University Women of Europe (UWE) v. Belgium
Complaint No. 124/2016

OBSERVATIONS BY EQUINET, EUROPEAN NETWORK OF EQUALITY BODIES

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Observations on Equal Pay in Belgium

Institute for the Equality of Women and Men
Belgium has made significant progress regarding gender equality in the last decades. In 1986, for example, just under four out of ten women was active on the labor market. In 2016, almost six out of ten Belgian women were working. The glass ceiling is also showing cracks, with an increasing number of women in decision making. However, the last mile to reach total gender equality seems to be the longest one, which is illustrated by the persisting gender pay gap.

This report gives an overview of the general situation regarding the Gender Pay Gap (GPG) in Belgium. It describes the existing legal framework, and identifies the main obstacles in closing the GPG. Finally, an overview is given of the measures currently taken to address the GPG in Belgium.

I. General situation

Data from Eurostat from 2014 and 2015 show that the Gender Pay Gap in Belgium, based on hourly wages, stands at 6.5%, and the gender overall earnings gap, based on annual earnings, at 31.1%.

The Belgian Gender Pay Gap Report of 2017, published by the Institute for the equality of women and men (Institute), shows the following data concerning the GPG in Belgium:

- The GPG based on hourly wages amounts to 7.6%;
- The GPG based on annual pay amounts to 20.6%;
- The GPG based on hourly wages between men working full-time and women working part-time is 17%;
- The GPG increases with age going from 2% for 25-34 year-olds, to 7% for the 35-44 age group, 10% for the 45- to 54-year-olds, to a maximum of 16% for the 55- to 64-year-olds;
- The sectors with the highest GPG (22-32%) are aviation; production and distribution of electricity, gas, steam and cooled air; the manufacture of computer products and of electronic and optical products; the manufacture of clothing; and the supporting activities for insurance and pension funds;
- The GPG is highest among vendors (16.1%); specialists in the area of business management and administration (14.3%); and operators of fixed machines and installations (14.1%).

Compared to the Gender Pay Gap in other Member States of the European Union, Belgium has a relatively low GPG. Data from Eurostat from 2014 and 2015 (see above) show that the average GPG in the EU is 16.3% and the average gender overall earnings gap in the EU is 39.6%.

However, if we look at the evolution of the GPG in Belgium over the years, we see that the gap is rather tenacious. In 2007, the first year the Institute conducted the annual GPG Report, the GPG based on hourly wages was 13.6% and based on annual wages 25.3%. In 2016, it amounted to 7.6% and 20.9%, respectively. We can conclude that the Belgian GPG is decreasing, but this evolution continues to happen at a very low pace.

II. Legal framework

a. Law on the Gender Pay Gap

In 2012, a law was voted to tackle the Gender Pay Gap (Law No. 2012204357 of 22 April 2012 on measures to combat the gender wage gap, amended by the Law of 12 July 2013 and the Law of 27 April 2015).

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1 Data taken from the fact sheet on the GPG in Belgium published annually by the European Commission. ec.europa.eu/newsroom/just/document.cfm?doc_id=48075
3 Consultation of annual GPG reports published by the Institute between 2007 and 2016.
Various implementing decrees have been adopted:

- The Royal Decree of 17 August 2013 implementing Chapter 4, section 2, of the Law of 22 April 2012 on measures to combat the gender wage gap, on joint committee procedures;
- The Royal Decree of 25 April 2014 on the analytical report on wage structures;
- The Royal Decree of 25 April 2014 on the role of the ombudsman in the fight against the gender wage gap;
- The Ministerial Order of 25 April 2014 establishing the models for the forms to be used as the basis for the analytical report on wage structures.

The main obligations that result from the Gender Pay Gap Law are:

- At inter-professional level: the obligation to negotiate measures to fight the GPG.
- At sector level: All function classifications are to be checked by the Federal Public Service of Employment, Labour and Social Dialogue (FPS Employment) on their gender neutrality.
- At company level:
  - In its social balance sheet, each employer should provide the following data, disaggregated by sex: data on the average amount of full-time and part-time employees, the average number of hours performed by these employees, staff expenses of these employees, the amount of the fringe benefits, and the number of trainings followed. The employer has to deposit the social balance sheet at the National Bank of Belgium, who publishes it on its website.
  - Every two years, each employer employing at least 50 employees, should present a report to the works council, with an analysis of the wage structure of the company (the so-called analysis report). On the basis of this report, the works council and the employer can, by mutual agreement, judge that the wage structure is not gender neutral and draw up an action plan to work towards a gender neutral wage structure.
  - Each employer employing at least 50 employees, can designate an employee as mediator to advise the employer and the works council on the merit of the action plan mentioned in the previous point, to advise the employer on the advancement of this action plan, and to support victims of pay discrimination in the company.

Accomplishments and challenges of the 2012 Gender Pay Gap Law:

- Before this law was passed, national (case) law did not address wage transparency in any way. The current GPG Law creates a legal framework and gives a positive message in favor of equal pay.
- The Gender Pay Gap Law involves all labor market actors (including politicians, employers’ federations, trade unions, employers, etc.), giving each actor a responsibility. The GPG law is an important step forward to increase the visibility of the GPG and encourage the labor market actors to tackle this issue at each level of the labor market;
- The law leads to a large-scale evaluation of function classifications regarding their gender neutrality. In 2013 and 2014, 85 different committees deposited more than 150 applicable job classifications. Since mid-2014, the FPS Employment verifies all new job classifications. Gender neutral function classifications play an important role in the implementation of equal pay for women and men. The monitoring of these classifications at national level ensures that all sectors are involved and that the same standards are applied;

However:

- This law’s measures only apply to the private sector;
- The measures only help to advance pay transparency to a limited extent because:
The obligation to draw up an analysis report does not apply to smaller companies, i.e. those companies employing less than 50 employees; the analysis report is for internal use of the works council only. The report does not have to be deposited at any official institution. Thus, it remains unclear how many companies comply to the obligation of drawing up an analysis report, what the quality of the reports is, and what the works councils do with the analyses; the social balance does not include detailed information per sex, nor per employee, on all different aspects of remuneration; the National Bank can notify the employer of the insufficient quality of the data deposited, but if the data are not corrected after this notification, they are simply not published. In practice the National Bank does not impose any sanctions.

There are insufficient or no guidelines on:
- How employers should draft the social balance. The GPG Report 2017 of the Institute states that “Almost a fourth of all companies filled out the social balance incorrectly.”
- How employers should interpret and act upon the analysis report.
- How members of the works council should read and interpret the statistics.

Concerning the mediator:
- Employers are not obliged to appoint a mediator, and have no real incentive to do so.
- There is also little incentive on the employees’ side to volunteer as a mediator. Since the protection mechanism against less favorable treatment or dismissal remains vague, there is little incentive employees’ side to volunteer as a mediator. Given the delicate role of the mediator within the company, a strengthening of this employee’s protection should be considered.
- It is unclear how the mediator has to fulfill his role in practice.

Issues concerning the evaluation of the gender neutrality of function classifications at sector level, conducted by the FPS Employment:
Evaluation method: Whether the function classifications pass the test of gender neutrality or not, depends on the answer to one question, namely “Do the job titles in the factual classification contain references to gender?” If the answer to that question is that some job titles have an exclusively masculine form, while others have an exclusively female form, the function classification does not pass the test. This criterion alone is unsatisfactory to judge whether or not the function classification is indeed gender neutral. Due to this method only few function classifications were considered not to be gender neutral, namely between 5-6% of the evaluated classifications.
- The consequences of the evaluation under current law: There is no legal obligation to change function classifications if they do not pass the test of gender neutrality, nor is there a real sanction if the classifications are not changed. Joint industrial committees are only obliged to give a valid justification for not changing the function classifications within a period of 2 years. It is only when they do not give such a justification that they are named on a list that is delivered to the Minister of Employment and to the Institute for the equality of women and men.
- There is no explicit prohibition of pay discrimination, nor a definition of remuneration of work of equal value included in the law.

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b. Collective Agreement No. 25 of the National Labour Council, of 15 October 1975, concerning equal pay for male and female workers

Main observations on this agreement:

- Art. 3 mentions the following regarding function classification systems: “Job evaluation systems must ensure equal treatment in the choice of criteria, in the weighting of those criteria and in the system of conversion of function points into pay points”;
- There is a broad definition of remuneration in accordance with European (case) law. Article 4 states that remuneration includes pay, tips, benefits provided by the employer, holiday bonuses and benefits provided under occupational social security schemes;
- The agreement mentions the principle of equal pay for equal work or work of equal value, but does not define the latter;
- It is only applicable to the private sector.

c. Gender Discrimination Act

The Act of 10 May 2007 prohibiting discrimination between women and men (Gender Discrimination Act) prohibits all forms of discrimination based on gender on the labour market, therefore including pay discrimination (art. 19). The Gender Discrimination Act provides different protection mechanisms including:

- Nullity of provisions contrary to the Act (art. 20);
- Protection against victimization or retaliation (art. 22);
- Compensation of actual damage or a fixed compensation equal to 6 or 3 months of gross income (art. 23);
- Cessation claim (art. 25);
- Shift of the burden of proof (art. 33);
- Penal sanctions (art. 27-28/2).

Observations on this law with regard to GPG:

- It is applicable to the public and private sector;
- There is a broad definition of remuneration in accordance with European (case) law. Art. 6, §2, 2° mentions pay, benefits provided by the employer, holiday bonuses and function classifications.
- There is no special mention of the principle of equal pay for equal work or work of equal value, neither is there a definition of work of equal value;

III. Obstacles in closing the Gender Pay Gap in Belgium

a. Obstacles in access to justice

- Underreporting of pay discrimination by victims. With regard to pay discrimination the Institute received 7 notifications in 2014, 7 in 2015, and 4 in 2016. This is only a very small amount of the total number of notifications received in those respective years (2014: 366, 2015: 463, 2016: 549);
- Unwillingness to file a complaint concerning unequal pay against current employer. In cases where the notifier is still working for the employer, there is an unwillingness to allow the Institute to intervene in the case beyond providing advice and information on the legal framework. Often no further measures are taken as victims are afraid of the consequences such a complaint will have on their function and employment conditions;
• Limited role of trade unions in treating pay discrimination cases. The Institute does not have data on the number of cases of pay discrimination the trade unions receive or on how trade unions handle or follow up pay discrimination claims. It is rare that a trade union informs the Institute about a pay discrimination claim. The Institute is not aware of national case law on pay discrimination in which a trade union defended a union member before the court;

• Lack of awareness of victims of their rights with regard to equal pay. People are conscious of a general GPG, but have little knowledge of potential gaps in their own individual case, and of the authorities they can turn to in case of pay discrimination;

• Lack of awareness of employees of their pay in comparison to that of their co-workers. The lack of pay transparency in individual companies makes it difficult for female employees to know whether they are being paid less than their male counterparts;

b. Obstacles in the judicial system

• There is no legal provision on the definition of work of equal value, nor any legal stipulation on who can function as a comparator, hypothetical or otherwise. Consequently the jurisprudence was forced to develop such a definition, leading to a national case law that interprets work of equal value so strictly that it (almost) coincides with the term equal work. In this regard the Belgian case law lags behind on the case law on European level and that of other Member States, where two different professions were judged to be comparable.\textsuperscript{7} An illustration of such a limited interpretation can be found in the judgment of the employment tribunal of Gent of 10 August 2017, rendered in a case in which the Institute intervened.\textsuperscript{8} The judge in this case declared the argument of work of equal value unfounded, because the three female employees who were paid less than their male counterparts did not execute the exact same tasks, requiring the same competences, as their male colleagues. However, the individual booklets in which the employees had to report their tasks showed that the three female employees, who earned less than their male counterparts, worked on the same orders and documents, and conducted within this framework the same or similar acts as their male colleagues. Including a clear definition of work of equal value in Belgian legislation could help advance the case law on this point.\textsuperscript{9}

• Little national case law on equal pay. On a yearly basis, the Institute publishes an overview of legislation and jurisprudence regarding the equality between women and men on the labor market.\textsuperscript{10} This overview includes a separate subsection for national case law on equal pay. In 2018, this section contained 28 cases.

• Lack of knowledge of European and national (case) law concerning equal pay by magistrates. A good illustration is the judgment referred to above. In this case the magistrate judged, on the one hand, that the function and wage classification of the employer was insufficiently transparent, but on the other hand, that the burden of proof was not shifted. The judge seemed to be unaware of the \textit{Danfoss} judgment,\textsuperscript{11} where the Court of Justice found that a non-transparent wage system shifts the burden of proof, even though the lawyers referred to this judgment in their written arguments.

\textsuperscript{7} ECJ 27 October 1993, C-127/92, Enderby – concerning speech therapists and pharmacists. Cass. Soc. 6 July 2010 (FR) – concerning an HR manager and chief of legal services and a financial, commercial and information system director.

\textsuperscript{8} Employment Tribunal of Gent, section Veurne, 10 August 2017, 2017/864.

\textsuperscript{9} The Institute made the same recommendation in its publication “\textit{Stand van zaken inzake toepassing en doeltreffendheid van de Genderwet – Analyse en aanbevelingen}”, an overview of the state of affairs of the Gender Act published on the website \url{http://igvm-lefh.belgium.be/sites/default/files/103_stand_van_zaken_genderwet.pdf}.

\textsuperscript{10} This overview is entitled “\textit{Basisdocumentatie}” and can be downloaded or ordered on our website \url{http://igvm-lefh.belgium.be/nl/publicaties/basisdocumentatie}.

\textsuperscript{11} ECJ 7 October 1989, C-109/88, Danfoss.
• Magistrates are not always conscious of the complexity of the problem of GPG, as illustrated by the above-mentioned judgment. Although the case was highly complex, comparing several female and male employees who differed on several points, such as education, experience, or evaluations, leading to lengthy pleadings, the deliberation on the pay discrimination aspects of the case amounted to less than 2 pages.

• Difficulty to prove pay discrimination:
  o Due to the insufficient wage transparency in the private sector (see above), and the culture of secrecy regarding pay in Belgium, it is difficult for victims of pay discrimination to prove sufficient facts to presume a discrimination and shift the burden of proof, let alone to prove pay discrimination.
  o The labor inspectorate, that has the authority to gather evidence concerning pay discrimination, is not trained in the complexities of gender pay discrimination. Consequently, when put before the judgment of a magistrate, the gathered evidence is often of insufficient quality. In the same above-mentioned judgment, the magistrate found that the report drawn up by the labor inspectorate was insufficiently illuminating with regard to the supposed pay discrimination.
  o In addition, the competences of the labor inspectorate with regard to finding and sanctioning pay discrimination, are not sufficiently large.

c. Structural obstacles

• Vertical segregation on the labor market. Management and supervisory positions are overwhelmingly held by men. In 2016, the share of women in management committees was 16.1% and that in the board of directors of listed private companies 21.61%12. In 2008 these shares amounted to 7.4 % and 8.2%.13 In this regard, it should be emphasized that the Quota Law (law of 28 July 2011), that applies to autonomous public companies, listed companies, and the National Lottery, has had a clear impact on the number of women in their management committees and board of directors. Although progress has been made, vertical segregation is still strong and women remain scarce at the top in Belgian companies. The consequence of vertical segregation is that those who decide on wage often are not aware of its existence and/or have little or no interest in reducing the GPG.

• Horizontal segregation on the labor market. Some sectors are predominantly or almost exclusively composed either of women or men. Overall, occupations predominantly carried out by women are undervalued and offer lower wages than occupations predominantly carried out by men. An illustration from our annual GPG Report of 2017:
  o manufacture of metals in primary form: 92% men, average gross hourly income for men €21,12
  o social services with housing: 78,3% women, average gross hourly income for women €15,78

• Women take charge of important unpaid tasks, such as household work and caring for children or relatives, on a far larger scale than men do. The Institute’s research on gender and time use of 2016 shows following data14:

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On an average weekday, women spend 1h22 on household work and 1h15min on care for children, while men spend this time on paid work.

- Women, more often than men, tend to take periods off the labor market, mostly to take care of children or relatives. In 2014, 43.9% of the female employees worked part-time, versus only 9.6% of the male. These career interruptions not only influence annual earnings, but also impact future earnings, social security benefits, and pensions.

IV. Measures aimed at reducing and closing the Gender Pay Gap

a. Institute for the equality of women and men

The Institute for the equality of women and men was created in December 2002 as the autonomous federal public institution responsible for guaranteeing and promoting gender equality and for combatting any form of gender-based discrimination and inequality.16

Within this framework, the Institute can support victims of discrimination based on gender, including pay discrimination, by advising them on their rights, by mediation and, if necessary, by taking legal action. In the latter case the Institute will bear the legal costs if the victim does not have the financial means to pay for their own counsel.

The number of notifications the Institute receives annually has increased significantly over the past years, from 196 notifications in 2009 to 549 notifications in 2016. In 2015 and 2016, respectively 133 and 164 of these notifications concerned employment in general. In the category ‘terms of employment and remuneration’, the Institute received 30 and 37 notifications in 2015 and 2016 respectively.17 As mentioned above, the Institute received 7 notifications in 2015 and 4 in 2016 with regard to pay discrimination specifically. In four cases the Institute took legal action, others concerned information requests on the legal framework with regard to equal pay. The four cases are still pending, either because there has not been a judgment yet, or because the Institute lodged an appeal.

Other main competences of the Institute include conducting studies and research concerning gender discrimination and equality of women and men, and providing policy advise to improve laws and regulations. These studies and recommendations can be consulted on the Institute’s website http://igvm-iefh.belgium.be.

Specifically regarding equal pay, the Institute formulates policy recommendations in its annual GPG Report. The report of 2017 included the following policy recommendations:

- Increase women’s participation in labor;
- Reduce that type of part-time work that is taken up because people have no other choice;
- Effectively apply the Gender Pay Gap Law and make job classifications gender neutral;
- Make the application of the Gender Pay Gap Law in companies more efficient;
- Give wider competences to the labor inspectorate;
- Continue to analyse different sets of data;
- Improve the work-life balance for both women and men;
- Increase the representation of women in decision-making bodies within companies;
- Eradicate gender segregation.

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16 Law of 16 December 2002 concerning the foundation of the Institute for equality of women and men.
17 Detailed data on notifications and actions taken by the Institute can be found in its annual activity report “Activiteitenverslag” http://igvm-iefh.belgium.be/nl/publicaties/overview?f[0]=im_field_publication_theme%3A2563.
Within the possibilities and limitations of the existing legislation, the Institute has taken various specific measures to tackle the GPG in Belgium:

- **Raising awareness about the GPG:**
  - Annual Gender Pay Gap Reports. As from 2007, the Institute annually publishes a report on the GPG in Belgium, containing detailed data and clear policy recommendations. This project is realized in collaboration with the FPS Employment. The data are provided by the Directorate General Statistics – Statistics Belgium of the Federal Public Service Economy, SMEs, Self-Employed and Energy and the Federal Planning Bureau. These specialized reports analyze the GPG in Belgium, based on various indicators, and with attention to the impact of different factors of inequality. In addition to the analytical analysis, the reports enable to keep the GPG on the political agenda;
  - Specific trainings concerning the GPG to key actors, such as trade unions, the labor inspectorate, employers, and employment services (e.g. Actiris);
  - Financial support to different projects and campaigns organized by Zij-Kant (a women’s (rights) organization), and ABVV (socialist trade union), within the framework of the Equal Pay Day in Belgium. More specifically, the Institute subsidized the following projects: the campaign in 2015 concerning the barriers women and men face on the labor market, a publication in 2011 concerning the evolution of the GPG in Belgium over the past 10 years, and an information moment in 2014 organized by ACV, the Christian trade union, for different activists in undertakings concerning the law on the GPG and possible tools and actions to fight the GPG;
  - Colloquium “How to combat the wage gap between men and women: presentation of the new legal instruments”. As a result of the new Gender Pay Gap Law, the Institute organized, in collaboration with FPS Employment, a colloquium in 2015, where experts explained the different aspects of the new law to members of the government, managers, trade unions, social secretariats, and experts in Labor Law;
  - Research on some of the explanatory factors of the GPG:
    - *Gender and Time Use*, published in 2009 and 2016, concerning differences in time use between women and men, including paid work, leisure time, household work and child care.
    - *Women at the Top in Belgium*, published in 2009 and 2012, collecting data on the number of women in top positions in different domains, such as finance and banking, press and media, liberal professions, NGO’s or the political world.
    - *Women and Men in Belgium*, published in 2006, 2012, and 2018, containing statistics on women and men with regard to different domains, such as population, migration, education, participation in science and technology, decision-making, health, violence or crime.

- **Ensuring adequate cooperation and engagement of all stakeholders in ensuring equal pay:**
  - Task force Gender Pay Gap Law. To support the implementation of the GPG Law, the Institute for the equality of women and men took the initiative to set up a task force with the different services of the FPS Employment involved in the monitoring and implementation of the GPG Law. This task force meets at least twice a year on the initiative of the Institute. The mission of the task force is: to provide complete and harmonized information on the GPG Law; to sensitize the social partners on the issue of the GPG; to evaluate the implementation of the GPG legislation; and to coordinate the updating of the pages relating to the pay gap on the websites of the FPS Employment and the Institute.
  - Employers
    - The Institute has created a good practices database (http://www.igvm-action.be), that allows companies to share and consult good practices
elaborated by other companies and that promote gender equality. At this moment the database collects over 60 good practices from different kinds of companies and different sectors in Belgium. 

- The Institute has developed a calculating tool that allows companies employing more than 50 employees, to calculate their GPG.
  
  - Labor inspectorate. In 2014, the Institute signed a cooperation agreement with the Belgian labor inspectorate (“Toezicht op de Sociale Wetten”), which enables the two organizations to work together regarding gender based discrimination complaints. Within this framework, the Institute can ask the labor inspectorate to investigate certain facts, whereupon the labor inspectorate draws up a research report and hands this over to the Institute. This report can be used in court.

- Ensuring gender neutrality of function classifications:
  
  - EVA project. This project, concerning the gender neutrality of function classifications, was organized by the Institute, in cooperation with FPS Employment, the trade unions, and the employers’ organizations from 2001 until 2006. The project contained different actions: training and awareness raising of members of government, managers, and trade unions with regard to gender neutrality of function classifications; and research measuring the qualitative and quantitative impact of the use of analytical function classifications, i.e. based on qualities and competences needed for specific jobs. The project eventually resulted in a practical manual for companies on how to review function classifications in order to make them analytical.
  
  - Checklist gender neutrality in job evaluation and job classification. In 2007, the Institute developed a checklist that can be used as a resource by employers to evaluate the gender neutrality of their job evaluation and job classification system.

With regard to the different actions taken, it has to be emphasized that over time the number of notifications the Institute receives has increased significantly and our mission has broadened. However, the resources awarded to us have not increased, making it more difficult to fulfill our mission of ensuring gender equality.

b. Other key actors in ensuring equal pay

Some actions by trade unions include:

- The website www.loonwijzer.be. The Christian-democratic trade union developed a website that allows visitors to compare their own wage to the wage of people with similar professions. The underlying idea is to feed the discussion and to make people aware of (gender) pay differences. The website is still kept up to date by the research institute HIVA. It is linked to an international network, the Wage Indicator Network (www.wageindicator.org).
- Training given internally by trade unions concerning GPG.