

# Gender Equality Index 2020: Digitalisation and the future of work

## 3. Domain of money

Women's economic empowerment is central to realising women's rights and gender equality. Investing in women's economic independence enables more inclusive economic growth and the eradication of poverty and social exclusion. The 2030 Agenda for Sustainable Development is based on the premise that women's economic empowerment is crucial to sustainable development.

Throughout the economic crisis and subsequent recovery, many women continued to experience precarious working and living conditions across the EU, with the economic impact of the COVID-19 pandemic likely to have further detrimental effects on women. The ILO estimates that almost 25 million jobs could be lost worldwide as a result of COVID-19, with up to 35 million additional people facing working poverty<sup>[1]</sup>.

Women are more likely to be in temporary, part-time and precarious jobs, and to be employed in the informal sector, all of which are particularly vulnerable to economic shock. Women are lower paid, save less and have limited access to social protection.

Recent decades have seen the world of work radically transformed by advances in digital technologies. These pose some new challenges for and risks to gender equality. Digitalisation may hold out the promise of flexibility, achievement and creativity for well-educated and highly skilled women, but it simultaneously tends to increase non-standard and precarious employment, such as short-term, part-time, low-paid and socially unprotected forms of labour, for the less privileged segments of the female workforce (see Section 9.2).

Together, these inequalities tend to lead to particularly acute economic disadvantage, particularly for vulnerable groups of women, including younger and older women, lone mothers, and women from migrant communities or other minority groups (EIGE, 2020a). They therefore require a broader approach to analysing economic policies and their impact on the overall well-being of individuals, particularly women.

This is reflected in the wider trend in EU policy towards a more social Europe. For example, gender equality is one of the key principles of the European Pillar of Social Rights and features in several of its other principles as well. The Pillar reinforces equal opportunities to access to financial resources, for instance, by reiterating the principle of equal pay for jobs of equal value. It establishes the rights to adequate minimum income benefits and to equal opportunities for women and men to acquire pension rights (European Commission, 2018e).

However, the EU has limited competence to intervene directly in Member States' social policy initiatives, which means that the implementation of the main principles of the Pillar remains uncertain.

Since 2013, the EU has strengthened initiatives to tackle the gender pay gap. The 2014 pay transparency recommendation (Commission Recommendation 2014/124/EU) provided guidance to Member States on how to apply the principle of equal pay and achieve greater transparency in pay structure and levels. It was followed in 2017 by the EU action plan (2017–2019) on tackling the gender pay gap (COM(2017) 678 final), which called on Member States to apply effective equal pay legislation.

The EU gender equality strategy 2020–2025 goes a step further and proposes binding measures on pay transparency. In the 2021 *Pension adequacy report*, the Commission, together with the Council's Social Protection Committee, will undertake an assessment of gender inequality in sharing risks and resources in pension systems. The provision of pension credits for care-related career breaks in occupational pension schemes has been proposed in the strategy as a means of strengthening gender equality in pension rights.

The Commission also proposes to address the higher proportion of women living in poverty, particularly in older age, through the structural reform support programme.

## Footnotes

[1] ILO, 'Almost 25 million jobs could be lost worldwide as a result of COVID-19, says ILO' ( [https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS\\_738742/lang-en/index.htm](https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_738742/lang-en/index.htm)).