should therefore be noted that this Article belongs to the most relevant provisions as it is a so-called 'hard core' Article (see Article A§1(b) of the Charter). More generally, the Council of Europe attributes great importance to Gender equality.

# 2. Gender pay gap

# a) General considerations

- 58 In general terms, the principle of equal pay for work of equal value is of fundamental character. It is directly related to the human dignity of women who fail to be recognised as equal when it comes to their remuneration.<sup>45</sup> They are prevented from taking part in the normal societal life at the same footing as men.
- 59 The Gender pay gap is one longest-standing element of equality between men and women in employment. According to the CEACR: 'Pay differentials remain **one of the most persistent forms of inequality between women and men**' and can be considered as '**one of the most obvious examples of structural gender discrimination** (see above para. 20 (para. 668)).

<sup>&</sup>lt;sup>44</sup> Or Article 1 of the 1988 Protocol; see for the most recent commentary on this provision *C. Kollonay Lehoczky*, Article 20, in: N. Bruun, K. Lörcher, I. Schömann, S. Clauwaert (eds.), The European Social Charter and the Employment Relation, Hart Publishing Oxford, 2017, 358 - 380.

<sup>&</sup>lt;sup>45</sup> See the reference to human dignity in relation to remuneration in Article 23(4) UDHR.

- 60 Legally speaking, it found recognition in international human rights and employment law starting in 1948 by Article 23(2) UDHR (see above A.1.a)) and continued to be transferred to a legally binding international instrument for the first time by ILO Convention No. 100 in 1951 (see above A.2.a). This fundamental rights Convention also formed the basis of Article 4§3 of the Charter.
- 61 However, despite of all international and national legal and other measures, the principle of equal pay has not at all been (fully) applied. Quite to the contrary, in describing the future developments two documents might be quoted, first the *ILO* assessing the situation at the global level as something like a three generation problem (75 years):

Even where gender pay differences are narrowing, they are doing so extremely slowly: at the current rate it is estimated that another **75 years** will be needed to bridge the gap (see above para. 20 (para. 669))

whereas *Equinet* - mainly concerning the EU level - sees a nearly four generation problem (100 years):

Over the last years, the gaps in pay, employment and working hours have been plateauing. At this rate of change, it will take more than **a century** to close the overall gender gap in earnings. (see above para. 48)

for attaining equal pay if nothing fundamentally different happens earlier.

- 62 Besides this tremendous challenge as such there is a further duplicating dimension. As oldage pensions are normally based on the contributions paid during the working life and these contributions are calculated in relation to the remuneration received the discriminating gender pay gap has an enormously important negative impact on the amount of the old-age pensions, <sup>46</sup> in short: the lower wages lead to lower amounts of old-age pensions. Thus, the gender pay gap extends the discrimination of women even over the retiring age. This is dramatic because many women (even having worked for a long time) will run the great risk of poverty as elderly persons.
- 63 At least from the point of view of the ETUC this situation requires a much stricter approach to assess the situation of (non-)conformity in both substantive and procedural dimensions.

# b) Substantive requirements

64 At the substantive level, there is a *quantitative* and a qualitative dimension. The former is related to the statistical (evaluation of the) situation. In assessing the (non-)conformity of the situation in respondent States it would appear that the Committee only attributed a decisive importance if there was 'manifestly' high (unadjusted) gender pay gap.<sup>47</sup> However, from the point of view of the ETUC it would be necessary to change this approach.

65 Starting by the fundamental word 'equal', continuing with the great importance of this right (see above in particular para. 58 but also paras. 13, 15, 17 and 21) and taking into account the

<sup>&</sup>lt;sup>46</sup> See, for example, the EU Council conclusions '<u>Equal income opportunities for women and men:</u> Closing the gender gap in pensions' (04.06.2015).

<sup>&</sup>lt;sup>47</sup> See, for example, <u>Conclusions 2014 - Azerbaijan - Article 4§3</u>: 'The Committee notes from the report that in 2009 the average wages of women amounted to 58,6% of that of men and 46,2% of that of men in 2012. The Committee notes the downward trend in wage equality and considers that the unadjusted pay gap is manifestly too high and therefore, finds that the situation is not in conformity with the Charter.'

necessity that the rights recognised in the Social Charter must take a practical and effective, rather than purely theoretical, form.<sup>48</sup>

- 66 According to the point of view of the ETUC, a different approach is required. This would mean that only a 'zero' difference is permitted. However, admitting even that 'equal' might not be interpreted in the strict sense it should nevertheless be evaluated at the threshold close to 'zero'. A reasonable threshold would therefore appear to permit only a difference of 5%.
- 67 According to relevant statistics (see above B.1) all countries concerned by the complaints for which information is available the minimum Gender pay gap still lies above 5.5 %. That means that for all countries concerned the principle of equal pay for work of equal value is not ensured.
- 68 In *qualitative* terms, the Committee has established certain requirements. As it obvious from the statistics referred to above (see above B.1) the timeline shows the persistent nature of the Gender pay gap. Against this background, it is not any more sufficient to say that the respondent States are (totally) free in their means how to ensure equal pay. In drafting a list of measures particular attention is paid to the Conclusions of the Committee. However, sometimes it appears necessary to go further by particular taking into account international case law. Accordingly, it would appear important to require a clear and comprehensive legislation (see above para. 21 (para. 732). In also taking into account also the international case law (see above A.) this legislation should at least ensure that
  - the coverage of **all workers** (in a wide definition) is ensured (taking in particular into account that there is no limitation to the 'great majority' like in Article I§2 e.g. for Article 2).
  - the general legal concept includes also **indirect** discrimination (see above para. 21 (in particular para. 745),
  - the term 'pay' contains **all elements of remuneration** as well as supplementary pensions,
  - the **comparison** comprises as a minimum
    - transparency (see, for example, above para. 42) or at the very least an effective prohibition of any requirement of confidentiality imposed by employers on potential victims of discrimination or referred to as requirement in any impartial procedure aimed at examining potential discrimination in relation to remuneration,
    - the reach of *comparison* between jobs performed by women and men *being* construed as wide as possible (see above para. 20 (para. 698),
    - the wide definition of 'equal value' also *encompassing work that is of an entirely different nature*, which is nevertheless of equal value (see above para. 20 (para. 673); 'completely different', see above para. 15 (para. 11)),
    - the necessity to evaluate the respective job by a 'job evaluation' with criteria excluding any kind of (also indirect) discrimination (see, for example, above 15 (paras. 12 and 13), para. 17 (para. 2), para. 20 (para. 701)),
    - the respective assessment followed by effective consequences in case that the result shows a discrimination.

<sup>&</sup>lt;sup>48</sup> Decision on the merits, 09.09.1999 - No. 1/1998 - *International Commission of Jurists v. Portugal*, para. 32.

# c) Procedural requirements

- 69 Procedural requirements are aimed at additionally serving to ensure the effective exercise of the right to equal pay. Besides the substantive criteria mentioned above it is necessary to ensure them by **legislation**. However, it is not sufficient to enact legislation. In particular, a *review of legislation* is necessary if the threshold is not attained (see, for example para. 13). This would mean that a country which has not attained the threshold required and has not reviewed existing legislation in a given period of time (at least within a period of five years (see above B.1)) should be considered as violating Article 20 of the Charter,
- 70 Legislation must be **applied effectively**. The following elements are necessary to ensure this application. At a *general* level,
  - the labour inspection must have the task of monitoring and possibly intervening coupled by the respective powers and the appropriate equipment in financial and personal terms,
  - trade unions as well as human rights institutions or organisations must have the right to file (general) complaints (and be admitted as third parties in any individual complaints (see below).
- 71 At an *individual* level, the women concerned must have the right to effective access to court complemented by a fair and effective procedure including i.a. the shift of burden of proof to the employer. Moreover, any discrimination (victimisation) in relation of taking any procedural action must be effectively prevented.
- 72 In any event, it appears important that any possible shift from substantive to procedural requirements should not be continued. Conversely, both elements should be evaluated on their own merits (thus leading possibly to two violations).

# d) Interim conclusions

- 73 This catalogue of measures appears necessary in order take a new, fresh an comprehensive step to achieve the elimination of the Gender pay gap at least to considerably shorten the enormous periods of time mentioned above (see para. 61). If they are not implemented the Committee should find a violation of Article 20 of the Charter.
- 74 This is particularly the case in relation to the substantive requirement of the 5 % threshold mentioned above (see para. 66). As all countries concerned do not attain this threshold the Committee should come to finding a violation already for this reason.
  - 3. (Under-)representation in decision-making bodies within private companies

# a) General considerations

75 As previously described, the problem of equal representation in decision-making bodies in private companies has only recently appeared at the stage of international and European level (see para. 56). In terms of the Charter and according to the Decision of admissibility, it relates to Article 20 of the Charter RESC. Until now and in substance, the Committee has only timidly dealt with this question (see above para. 30).

- 76 That is why it appears necessary to interpret Article 20 according to the principles which have been referred to previously. As a starting point it might be helpful to understand that a position as member in a board is of course crucial for your general career in working life.
- 77 The *wording* of Article 20 of the Charter might be considered as not very clear in this respect. Two main questions might have to be addressed: Are the fields referred to in lit. a) d) of exclusive character? In the affirmative: Does any of the fields enumerated in lit. a) d) encompass the collective character of decision-making positions in general and decision-making bodies in particular?
- 78 Concerning the first question the wording as such does not exclude a non-exhaustive character because it does not contain any specific wording to this effect (such as 'only' or 'exclusively'). Nevertheless, one could base an exclusive understanding on a comparison with other provisions which contain specific wording as the exemplary character (e.g. 'such as'). In such as case it would be necessary to answer the second question.
- 79 To answer the second question the notion of 'positions' and 'bodies' has to be clarified. First, decision-making 'positions' could be understood as the more general term than the respective 'bodies'. As the former are closely related to an individual situation (such as promotion) this situation would fall under lit. d) ('career development, including promotion'). However, if 'bodies' was something separate, the situation might be more complicated. (If a member of a 'body' is chosen internally, there is no problem to consider this also as a 'promotion' because of their possibly different character.) In any event, it could be also considered as 'terms of employment' understood as being also meant in a collective dimension.
- 80 Examining the *context* as well as the *objective* of Article 20 of the Charter, based in particular on the wide formulation in Part I as well as in particular the introductory part of Article 20 ('effective exercise ...') there should be no doubt that these elements strive for including this issue in the said provision.
- 81 Taking into account also an emerging trend in national legislation complemented by recent international case law of CEDAW (see above para. 18) and first elements in EU legislation (see above para. 39) this trend should be considered as confirming such an interpretation. Concerning the developments in international law, mainly elaborated by the CEDAW, tend to go in a more collective dimension. In particular Articles 2 and 3 CEDAW read together with Article 11 CEDAW can be interpreted to cover a general obligation for the Contracting Parties to take effective measures in order to achieve equality regarding the female representation on boards in private companies.
- 82 Concluding this examination, the ETUC is of the view that the Committee should come to the conclusion that the (under-)representation of women in decision-making bodies is covered by Article 20 of the Charter.

# b) Substantive requirements

83 In substantive terms, it would appear necessary to provide for a threshold which should be attained in order to secure equal representation in decision-making positions. If one would, however, not require an 'equal' representation (and thus oblige States to ensure 50% representation of both sexes) it would nevertheless appear important to define a threshold close to this percentage (for example 40%).

# c) Procedural requirements

84 In principle, and *mutatis mutandis* the same elements as described above (2.c) should apply here also.

# d) Interim conclusions

- 85 Article 20 of the Charter should be understood as covering (under-)representation of women in decision-making bodies within private companies. This would of course apply all the more to State-owned enterprises or respective bodies in public administrations. In examining the question of (non-conformity the Committee should come to the conclusion to require a threshold to be attained which is close to or least not distant from 50%. It should require also respective legislation and all necessary procedural measures which are necessary to achieve this objective.
- 86 If one would take the basis of 40% and if one would further base the assessment in particular on the relevant statistics (see above B.2) it would appear that the States concerned do not sufficiently ensure the application of Article 20 of the Charter.

# II. Specific situation

- 87 On the foundation of the 'General framework' (described in Part I) this Part II provides the country-specific international case law (see below A) <sup>49</sup> as well as any further pertinent material (see below B) and thus form the basis for the legal assessment (see below C).
- 88 To recall, the main content of the complaint against Finland is described in the Decision on admissibility of 4 July 2017<sup>50</sup> as follows:

UWE invokes the following grounds:

- a) The first concerns the wage gap between men and women in Finland, which still persists and is unfavorable to women. According to UWE, unequal pay is a reality, despite the international obligations entered into and the legislation enacted in this area. In this respect, UWE also alleges that, in practice, the bodies which are responsible for monitoring effective compliance with employment law in relation to equal pay for men and women, have failed to fulfill their task in fighting discrimination, thus rendering existing legislation ineffective. UWE cites the work in particular of the Ombudsman and the labour inspectorate;
- b) Secondly, UWE alleges that a very small number of women occupy decision-making positions within private companies; the percentage of women at head of an enterprise is 4.3%, and 29.2% is the percentage of women present in boards of big enterprises.

# A. International case-law

# United Nations

89 The situation in Finland has been examined in relation to the obligations deriving from two relevant instruments as follows:

<sup>&</sup>lt;sup>49</sup> As already indicated in paragraph 6 of Part I, the extracts of case law of international bodies highlighted below refer in principle to the latest recommendations/observations/concerns expressed by those bodies on the respondent country unless mentioned or considered relevant otherwise.

<sup>&</sup>lt;sup>50</sup> Decision on admissibility, 4 July 2017.

# a) International Covenant on Civil, Political and Cultural Rights

90 In considering the sixth periodic report of Finland, the Human Rights Committee (CCPR) adopted the following concluding observations:<sup>51</sup>

# C. Principal matters of concern and recommendations

6. While appreciating the ongoing reform of the State party's non-discrimination legislation, the Committee remains concerned about the **persistent gender-based wage gap** and the dismissal of women due to pregnancy and childbirth (arts. 3 and 26). The State party should pursue and strengthen its measures to ensure, by means of legislation and policy, women's de facto equality with men in the labour market. The State party should clarify whether there is any provision for sanctions against the practice of dismissing women in cases of pregnancy and childbirth.

# b) International Covenant on Economic, Social and Cultural Rights

91 Examining the sixth periodic report in Finland, the Committee on Economic, Social and Cultural Rights (CECSR) has come to the following 'Concluding Observations':<sup>52</sup>

# C. Principal subjects of concern and recommendations

# National human rights institution

7. While welcoming the establishment of the Human Rights Centre and the Human Rights Delegation, which jointly constitute the **national human rights institution**, the Committee is concerned about the lack of information on the resources made available to the institution in order to ensure the effective implementation of its mandate. The Committee recommends that the State party take practical measures to ensure that the national human rights institution is provided with adequate resources to effectively and independently carry out its mandate, including the promotion and protection of economic, social and cultural rights.

# Equality between men and women

15. The Committee remains concerned that women, particularly women from ethnic minorities, older women and women with disabilities, continue to face multiple forms of discrimination in the enjoyment of their economic, social and cultural rights. The Committee also notes with concern the persistent gender-based segregation of occupations and sectors, which is the main cause of the continuing **gender-based wage gap** (art. 3). Taking into account its general comment No. 16 (2005) on the equal right of men and women to the enjoyment of all economic, social and cultural rights, the Committee recommends that the State party:

- (a) Adopt all measures necessary to address the challenges faced by women from disadvantaged or marginalized groups in the enjoyment of their economic, social and cultural rights;
- (b) Take appropriate measures to eliminate the persistent gender pay gap by addressing the significant vertical and horizontal gender-based segregation in the labour market, which results in women occupying lower paid jobs and facing obstacles in the enjoyment of career opportunities on an equal footing with men;

# Equal pay for work of equal value

18. The Committee remains concerned about challenges faced by the State party in the implementation of the **principle of equal pay for work of equal value**, particularly owing to the

<sup>&</sup>lt;sup>51</sup> Adopted at its 3003rd meeting, held on 24 July 2013. See also <a href="http://tbinternet.ohchr.org/\_layouts/treatybodyexternal/Download.aspx?symbolno=CCPR%2fC%2fFIN%2fCO%2f6&Lang=en">http://tbinternet.ohchr.org/\_layouts/treatybodyexternal/Download.aspx?symbolno=CCPR%2fC%2fFIN%2fCO%2f6&Lang=en</a>.

<sup>&</sup>lt;sup>52</sup> Adopted, at its 70th meeting, held on 28 November 2014. See also <a href="http://tbinternet.ohchr.org/\_layouts/treatybodyexternal/Download.aspx?symbolno=E%2fC.12%2fFIN%2fCO%2f6&Lang=en">http://tbinternet.ohchr.org/\_layouts/treatybodyexternal/Download.aspx?symbolno=E%2fC.12%2fFIN%2fCO%2f6&Lang=en</a>.

lack of a comprehensive strategy (art. 7). The Committee recommends the State party to redouble its efforts in the implementation of the principle of equal pay for work of equal value, including through the further development of the Equal Pay Programme, and to undertake comparative studies among the different categories of work in relation to equal pay and equal value in order to develop a comprehensive strategy.

# c) Convention on the Elimination of All Forms of Discrimination against Women

92 In its 'Concluding observations' concerning the seventh periodic report of Finland, the Committee on the Elimination of Discrimination against Women (CEDAW) has expressed the following concerns and recommendations:<sup>53</sup>

## National machinery for the advancement of women and gender mainstreaming

- 12. The Committee welcomes the Government Action Plan for Gender Equality 2012 -2015, which is coordinated by the Gender Equality Unit of the Ministry of Social Affairs and Health, and the State party's efforts to strengthen the management structures of gender mainstreaming within the Government, including through the development of a handbook to support gender equality work within Finnish ministries and the introduction of several training projects and briefings on gender mainstreaming for civil servants. The Committee is, however, concerned about budgetary and human resource constraints that hinder measures and policies for the advancement of women and effective use of gender mainstreaming in the State party, such as gender impact assessments in the drafting of laws in ministries, which are still not common practice. The Committee is also concerned about the lack of coordination, effective follow-up and monitoring of such measures through a high-level coordinating mechanism. Furthermore, while noting the draft law that proposes to replace the Ombudsman for Minorities with a new ombudsman for equal treatment, the Committee is concerned about the lack of specific institutions for the advancement of women and gender equality, in addition to the insufficient resources allocated to existing mechanisms, such as the Ombudsman for Equality which monitors and supervises the Act on Equality between Women and Men.
- 13. In line with its general recommendation No. 6 on effective national machinery and publicity, the Committee recommends that the State party:
- (a) Provide its existing and new national institutions and bodies for the advancement of women and gender equality with adequate human, technical and budgetary resources;
- (b) Recalling the Committee's previous recommendations (CEDAW/C/FIN/CO/6, para. 12), consider establishing a high-level coordination mechanism within the Government, with adequate resources, and with the responsibility and authority to ensure effective gender mainstreaming in all government policies, comprehensively monitor the situation of women, formulate new policies and effectively carry out strategies and measures to eliminate discrimination against women;
- (c) Take specific budgetary steps to ensure that gender impact assessments become common practice when drafting laws, policy programmes and action plans in all ministries.

# Participation in political and public life

22. The Committee commends the State party for the high percentage of women in the State party's parliament (43 per cent), Government (47 per cent) and among the State party's representatives in the European Parliament (62 per cent). The Committee remains concerned, however, at the low number of women in decision-making positions in the private sector. The Committee is also concerned that migrant women, women with disabilities, women from ethnic minorities and Roma women are underrepresented in political and public life and notes the lack of statistical data on their situation. The Committee is further concerned that the legislation on data collection prohibiting the collection of information on

<sup>&</sup>lt;sup>53</sup> Considered at its 1201st and 1202nd meetings on 20 February 2014. See also <a href="http://tbinternet.ohchr.org/\_layouts/treatybodyexternal/Download.aspx?symbolno=CEDAW%2f">http://tbinternet.ohchr.org/\_layouts/treatybodyexternal/Download.aspx?symbolno=CEDAW%2f</a> <a href="https://cwi.ncbi.nlm.nih.gov/CM2f7&Lang=en">C%2fFIN%2fCO%2f7&Lang=en</a>.

certain grounds may impede the State party's efforts to address the discrimination affecting certain groups of women.

- 23. In line with its general recommendation No. 23 on women in public life, the Committee encourages the State party to adopt temporary special measures, in accordance with article 4 (1) of the Convention and with the Committee's general recommendation No. 25 on temporary special measures, so as:
- (a) To ensure that the representation of women in leadership positions in the private sector reflects the full diversity of the population; (...)

### **Employment**

- 26. The Committee notes the Equal Pay Programme, which aims at reducing the gender pay gap to 15 per cent by 2015, and the strengthening of the practice of pay surveys within the context of the equality plan. The Committee, however, remains concerned, however, about the **persistence of a gender pay gap** of 17 per cent in the State party. [...]
- 27. The Committee recommends that the State party:
- (a) Take immediate measures to meet the target set by the Equal Pay Programme of a gender-based wage gap of 15 per cent by 2015, with a view to closing the wage gap between men and women in accordance with the Equal Remuneration Convention, 1951 (No. 100) of the International Labour Organization; (...)

# 2. International Labour Organisation

(EK) attached to the Government's report.

93 The CEACR has made the following statements concerning Finland in relation to the following Conventions:

# a) Convention No. 100

# Observation (2017)54

The Committee notes the observations by the Central Organisation of Finnish Trade Unions (SAK), the Confederation of Unions for Professionals and Managerial Staff in Finland (AKAVA), the Finnish Confederation of Professionals (STTK), and the Confederation of Finnish Industries

Articles 1 and 2 of the Convention. Gender pay gap. The Committee recalls the objective of the tripartite Equal Pay Programme (2006-15) which was to reduce the pay gap to 15 per cent by 2015. The Committee notes from the Government's report that the difference in pay between men and women decreased to 17 per cent in 2011 and has remained stagnant between 2012 and 2015. According to the overall assessment of the Equal Pay Programme the stagnation in the gender pay gap is due to a period of economic difficulty in Finland and smaller wage increases compared to previous years. The Committee notes that, according to EK and AKAVA, labour market segregation remains the main reason for the gender pay gap. In this connection the Committee notes that from 2004-14, the change in the proportion of workers in "even occupations", meaning occupations with 40-59 per cent male or female wage earners, has been almost non-existent. In 2012, the proportion of wage earners in "even occupations" was 13 per cent of all wage earners. According to EK, addressing occupational segregation is the only sustainable measure to tackle the difference in average earnings. The Committee recalls that the Government's Gender Equality Programme (2012-15) aims to reduce gender segregation in education, career choices and the labour market and that several initiatives have been taken in furtherance of this aim. In this connection the Committee refers to its comments under the Discrimination (Employment and Occupation) Convention, 1958 (No. 111). Noting the Government's intention to implement the Equal Pay Programme until 2025, the Committee requests the Government to continue providing information on the evolution of the gender pay gap and any measures aimed at its reduction, especially how the issue of occupational gender

\_

<sup>&</sup>lt;sup>54</sup> Adopted 2016, published 106th ILC session (2017).

segregation is being addressed. The Committee also asks the Government to provide summaries of any reviews of the Equal Pay Programme.

Equality plans and equal pay surveys. The Committee notes from the Government's report that according to a survey undertaken by the central labour market organisations in 2012, the coverage of equality planning has increased. Yet, the Government indicates that coverage and quality of equality plans and pay surveys need improvement. The Government indicates that the Act on the Amendment to the Act on Equality between Women and Men (1329/2014) amended the provisions of the Act on Equality between Women and Men (609/1986) regarding the content of equality plans and pay surveys. Now, personnel representatives shall have sufficient opportunities to participate in and influence the drafting of the equality plan. If pay surveys reveal unfounded pay differences between men and women, these must be analysed and accounted for. If the pay differences are unfounded, the employer shall take corrective action. The Committee notes, however, the Government's indication that in carrying out pay surveys, wages are usually only compared between employees with the same occupational title or employees in the same task groups and that it remains to be seen whether the scope of pay comparisons will be extended beyond the current situation. The Committee asks the Government to continue to provide information, including statistics, on the coverage of equality plans and pay surveys in workplaces and to monitor and provide results on their impact on the gender pay gap in the workplace in light of the amendments to the Equality Act. The Committee also asks the Government to provide information on the scope of pay comparisons used in pay surveys and in this context would like to refer to its comments regarding scope of comparison.

Scope of comparison. Repeatedly, the Committee has asked the Government to take action to enable a broader scope of comparison in the context of determining whether there has been compliance with the principle of equal remuneration for men and women for work of equal value. The Committee recalls its previous comments noting that, according to survey results, only 17 per cent of the workplaces had conducted comparison of wages of men and women across the boundaries set by collective agreements. The Committee notes that supervision of pay discrimination indicates that the principle of equal pay is understood in a very narrow way in many Finnish workplaces, employers sometimes claiming that it is not possible to compare wages between employees placed at different pay levels. The Committee notes that the equal pay provision in the Act on Equality between Women and Men (609/1986) does not contain any guidance or clarification as to the meaning of work of equal value. The Committee recalls that comparing the relative value of jobs in occupations which may involve different types of skills, responsibilities or working conditions, but which are nevertheless of equal value overall, is essential in order to eliminate pay discrimination resulting from the failure to recognize the value of work performed by women and men free from gender bias (see 2012 General Survey on the fundamental Conventions, paragraph 675). In order to address gender pay discrimination in a gender segregated labour market where women and men are concentrated in different trades, industries and sectors the reach of comparison between jobs performed by women and men should be as wide as possible, extending beyond occupational categories, collective agreements and enterprises. The Committee encourages the Government to take steps towards clarifying the meaning of equal pay for work of equal value and ensure that a wide scope of comparison is being applied in all activities which affect the application of the principle of equal pay for men and women for work of equal value, including equal pay surveys.

The Committee is raising other matters in a request addressed directly to the Government.

# Direct Request (2017)55

The Committee notes the observations made by the Central Organisation of Finnish Trade Unions (SAK), the Confederation of Unions for Professionals and Managerial Staff in Finland (AKAVA), the Finnish Confederation of Finnish Industries (EK) attached to the Government's report.

Article 3 of the Convention. Objective job evaluation. In its previous comments, the Committee noted that according to the research project "Equal Pay, Equality and New Pay Systems" (SATU), the introduction of new pay systems resulted in a **narrowing of the gender wage gap** only among employees who earn the highest wages or those in the highest level positions and had a more prominent impact in the public and municipal sectors than the private sectors. The project

\_

<sup>&</sup>lt;sup>55</sup> Adopted 2016, published 106th ILC session (2017).

"effectiveness of evaluating the demands of work, employee competencies and personal performance in Finland" (TAPAS) yielded information on the significance, applications and problems in the development of pay systems. The project produced a practical guide for equal pay, which compiles observations from workplaces in the project and provides instructions and recommendations on a general level. The Committee further notes the Government's indication that results of the TAPAS and SATU projects have been disseminated through various events. The Committee also notes the project of 2013–14 surveying the development needs of pay systems in private service industries in light of the Government's indication that the private sector is lagging behind in the development of pay systems. The Committee asks the Government to provide information on any further analysis of and follow-up to the findings of the SATU project. The Committee further requests the Government to provide information on the TAPAS guide's impact and practical use. It also requests the Government to provide information on the findings of and any follow-up activities to the project surveying the development needs of pay systems in private service industries.

Public sector. With respect to the public sector the Committee notes that according to a working conditions survey by Statistics Finland, 47 per cent of municipal sector wage earners and 91 per cent of state wage earners reported that their pay system was based on job grade in 2013. Since 2003, the State has increased job grade evaluation in particular. According to AKAVA, new pay systems have succeeded in reducing pay gaps in the public sector, particularly in positions with the highest competence requirements, however, considerable differences remain between the wages of men and women working in middle management. From 2003 there has also been an increase in the use of job grade evaluation in the municipal sector from 28 per cent to 47 per cent. However, the situation has remained unchanged since 2008. The evaluation of personal performance was applied to 86 per cent of wage earners in the state sector and 33 per cent for the municipal sector in 2013. In the municipal sector, the introduction of new pay systems has slowed in recent years. According to the overall assessment of the Equal Pay Programme (2010– 14), changing pay systems is often an extensive exercise and its preparations may take several collective agreement terms. It also requires financial investment. The Committee notes the Government's indication that there is no comprehensive, reliable data on the number of wage earners in the scope of new pay systems. The Committee asks the Government to continue providing updated information on the progress made in the municipal sector and the impact of the competence and performance based pay systems on equal pay. It also asks the Government to provide information on how the lack of comprehensive, reliable data on the scope of the new pay systems is being addressed.

Collective agreements. The Government reports that the centralized framework agreement of the labour organizations (2011-13) included entries on gender equality and equal pay and that a tripartite report on the functioning and development needs of pay surveys was based on the framework agreement. The Committee however, notes that the industry specific collective agreements signed in 2011 in line with the centralised framework agreement did not include equal pay items of their own. Furthermore a centralised two-year Pact for Employment and Growth was signed in 2013. Industry-specific collective agreements following the centralised Pact for Employment and Growth signed in 2013 did not include separate equal pay items. The Government indicates that local pay arrangements have increased and their relative share of pay increases have grown. Furthermore, the information Committee on Cost and Income Developments, established by the Ministry of Finance, compiled a report in late 2013 on the promotion of equal pay through collective agreements, and has assessed the effects of agreement increases on the gender pay gap in 2010-12. The Committee requests the Government to continue providing concrete information on the impact of centralised and industry level collective agreements as well as the increase in local pay arrangements on equal pay. The Committee further requests the Government to provide a summary of the findings of the Committee on Cost and Income Development in their 2013 report. It also requests the Government to indicate any steps taken, in cooperation with the social partners, to promote the inclusion of separate equal pay items in industry-level collective agreements and the results achieved.

Enforcement. The Committee notes that the supervisory system for the Equality Act, comprising the Ombudsperson for Equality and the Anti-Discrimination and Equality Board, has been strengthened through the Act on the Amendment to the Act on Equality between Women and Men (1329/2014). The Government indicates that the independent status of the Ombudsperson for Equality has been reinforced and that there has been administrative restructuring. The

Government also indicates that the number of cases handled by the Ombudsperson for Equality from 2012-14 varied between 152 and 211. About half of the cases related to discrimination in working life and many of these concerned equal pay. Cases concerned both basic pay and various kinds of bonuses and often concerned the effect of parental leave on wages. The Government also indicates that the supervision of pay discrimination reveals that the principle of equal pay is understood in a very narrow way in many workplaces in Finland. Accordingly, employers may argue that it is not possible to compare wages between employees placed at different pay levels. Furthermore, the Government indicates that the Ombudsperson for Equality has very limited resources for carrying out the task of monitoring the obligation of carrying out equality planning, and more resources are needed for this task. While noting the changes made to the supervisory system of the Equality Act, the Committee asks the Government to provide information on the Ombudsperson's position regarding the scope of comparison between jobs and the outcome of key cases concerning equal remuneration for work of equal value. The Committee also requests the Government to continue providing information on the number, nature and outcome of cases concerning equal remuneration for men and women for work of equal value decided by the competent administrative authorities and the courts. It also asks the Government to provide information on how it addresses the problem of the Ombudsperson's lack of resources to monitor the obligation to carry out equality planning.

# b) Convention No. 111

# Direct Request (2017)56

The Committee notes the observations by the Confederation of Finnish industries (EK) and the Confederation of Unions for Professionals and Managerial Staff in Finland (AKAVA) attached to the Government's report.

Article 2 of the Convention. Measures to promote gender equality. Occupational segregation. The Committee recalls that the Gender Equality Programme (2012-15) aims to reduce gender segregation in education, career choices and the labour market. In this context, the Committee notes the study published in 2014 by the Ministry of Employment and the Economy under the VALTAVA development programme, on gender perspectives in the employment office services. The results of the study are intended to be utilised in the development of the Ministry's employment services. The Committee welcomes the TASURI project which contains statistics on male and female representation in the top management of companies. The qualitative research of the project produces information on top management recruiting from a gender perspective and provides material for practical development work in the future. The Committee notes that the 40 per cent target for female representation on boards will be met by the selfregulation of companies and that the Government will evaluate the progress made and need for future legislative measures in this regard. With regard to education, various perspectives on the promotion of gender equality have been included in several areas of the core curricula of basic education. Furthermore, the Act on the Amendment to the Act on Equality between Women and Men (1329/2014) extended the obligation to draft equality plans in educational institutions to mandatory primary education. The Committee welcomes the proactive measures to combat gender segregation in the labour market and asks the Government, in cooperation with the social partners, to continue reporting on such activities and their impact on occupational gender segregation. Please also provide specific information on the practical use and impact of the study published by the Ministry of Employment and the Economy as well as the TASURI project. The Committee encourages the Government to monitor developments towards the 40 per cent target for female representation on boards and to provide information on the progress made as well as any needs identified for legislative measures.

# 3. Council of Europe

94 In examining the situation in Finland, the ECSR has come to the following 'Conclusions':

<sup>&</sup>lt;sup>56</sup> Adopted 2016, published 106th ILC session (2017).

# a) Article 4§3

#### Conclusions 2014

[...]

# Legal basis of equal pay

The Committee asks whether there have been legislative developments concerning the **legal** basis of equal pay.

# Guarantees of enforcement and judicial safeguards

The Committee refers to its Conclusions 2003, where it observed that there is no provision under Finnish law for declaring a dismissal null by reprisal and/or reinstating a victim of such a dismissal. Therefore, the Committee considered that Finnish law did **not provide for reinstatement in cases where an employee is dismissed in retaliation for bringing an equal pay claim.** 

The Committee further found in its Conclusion on Article 24 (Conclusions 2012) that the situation in Finland was not in conformity with Article 24 of the Charter, on the ground that the legislation does not provide for the possibility of reinstatement in case of unlawful dismissal.

The Committee recalls that in the event of retaliatory dismissal, the remedy should in principle be reinstatement in the same job or a job with similar duties. Only when reinstatement is not possible or the employee has no desire to be reinstated, should damages be paid instead.

In the absence of any further information regarding this issue, the Committee considers that the situation is not in conformity with the Charter, on the ground that the law does not provide for reinstatement in cases where an employee is dismissed in retaliation for bringing an equal pay claim.

# Methods of comparison and other measures

The Committee refers to its conclusion under Article 20 (Conclusions 2012) where it noted that pay comparisons can be made between the wages and salaries paid to the employees of the same employer. However, such comparisons are not limited to a single working or functional unit. Comparison of wages and salaries between employees serving in separate units can also be compared. Due consideration must then also be given, for example to the impact of different pay levels in different parts of the country. The Committee refers to its Statement of Interpretation on Article 20 in the General Introduction to Conclusions 2012 in this respect and asks for further clarification of the matter.

# Conclusion

The Committee concludes that the situation in Finland is not in conformity with Article 4§3 of the Charter, on the ground that the law does not provide for reinstatement in cases where an employee is dismissed in retaliation for bringing an equal pay claim.

# b) Article 20

# Conclusions 2016

The Committee takes note of the information contained in the report submitted by Finland.

# Equal rights

The Committee recalls that it examines measures relating to maternity protection and family responsibilities under Articles 8 and 27 of the Charter (Conclusions 2015).

The report indicates that the Act on Equality between Women and Men (609/1986, the so-called "Equality Act") was amended during the reference period (by Act 1329/2014 in connection with the enactment of the new Non-Discrimination Act (1325/2014). The amendments entered into force on 1 January 2015 (outside the reference period).

The report indicates that the Equality Act now was amended so that to include prohibition of discrimination based on gender identity and gender expression, as well as provisions on prevention of such discrimination. The amendment ensures that the prohibition of discrimination against members of sexual minorities, for example against persons with transgender identity, is implemented as the Constitution requires. By the new Equality Act, discrimination is prohibited regardless of whether it is based on a reason concerning the victim of discrimination or another individual (so called discrimination by association) and regardless of whether it is based on fact or assumption.

The report further indicates that the provisions on the supervision of the Equality Act were likewise revised. The Act on the Ombudsman for Equality and the Equality Tribunal was repealed. Instead, separate Acts were laid down on the Ombudsman for Equality (1328/2014) and the National Non-Discrimination and Equality Tribunal (1327/2014). According to the new Act, the Ombudsman for Equality shall submit to the Government annual reports on his or her operations and once every four years report to the Parliament on the attainment of gender equality. The former equality boards, Discrimination Board (concerned with gender equality) and Equality Tribunal (concerned with ethnic discrimination), were united to form the new Non-Discrimination and Equality Tribunal with a broader mandate.

The new Board of Equality has the competence to handle cases under both the Non-Discrimination Act and the Equality Act. The Committee notes from the reports of the European Equality Law Network that however, a victim of gender discrimination (unlike a victim of discrimination based on other prohibited grounds) does not have the right to bring a case to the new Board, as the Act on Equality limits this right to the Equality Ombudsman and the main Social Partners. The Network further expressed concerns that the reform of the law has facilitated the unification of the equality boards, but not the Equality Ombudsmen. However, there is a significant disparity in both access to and the mandate of the new Equality Board, which puts victims of gender discrimination at a disadvantage (European Equality Law Network, Report on "Reform of gender equality and non-discrimination law").

The Committee notes that the new rules regarding the Equality Act and the supervision of the Equality Act entered into force on 1 January 2015, which is outside the reference period. It asks that the next report provide information on how the new rules are implemented into practice, including examples and the number of cases filed before the Ombudsman for Equality and before the courts with regard to gender discrimination in employment. It also asks information on the outcome of such cases and the compensation paid to the employees.

The Committee noted previously that under the Equality Act, surveys are carried out to determine the underlying causes of any pay differentials between men and women. It asked who was responsible for undertaking such surveys (Conclusions 2012). The report indicates that the employer is responsible for undertaking pay surveys. The amended Equality Act obliges the employer to draw up a gender equality plan that includes a pay survey. The content of a pay survey included in every plan is defined in more detail by the Equality Act. The report further indicates that the gender equality plan must be prepared in cooperation with the shop steward, elected representative, occupational safety and health delegate or other personnel representative. Personnel representatives must get sufficient opportunities to participate in the drafting of the plan and influence it. The Act also includes an obligation to communicate the equality plan and the included pay survey to personnel and to inform them of any updates. A gender equality plan at work will be drafted at least every other year under the new provisions. The Committee asks updated information in the next report.

As regards pay comparisons, the report indicates that according to the Equality Act upon suspecting pay discrimination, the wages will be compared between employees working for the same employer. However, the comparison has not been limited to the same work unit or operational unit. Then the effects of different pay levels in different regions need to be taken into account. EU legislation and its interpretation are taken into account when interpreting the Equality Act. According to the so called "single source concept" of the Court of Justice of the European Union, the pay has to have one single source, on which the pay gap depends. The idea behind this is that only the party who is in a position to guarantee equal treatment can be responsible for equal pay. For instance, pursuant to national courts' case-law, district court judges working for different district courts are considered to work for the same employer. The report adds that the municipalities are considered as one employer for the purposes of the Equality Act.

# Equal opportunities

According to the report, the **percentage of women in managerial positions has slightly decreased**: from 32% to 30% between the years 2009 and 2012. The percentage of female managers has started to decline in all other sectors of working life except in municipalities. In central government, the percentage of female managers is 42% (universities included). The percentage of women in lower-level management positions has gradually increased.

The report also indicates that among Finnish listed companies, the **percentage of women in all company boards has increased** from the average 17% in 2010 to 23% in 2014. On the boards of large listed companies, the share of women was about 30% in 2014. On the boards of state-owned companies, the share of women has been about 40% since 2009. The report states that during the last few years, gender equality development has however slowed down in large and medium-sized listed companies. At the moment, there are only two women working as CEOs in listed companies.

The Committee notes from Eurostat that the **gender pay gap** decreased from 19.6% in 2011 to 18% in 2014.

The Committee takes note of the measures undertaken to reduce the gender pay gap and promote equal opportunities for men and women during the reference period.

As noted in its previous conclusions, the Government and the social partners have since 2006 been carrying out an *Equal Pay Programme* in order to bridge the **gender pay gap**. The objective has been to reduce the average gender pay gap to no more than 15% throughout the labour market. The report indicates that the pay gap decreased from about 20% to 17%, which means that some development took place but the over-all goal was not reached.

An overall evaluation of the Equal Pay Programme was conducted by an external evaluator in spring 2014. According to the evaluation, the most effective measures for reducing the gender pay gap relate to wages and wage formation (remuneration and contract policies, pay systems and pay surveys at workplaces), to dismantling the traditional distribution of duties between men and women, as well as to reconciling work and family. The narrowing of the pay gap has slowed down due to the weakened economic situation and smaller increases in salary compared to previous years.

The report further indicates that Equality Report policies have been implemented mainly through measures in the *Government Action Plan for Gender Equality* (2012-2015). One of the measures was to decrease segregation through development activities, focusing particularly on e.g. employment services.

The report provides information on the programmes and research projects on equal pay developed during the reference period.

The Committee asks the next report to provide updated information on the positive measures and actions undertaken to reduce the gender pay gap and to address the occupational gender segregation in employment, as well as to increase the share/presence of women in senior/management positions.

#### Conclusion

Pending receipt of the information requested, the Committee concludes that the situation in Finland is in conformity with Article 20 of the Charter.

# B. Further pertinent material on the situation in law and practice

# 1. Concerning the Gender pay gap

95 From different sources, including all the conclusions and/or observations of the abovementioned bodies, the main regulatory instruments in relation to discrimination on the grounds of sex in general and equal pay for equal work in particular -and without being exhaustive- the following:

- Act on Equality between Women and Men (1329/2014) amended the provisions of the Act on Equality between Women and Men (609/1986),
- Non-Discrimination Act (1325/2014).

96 However, despite this existing regulatory framework, (recent) statistic show that there still exists a gender wage gap in Bulgaria:

- According to the Commission, based on Eurostat 2014 figures, in Finland the gender pay gap stands at 18.4%<sup>57</sup> (the average gender pay gap in the EU is 16.7%) and the gender overall earnings gap in Finland stands at 24.5% (the average gender overall earnings gap in the EU is 39.8%).<sup>58</sup>

# 2. Concerning the (under-)representation in decision-making positions within private companies

- 97 There exists no regulatory framework on representation of women in decision-making positions in private enterprises However, the Act on Equality between Women and Men establishes a principle of equal representation (40% quota) in public administration bodies, *inter alia*, advisory boards and governmental committees<sup>59</sup>. Moreover, the Finnish Corporate Governance Code recommends that both genders should be represented on the board of directors.<sup>60</sup>
- 98 In April 2016, the average share of women on the boards of the largest publicly listed companies registered in the EU-28 Member States reached 23.3 %. For Finland, the figure is only 29.9%.<sup>61</sup>

# C. Application of the legal principles

- 99 In Part I the relevant 'International law and material' as well as 'Further pertinent material' has been described in detail. On this basis, the (legal) 'Principles' which govern the framework for the assessment of this complaint have been developed. Against this background, the ETUC assesses situation in Finland as follows.
- 100 From the outset, it is noted that the ECSR has only found a violation in its Conclusions concerning Article 4§3 of the Charter on the ground that the law did not provide for reinstatement in cases where an employee is dismissed in retaliation for bringing an equal pay claim. On other aspects related to (achieving) equal pay for equal work, the ECSR asked only certain questions (as quoted above). However, this situation does not exclude that after a more detailed examination the ECSR might come to a different assessment. In the view of the ETUC this would be necessary..

<sup>&</sup>lt;sup>57</sup> According to the Eurostat figures for 2015, this stands now at 17.3%. (See also table in Part I.B.1)

<sup>&</sup>lt;sup>58</sup> European Commission factsheet gender way gap 2016 - Cyprus ; <a href="http://ec.europa.eu/justice/gender-equality/files/gender-pay-gap/2016/gpg-country-factsheet-cy-2016-en.pdf">http://ec.europa.eu/justice/gender-equality/files/gender-pay-gap/2016/gpg-country-factsheet-cy-2016-en.pdf</a>

<sup>&</sup>lt;sup>59</sup> Act on Equality between Women and Men (609/1986), last modified in 2015. Available at <a href="http://www.refworld.org/docid/3ae6b51c0.html">http://www.refworld.org/docid/3ae6b51c0.html</a>

<sup>&</sup>lt;sup>60</sup> European Women on Boards (2016) Gender Diversity on European Boards. Realizing Europe's Potential Progress and Challenges, Brussels: EWoB and ISS, April 2016. Available at <a href="http://european.ewob-network.eu/projects/ewob-studies/">http://european.ewob-network.eu/projects/ewob-studies/</a>.

<sup>61</sup> European Commission, Factsheet July 2016. Gender balance on corporate boards - Europe is cracking the glass ceiling; <a href="http://ec.europa.eu/justice/gender-equality/files/gender-balance-decision-making/1607">http://ec.europa.eu/justice/gender-equality/files/gender-balance-decision-making/1607</a> factsheet final wob data en.pdf

# 1. Concerning the Gender pay gap

- In general terms, it is clear that the Gender pay gap remains above 0%. This is the case for decades. This situation is not at all compatible with the principle of equal pay for work of equal value, even less so when taking into account the requirement of 'effectiveness' enshrined in the introductory words of the relevant articles.
- More specifically and according to the ECSR's case law, the Gender pay gap has both, a substantial and procedural dimension. This is confirmed by the international law approaches as developed in particular by the CESCR, CEDAW and CEACR (see quotations in Part I). Not fulfilling one of the requirements in respect of these two dimensions leads to a violation.

# a) Substance

- From a substantive perspective, there are at least the following elements which should (at least in combination) lead to a violation of Article 20 ESC:
  - Statistical evidence (see above para. 96) shows that there is still a gender pay gap. Even if it might have been reduced during the last time **any** Gender pay **gap** does not fulfil the non-discrimination requirement based on sex.
  - The official statistics are still excluding **small (micro) seized enterprises**. It is therefore most probable that the Gender pay gap is even higher in these enterprises.
- 104 From the point of view of the ETUC this illustrates that there is a violation of Article 20 of the Charter from the substantive perspective.

# b) Procedure

- Moreover, from a procedural perspective, it appears evident that there is also a violation as the result of eliminating the gender pay gap is not achieved. In particular, it is obvious that the general framework for the supervision of the satisfactory application of the principle of equal pay is insufficient:
  - in principle, the **labour inspectorate** should (be able to) ensure the satisfactory application of this important principle; despite the fact that the respondent State has ratified ILO Convention No. 81 on labour inspection it is obvious that this is not the case (in particular taking into account the nearly total lack of supervision in the SMEs):
  - all **other means** to ensure the satisfactory application of the principle of equal value haven proven insufficient.
- of the Charter also from the procedural perspective, even more so as the Committee in its Conclusions 2014 concerning Article 4§3 of the Charter concluded that the situation in Finland was not in conformity with this provision, on the ground that the law did not provide for reinstatement in cases where an employee is dismissed in retaliation for bringing an equal pay claim.

# 2. Concerning the (under-)representation in decision-making positions within private companies

107 Concerning the (under-)representation in decision-making positions within private companies this problem has only been addressed in more recent years. As developed in Part

I.B.2. this is covered by Article 20 of the Charter. The legislation establishing quota for the public administration bodies has apparently reached its targets, <sup>62</sup> but if there is not sufficiently clear and wide-ranging legislation for private companies and/or if the practice shows that this equality principle is not implemented sufficiently this leads from the point of view of the ETUC to finding a violation of Article 20 of the Charter.

# a) Substance

- 108 Statistical evidence (see above para. 98) shows that there is still an underrepresentation of women in decision-making bodies within private companies. Even if there might be relevant legislation and even if the degree of representation of women would have increased it is not to be disputed that women are not sufficiently represented within these bodies.
- From the point of view of the ETUC this illustrates that there is a violation of Article 20 of the Charter from the substantive perspective.

# b) Procedure

- 110 It would appear that there are no effective legislative measures in order to ensure the sufficient representation of women in decisions-making bodies within private enterprises. In practice, there is even less supervision and enforcement.
- 111 From the point of view of the ETUC this illustrates that there is a violation of Article 20 of the Charter also from the procedural perspective.

# III. Conclusions

# A. Substantive conclusions

- 112 This collective complaint as all the other 14 complaints concerning the same issues is of great importance for the full realisation of the very fundamental right of women to non-discrimination. In particular, the continuous denial of equal pay for work of equal value is one of the fundamental problems which still remain in European societies.
- From the ETUC's point of view it is necessary to come to the following conclusions of a violation of Article 20 of the Charter in relation to
  - the Gender pay gap in its substantive (see above II.C.1.a)) and procedural dimensions (see above II.C.1.b)) as well as in relation to
  - the under-representation of women in decision-making bodies also in its substantive (see above II.C.2.a)) and procedural (see above II.C.2.b)) dimensions.
- The Committee might thereby also in particular consider to take account of the recommendations/observations/concerns expressed by the international bodies referred to in II.A. addressed to the respondent state.

<sup>&</sup>lt;sup>62</sup> Finish Ministry of Social Affairs and Health, 2011, Government Report on Gender Equality, Helsinki. Available
at:

http://www.julkari.fi/bitstream/handle/10024/111854/Jul 1104 gender verkko.pdf?sequence=1

# B. Procedural request

- Given the high complexity of this case, in particular in relation to possible justifications which might be provided during the further procedure by Governments or others, there will most probably be specific issues which are not yet dealt with in these ETUC Observations.
- 116 Accordingly, and referring to the example in the case of *MATICA v. Croatia*, the ETUC would be very grateful if it were granted the opportunity to submit additional information following in particular the observations by the Government concerned but also any other relevant observations in this respect.

# Table of contents

INTRODUCTION	3
I. GENERAL FRAMEWORK	4
A. International law and material	4
1. United Nations	4
a) Universal Declaration of Human Rights	4
b) International Covenant on Civil and Political Rights	4
(1) Text	4
(2) General interpretation	
c) International Covenant on Economic, Social and Cultural Rights	5
(1) Text	
(2) General interpretation	
d) Convention on the Elimination of All Forms of Discrimination against Women	
(1) Text	
(2) General interpretation	
(a) Concerning the Gender pay gap	
(b) Concerning the (under-)representation of women in decision-making bodies in enterprises	
(i) Estonia (2016)	
(ii) Slovakia (2015)	
(ii) Spain (2015)	
e) Further pertinent material	
2. International Labour Organisation	
a) Convention No. 100	
(1) Text	
(2) General interpretation	
(a) General Survey 2012	
Gender pay gap	
Equal value: The cornerstone of the Convention	
Comparing jobs, determining value	11
Scope of comparison	11
Objective job evaluation methods	
b) Convention No. 111	12
(1) Text	
(2) General Interpretation	
(a) General Survey 2012	
Introduction	12

		Thematic issues	13
		Defining discrimination	13
		Direct and indirect discrimination	13
		Grounds of discrimination: An evolving area	13
		Sex discrimination and gender equality	13
	3.	Council of Europe	
		a) European Convention on Human Rights	
		b) European Social Charter (ESC)	
		(1) Text	
		(2) Compilation of case law (Digest 2008)	
		(a) Article 4§3	
		The principle of equal pay	
		Guarantees of enforcement	
		Legislative means	
		Judicial safeguards	
		Methods of classification and comparison and other measures	
		(b) Article 20	
		Definitions and scope	
		Means of enforcement	
		Legal framework	
		Right of appeal	
		Adequate compensation	
		Protection against reprisals	
		Particular rights of women	
		Equal opportunities and positive measures	
		(3) Statement of interpretation	
		(4) Conclusions (2016) on (under-)representation of women in decision-making functions within the priva	
		sector	
	(	c) Further pertinent material	18
	4.	European Union (EU)	19
		a) Legislative framework	
		(1) Primary Law	
		(2) Secondary law	
		b) General interpretation	
		c) Further pertinent material	
		(1) EU Institutions	
		(2) Other bodies	
		(a) Gender pay gap	
		(b) (Under-)representation in decision-making bodies within private companies	
B.		FURTHER PERTINENT MATERIAL	
٠.	1.	Concerning the Gender pay gap	
	7. 2.	Concerning the (under-)representation in decision-making positions within private companies	
C.		LEGAL PRINCIPLES	
	1.	General considerations	
	2.	Gender pay gap	
		a) General considerations	
		b) Substantive requirements	
		c) Procedural requirements	
	(	d) Interim conclusions	
	3.	(Under-)representation in decision-making bodies within private companies	
		a) General considerations	
		b) Substantive requirements	
	(	c) Procedural requirements	
		d) Interim conclusions	29

II.	SPECIFIC S	ITUATION	29
A.	Interna	FIONAL CASE-LAW	29
	1. Unite	ed Nations	29
	a) Int	ernational Covenant on Civil, Political and Cultural Rights	30
	C.	Principal matters of concern and recommendations	
	b) Int	ernational Covenant on Economic, Social and Cultural Rights	30
	C.	Principal subjects of concern and recommendations	
	Na	itional human rights institution	
	Eq	uality between men and women	30
	Eq	ual pay for work of equal value	30
	c) Co	nvention on the Elimination of All Forms of Discrimination against Women	31
	Natio	nal machinery for the advancement of women and gender mainstreaming	31
	Parti	cipation in political and public life	31
	Empl	oyment	32
	2. Inter	national Labour Organisation	32
	a) Co	nvention No. 100	32
		vation (2017)	
	Direc	t Request (2017)	33
	b) Co	nvention No. 111	35
	Direc	t Request (2017)	35
	3. Cour	cil of Europe	35
	a) Ar	ticle 4§3	36
	Concl	usions 2014	36
	Le	gal basis of equal pay	36
		arantees of enforcement and judicial safeguards	
	M	ethods of comparison and other measures	36
	Co	nclusion	36
	b) Ar	ticle 20	36
	Concl	usions 2016	36
	Eq	ual rights	36
	Eq	ual opportunities	38
	Co	nclusion	38
В.	Further	PERTINENT MATERIAL ON THE SITUATION IN LAW AND PRACTICE	38
	1. Conc	erning the Gender pay gap	38
		erning the (under-)representation in decision-making positions within private companies	
C.		TION OF THE LEGAL PRINCIPLES	
٥.		erning the Gender pay gap	
		bstance	
	,	ocedure	
	•	erning the (under-)representation in decision-making positions within private companies	
		bstance	
	,	ocedure	
	D) FI	ocedul e	41
III.	CONCLUSI	ONS	41
A.	Substan	TIVE CONCLUSIONS	41
В.	Procedu	IRAL REQUEST	42
TABI	E OF CONT	ENTS	42