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## **EU Pay Transparency proposal: Sectoral employers' organisations urge the plenary to endorse a more balanced approach on Pay Transparency**

**18 March 2022 – The European employers' organisations, Ceemet (MET industries), ECEG (chemical, pharmaceutical, plastic and rubber industries), Geopa (agriculture), Hotrec (hospitality), EFCEI (cleaning and facility services) and EuroCommerce (retail & wholesale) regret the outcome of the vote at the EMPL and FEMM committee's on the Commission's proposal on pay transparency.**

We reiterate our strong support for the principle of equal pay for equal work or work of equal value, as stated in the European Treaties. We consider that pay discrimination is not acceptable and we are fully committed to promoting equal opportunities and equal remuneration.

Nevertheless, we consider that the outcome of the committees' vote does not address the root causes of the gender pay gap. On the contrary, it jeopardises the autonomy of social partners', businesses competitiveness and the role of Member States.

We call on the European Parliament to also take into account that some of our sectors are still facing the consequences of the COVID-crisis. Businesses face lack of viability; lack of liquidity; labour shortages. Full recovery, if the epidemiological situation stabilises, would be expected by 2024 in the best case scenario.

In addition, the geopolitical situation changed in the past weeks, and our sectors are also currently facing the consequences of this: increase of prices in electricity, energy and food; stagnation of international travel and some sectors face even worse labour shortages. In this respect, we underline the importance of the three key dimensions stated during the meeting of the Heads of State in Versailles on 10 and 11 March, and specifically the point on "building a more robust economic base".

The text now proposed by the FEMM and EMPL Committee is unfortunately doing the exact opposite and due to this, employers are hugely concerned with the administrative and financial costs the proposal will bring to companies, especially SMEs.

For all these reasons, the sectoral employer's organisations call on all MEPs to still consider a more balanced approach for employers in their vote at the plenary meeting.

Our priorities continue being the following<sup>1</sup>:

- The inclusion of a presumption of appropriateness/adequacy under the scope of the Directive (Art. 2) and a provision which leaves room for the national social partners to deviate from the directive by means of collective agreement<sup>2</sup>;
- Clarification that the objective criteria to determine what "equal work and equal work of equal value" (Art. 4) shall build on the development brought by this definition in Directive 2006/54/EC with consideration to the case-law of the Court of Justice. In this sense, we welcome the Council's proposal, specifying that assessments should be based on comparable situations based on gender-neutrality;
- An exception for companies with less than 250 employees when it comes to the reporting obligation (Art. 8) and the joint pay assessment (Art. 9), as stated in the Commission's proposal and in the Council's general approach. If this exception is not included, SMEs will have to bear heavy administrative burden and financial costs, with little effect on reducing pay differences<sup>3</sup>.
- To leave to the Member States the prerogative to regulate the issues of compensation, legal proceedings, legal and judicial costs, and penalties.

Above all, we consider that funding is needed to properly address the gender pay gap via the following actions:

- Increasing women's participation in the labour market, and specifically in STEM disciplines;
- Improving the quality and availability of (child-)care facilities and facilities for the elderly people;
- Promoting education programmes fighting gender stereotypes and changing mindsets.

We remain at your disposal to explain our approach.

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<sup>1</sup> EU Pay Transparency: Sectoral Employers' organisations suggest a more balanced approach

<sup>2</sup> The presumption of appropriateness has been introduced in the Parliament's amendments 468-470, 590, 677-8, 821-2. A derogation by means of collective agreements has been introduced in the Parliament's amendment 1071-2.

<sup>3</sup> According to the NAO's report "The Discrimination Act's equal pay survey requirement" (2019) in Sweden the obligation for employers to produce a documented pay survey and analysis on an annual basis imposes a heavy administrative burden. The report also expresses some reservations on the effectiveness of the implemented measures, and it shows that the obligations have rarely led to the discovery of unfair pay differences between men and women.