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Assembly

Committee for Employment and Learning

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Under article 157 of the Treaty on the Functioning of the European Union, each EU member state has a responsibility to ensure that the principle of equal pay for male and female workers is applied. The EU defines the gender pay gap as being the relative difference in the average gross hourly earnings of women and men in the economy as a whole. That was estimated to be 16.2% in the EU as a whole in 2011. The most recent annual survey of annual earnings in Northern Ireland, published in November 2012, found that women's earnings here were 91.8% that of men's. In Northern Ireland, female and male wages are more closely aligned than in the rest of the UK. For example, the ratio of female to male median hourly earnings, excluding overtime, for full-time and part-time employees in Northern Ireland is 90.3%. For the UK as a whole, the figure is 80.3%. Despite the closer alignment of female and male wages in Northern Ireland, there is still a significant gender pay gap.

The EU has identified five main reasons for the persistence of the pay gap. The first is direct discrimination, with some women being paid less than men for doing the same job. However, that factor explains only a small part of the gender pay gap, with EU and national legislation proving effective in tackling the issue. The second reason is the undervaluing of women's work. More frequently, women earn less than men for doing jobs of equal value. One of the main causes is the way in which women's competences are valued compared with men. The third reason is segregation in the labour market. Women and men tend to work in different jobs, with women and men often predominating in different sectors. For example, in Northern Ireland, 88% of employed women work in the services sector, compared with 57% of males. The fourth reason is traditions and stereotypes. In some cases, that may reflect personal choices, but traditions and stereotypes may also influence choice of educational path and, consequently, professional careers that girls and women take. That can be clearly seen in the enrolment figures for higher education courses in Northern Ireland in 2011-12, with 78% of those enrolled in education courses being female and only 17% enrolled in engineering and technology courses. The final reason is balancing work and private life. Women experience greater difficulties than men when it comes to balancing work and private life, with extensive family, care and domestic responsibilities. As such, women are more likely to take parental leave or take on part-time work to meet the demands.

A number of actions have been taken to tackle the gender pay gap in the European Union. Those include a 2007 communication that identified the causes of the problem and measures to deal with it; awareness-raising campaigns; exchanges of good practice; and projects such as the Equality Pays Off project, which was a 2012 initiative to help raise awareness among companies of the pay gap and methods for tackling it.

Although not legislative in nature, the proposed initiative is intended to promote and facilitate effective application of the principle of equal pay in practice and assist member states in finding the right approaches to reduce the persisting gender pay gap. It has not been possible to find further information on what actions the recommendation will encourage member states to take. That may be because it is still in development, and little detail has been published on it. However, any actions around the gender pay gap can be beneficial to individuals and the economy, through companies being able to recruit and retain the best staff; improved company productivity; greater profitability for the economy; and promoting social justice and equal opportunities for everybody in society. The Committee may wish to ask the Department whether it has had any input into the recommendation or the initiative at this point.

The second area for discussion is an update on the proposal for a directive on measures to facilitate the exercise of the rights conferred on workers in the context of freedom of movement for workers. On 26 June, the Committee requested that RaISe keep a watching brief on this matter. The draft directive was outlined in April, and it reaffirmed the rights of EU migrant workers to live and work freely in the EU and called for barriers to their free movement to be removed. In 2011, it was raised that only 3.1% of working-age citizens living in the EU worked in a member state other than their own. That was identified as an issue by the EU.

As stated by the Internal Market, Infrastructure and Employment Sub-Committee of the House of Lords Select Committee on the European Union:

"While EU rules on free movement of workers are long-established, the European Commission argues that the way in which they are applied in practice can give rise to barriers and discriminatory practices (perceived or real) for EU migrant workers when working or looking for work in another Member State."

I will now provide a brief update on the current progress of the directive. The aforementioned House of Lords' EU subcommittee recently scrutinised it in more detail. It took evidence sessions from the

Centre for European Reform, the Migrants' Rights Network, the National Institute of Economic and Social Research and a few additional groups. It also received evidence from the Minister for Immigration. On 4 September, the subcommittee wrote to the Minister, presenting a number of conclusions on the directive. First, it stated that although there is scope for non-legislative action at an EU level, the proposal for a directive is not necessary and that the Commission should concentrate its efforts on enforcing existing legislation.

Effectively, it is arguing that legislation is already in place in directives across Europe that tackle the issue and that the main problem is that member states are not enforcing the legislation. If there were enforcement, there would not be the same issue. However, the EU has countered that argument by saying that the ineffectiveness of member states' ability to enforce the legislation requires a directive that would legally bind them to enforce it rather than doing it in a slightly different way.

The subcommittee believes that free movement of workers in the UK is important in the current economic and employment climate and should not be curtailed. It believes that the extension of powers of existing bodies to create a national one-stop shop would have clear benefits to businesses, and subsequently to individuals. That would be, effectively, a single body or institution in each member state that would act as a contact point for people who have issues with employers having moved into a nation and would allow them to obtain information about their rights.

The subcommittee supports the Commission's aim to consolidate the existing rights of EU citizens to live and work in another member state. On the issue of subsidiarity, the Committee stated:

"we do not feel that the case against legislative action is strong enough to justify a formal subsidiarity complaint."

The Minister for Immigration raised a few issues about whether the directive itself would breach subsidiarity, but the Committee believes that it does not, because it is a necessity on the grounds that there has been a lack of enforcement of the existing legislation. A review of the subcommittee's published documents did not find a response to the letter from the Minister.

RaISe will continue to keep the Committee apprised of any developments in the progress of the directive. If members have any questions, I am happy to try to answer them.

The Deputy Chairperson: Thank you, Eoin, for your presentation and, indeed, for the research paper that was circulated to members before today's meeting.

I note from the research paper that there are a number of proposals that we would deem to be of a fairly high priority, such as the Horizon 2020 framework programme and the structural and investment funds for 2014 to 2020. They are all identified as being high priority. It appears that they are all to be completed by the third and fourth quarter of this year. Your research paper states, however, that no information has been found on the progress made to date on the proposals. Surely that gives us some concern. These are high priority matters, which the Committee has been looking at from a European perspective, yet we are coming very close to the deadline for adoption of the reports, and your research paper indicates that still no information has been found on the proposals.

Mr Murphy: As I said, the majority of the proposals are non-legislative, which generally means that they are guidelines that have been produced in-house in the European Commission. Unless it publishes information, we cannot find it. We can contact the Commission to find out whether any updates are coming through, but generally it holds on to the information quite tightly until it is published. Further information may come out soon, but I have not been able to find any updates on publications or any further details since July in the internal searches that I have done.

The Deputy Chairperson: That leaves the Committee at a bit of a loss as to what is coming forward.

Mr Murphy: As well as that, "adoption" means that information is published. It is a confusing term. It means that the information has not gone to the European Parliament yet. It has not gone to stage 1, as it would be here. There is still a consultation phase generally when it hits stage 1. These are almost what could be called pre-publication stages. There is very limited information, because the draft is still being developed. After publication, it goes to European Committees and to national Parliaments for comment, after which it goes back in before it goes to the European Parliament for the legislative initiatives to be made. Therefore, these documents appear very early in the process. It is

similar to what happens here before the First Stage of a Bill. A large amount of information would not be available until the Bill is published, if that makes sense.

The Deputy Chairperson: That explains it, Eoin. No other members wish to comment, so thank you for coming and making your presentation. Your research paper is very informative.

Mr Murphy: Thank you.