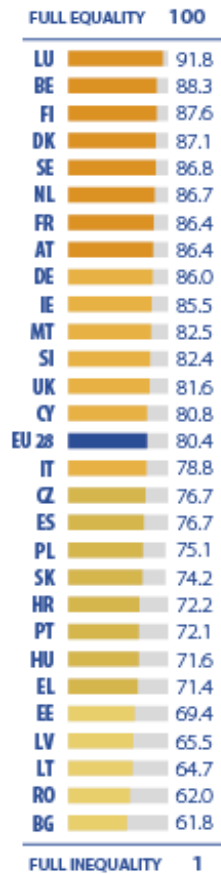


Gender Equality Index 2019. Work-life balance

3. Domain of money

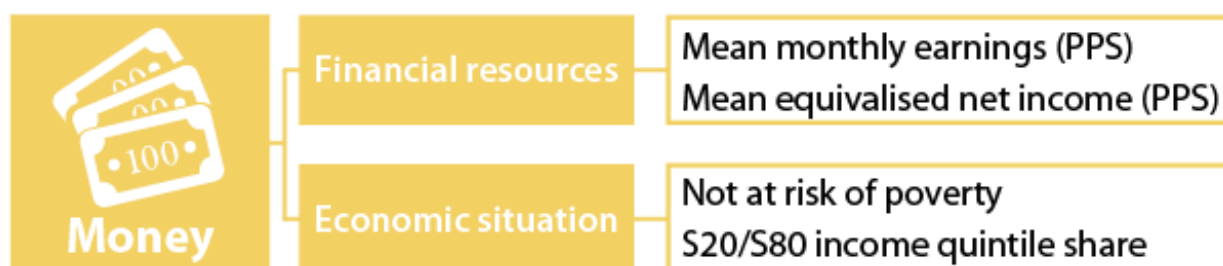
The discrepancies between the national economic performance measurements and the public's own evaluations of living standards have led to a call for a people-centred economy that would enable sustainable and more inclusive economic development (World Economic Forum, 2018). Recent years have seen wage increases and higher disposable income among households in a large majority of Member States (European Commission, 2018b). At the same time, Europe faces an increasing socioeconomic divide between those with the highest share of economic capital and the poorest (OECD, 2017). Despite progress on gender equality, inequalities between women and men in this domain remain a key aspect of this divide. Addressing this is essential to achieving sustainable and inclusive economic growth, as well as a decent living for all.

Money



Across the EU, women receive disproportionately lower earnings than men. The EU gender gap in hourly pay is 16 % (European Commission, 2018c). The pay gender gap rises to 40 % when employment rates and overall labour-market participation are considered. The ramifications include a 37 % gender gap in pension income, a situation that will persist for decades to come (European Commission, 2018d). Women’s economic independence, therefore, is far lower than men’s, particularly as one in five women workers in the EU belong to the lowest wage group, compared to one in 10 men (EIGE, 2017d).

Structure of the domain of money



The domain of money measures gender inequalities in access to financial resources and women’s and men’s economic situation. The sub-domain of financial resources includes women’s and men’s monthly earnings and income measured through two indicators. These are mean monthly earnings from work and mean equivalised net income. This latter indicator includes pensions, investments, benefits and any other source in addition to earnings from paid work. Both indicators are expressed in the purchasing power standard (PPS), which is an artificial currency that accounts for differences in price levels between Member States.

The sub-domain of economic resources captures women’s and men’s risk of poverty and the income distribution among women and men. Included among the indicators are the percentage of the population not at risk of poverty (those with an income above or equal to 60 % of the national median income) and the ratio of the bottom and top quintile by sex. The latter indicator is used to measure the level of income inequality among women and among men.

Economic independence is an essential requisite for the self-fulfilment of women and men and guaranteeing equal access to financial resources is critical to the process. The European Commission’s EU action plan 2017-2019 – tackling the gender pay gap, aims to achieve this through action on eight priority areas to address the underlying root causes. This includes reinforcing the application of the equal pay principle and fighting occupational segregation. In January 2019, the Commission launched a follow-up public consultation to assess the impact both of existing EU legislation and of pay transparency recommendations.

The principle of equal pay for work of equal value, enshrined in the European treaties since 1957, was reiterated as a principle in the 2017 European Pillar of Social Rights and made a priority in the European Commission's Strategic Engagement for Gender Equality 2016-2019 and in the Council's European pact for gender equality (2011-2020). The link between reducing inequalities and the fight against poverty and other deprivations is also at the core of the sustainable development goals (SDGs). Adopted by United Nations member states in 2015 and endorsed by the EU, this shared blueprint for sustainable well-being includes targets on ending poverty, attaining gender equality and providing decent work and economic growth.