



# Gender Pay Gap in Austria and the European Union

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## Background

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- Austria has one of the **highest Gender Pay Gaps (GPG) within the EU** (19,9% of average gross hourly wage, EU-28: 16.0%). Only four countries have a higher GPG (EE, CZ, DE, UK, Eurostat 2017).
- The **Gender overall earnings gap** – including differences in working time and participation rate – is much higher and amounts to **44.9 %** (EU 39.6%, Eurostat 2014). This number is highly relevant in terms of economic independence of women and their social security benefits – especially pensions.
- The share of **women working part-time** is one of the highest in the EU: 47.9 % (EU-28: 31.1%, Eurostat 2017).

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## Causes and national remedies

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### Lack of child-care-facilities and schools with long opening hours:

Austria still misses the Barcelona target for small children of 33%: Only 29% of under-3-year-olds have a place in a facility or with day-care mother. Only 16% of under-3-year-olds and 41% of the 3- to 6-year-olds have places compatible with a working day of 8 hours.<sup>1</sup>

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### Remedies

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- Raise expenses for child care in Austria to the **EU-average of 1% of GDP** (+1.2 billion Euro).
- Introduce a new, **transparent and sustainable system of financing child care** (task oriented municipal fiscal equalisation scheme<sup>2</sup> including the "Chancenindex"<sup>3</sup>).

### Unequal distribution of paid and unpaid working time:

Women work on average 65 hours per week – 2 hours more than men. 25 hours of their work per week is unpaid (men: 16 hours). Austria has very long hours in full-time (AT: 42.6 h, EU-28: 41.1 h).

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### Remedies

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- Need to involve fathers more strongly in family responsibilities through an entitlement to **a month of paternity leave for fathers** following the birth of their child.
- Last reduction of **weekly full-time standard** working time by law in 1975. A further reduction would help to bring more women into full-time work and involve men in care work.

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## Current government policies

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Some recently introduced measures are likely to widen the Gender Pay Gap:

**Increasing maximum working hours to 12 hours per day/60 hours per week** (bill passed without involvement of social partners and any serious prior discussion).

- Longer working hours will force couples to split work more traditionally: men work long hours, women concentrate more on childcare.

**Slowing down investment for all-day schools:** The € 750 millions, originally supposed to be spent until 2025, are now to be used until 2032 – which means de facto a 50% reduction.

- Lack of full-day schools will be tackled too slowly – women with children are even more forced into part time

**Family Tax Bonus Plus:** Deduction of € 1,500 annually per child up to the 18th birthday; costs at least € 1.5 billion per year.

- **Men profit by far more than women:** more than  $\frac{3}{4}$  of the volume will go to men. There is no incentive for women to work longer hours.
- The amount of money spent on the “Family Tax Bonus” **could have been used more effectively to solve all urgent problems in child care** (number of places, opening hours, quality etc.). Public spending on child care amounts to € 2.5 billion (2016), the expected reduction of tax revenues due to the Family Tax Bonus constitutes 60% of public expenditure on child care (€ 1.5 billion).<sup>4</sup>

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## Necessary Policies on EU-Level

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With the **EU Action Plan 2017-2019: Tackling the gender pay gap** (COM (2017) 678 final) as well as in the **Draft Council Conclusions on the Gender Pay Gap and Policies to Improve Work Life Balance** (6656/19) provides a long list of useful measures to tackle the Gender Pay Gap.

With regard to areas in which the European Union can act decisively and effectively in view of its authority, the following should be given special priority:

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### Section “Calls on the member state”:

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**No. 10) Raise awareness about the rights to work-life balance:** awareness of parents or carers is not the problem, as they are confronted with the challenge of reconciliation of work and life on a daily basis. Instead, enterprises and employers have to be the target group of awareness-raising.

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### Section “Calls on the member state and European Commission”:

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**No. 13 a) Measures to improve pay transparency and the enforcement of the principle of equal pay for equal work or work of equal value.**

In this measure, a link should be made to the EU Action Plan 2017-2019, Action 1: “Improving the application of the equal pay principle”, which suggests making the following measures mandatory:

- entitlement of employees to request information about pay levels;

- regular reporting by employers of wages;
- clarification of the notion of work of equal value;

**No. 13 b) Measures to ensure that the selection of candidates to corporate management positions in the private and public sectors is based on unambiguous, objective and gender-neutral assessment and on the merits and qualifications of the candidates.**

This is too limited a scope to achieve the goal of more women in decision-making. Therefore, a link to the EU Action Plan 2019-2019 is required. Action 3: **“Combating vertical segregation”** asks for the adoption of the draft directive 2012/299 of 14 November 2012, on:

- establishment of a mandatory gender quota of 40 per cent for the boards of listed companies;
- effective sanctions for non-compliance with the objective;
- mandatory selection procedures for board members, with neutrally formulated and un-ambiguous criteria;

**No. 20)** While including the **European Structural and Investment Funds** in the strategy of tackling the Gender Pay Gap, the measures suggested in the Draft Council Conclusions (No. 20) are not concrete enough. It is necessary to implement a strong and coherent **Gender Budgeting Principle in all EU-Funds**. Sadly, the current proposal falls behind standards that have been achieved in the past.

Furthermore, **funds have to be dedicated for improving social infrastructure** on a mandatory basis, especially in the European Agricultural Fund for Rural Development (EAFRD) as the childcare situation in rural areas is especially insufficient.

Furthermore, some points have to be raised regarding the following measures:

**No. 15) Create incentives to encourage fathers to take up parental leave and to use flexible work arrangements:** The current draft of the Work-Life Balance Directive provides for a ten day paternity leave for fathers following the birth of their child. This is a good first step. But to involve fathers in a more sustainable way, paternity leave should be extended to a period of a full month.

**No 17) Facilitate workers' return to work following a period of leave, as well as their return to the full-time working pattern after a period of part-time work:** In this context, a right for parents to return to full time should be introduced.

**No 18) Implement all relevant measures needed to achieve the Barcelona targets on childcare facilities:** The Barcelona targets are extremely useful. They should be made once again mandatory with an appropriate time-line to meet them.

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#### Footnotes

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- 01** [http://www.statistik.at/web\\_de/statistiken/menschen\\_und\\_gesellschaft/bildung\\_und\\_kultur/formales\\_bildungswesen/kindertagesheime\\_kinderbetreuung/index.html](http://www.statistik.at/web_de/statistiken/menschen_und_gesellschaft/bildung_und_kultur/formales_bildungswesen/kindertagesheime_kinderbetreuung/index.html)
- 02** <https://awblog.at/neue-finanzierung-von-kinderbetreuung-und-bildung/>
- 03** <https://awblog.at/chancenindex/>
- 04** Cf. <https://awblog.at/kluge-familienpolitik/>



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## About us

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The Austrian Federal Chamber of Labour is by law representing the interests of about 3.7 million employees and consumers in Austria. It acts for the interests of its members in fields of social-, educational-, economical-, and consumer issues both on the national and on the EU-level in Brussels. Furthermore the Austrian Federal Chamber of Labour is a part of the Austrian social partnership. The Austrian Federal Chamber of Labour is registered at the EU Transparency Register under the number 23869471911-54.

The main objectives of the 1991 established AK EUROPA Office in Brussels are the representation of the BAK vis-à-vis the European Institutions and interest groups, the monitoring of EU policies and to transfer relevant information from Brussels to Austria, as well as to lobby the in Austria developed expertise and positions of the Austrian Federal Chamber of Labour in Brussels.