THE GENDER PAY GAP IN EU LAW: AN ITALIAN PERSPECTIVE
by Donata Gottardi and Marco Peruzzi

Cambridge Journal of Economics
Symposium 7-8 June 2013
Cambridge University
According to Eurostat, Italy ranks as the third most virtuous member state in the EU-27.
Is Italy one of the EU member states where women are the least discriminated against?

**the GPG in ITALY in 2010**

- **EUROSTAT**: 5
- **ISTAT**: 22
- **BANCA D'ITALIA**: 24

**EUROSTAT** | **ISTAT** | **BANCA D'ITALIA**
---|---|---
0 | 22 | 24

The GPG in ITALY in 2010
The debate in the context of the EES has persistently confirmed the validity of the hourly pay gap as the recommended «key indicator»

«The ratio of the average gross hourly earnings of female and male paid employees aged 15-64 who work at least 15 hours per week». 

«Hourly earnings are obtained by dividing gross monthly normal earnings from the main job by four times the number of worked hours per week in the main job, including normal overtime, but excluding bonuses, irregular overtime, any 13th month payments and the like» (CEC 2003)
the reference to the GPG in Country Specific Recommendations in the EES
The Crisis and the recent slight decline of the GPG in the EU

Two of the main factors that have contributed to the decline in the gender pay gap have been cuts in the extra wage components of pay packets, which are «typically more important for men’s pay», and sectoral segregation, as «the gender pay gap tends to be wider in private concerns, which lost weight during the recession in favour of public concerns, where the gap is more contained, and women are over-represented»

(The 2012 Report on the Application of the EU Charter of Fundamental Rights)
The GPG and the Crisis in the EU
The Case of Italy

Source: Eurostat
The case of Italy is particularly useful to highlight the limits and shortcomings of the GPG indicator used by Eurostat.
The employment rate of women is very low in 2012, 47.1% source: Eurostat; in 2013, 46.7% source: Istat

The Case of Italy: The «sample selection» effect

most employed women in Italy are those with a high level of education. As a result, women mostly have jobs with a medium-high professional content. A very low percentage of women work in manual jobs or jobs with no qualification
The GPG and the «sample selection» effect in the Italian industry sectors
(source: Istat 2013)

hourly-based GPG
The GPG and the «sample selection» effect in the Italian Regions (elaboration on Istat data)

- The GPG in 2010
- Women's employment rate in 2010
The GPG and the crisis in Italy

Graph showing the GPG and the crisis in Italy:
- **GPG**: Green line
- **Women's employment rate**: Blue line
- **Men's employment rate**: Red line

Yearly data from 2008 to 2013:
- GPG increases over time.
- Women's employment rate shows a slight increase.
- Men's employment rate decreases over time.
The Gender Time Gap in Italy
(source: Istat 2013)
The GPG in Italy
Hourly-based vs Annual-based Indicator
(source: Istat 2013)
The GPG in Italy
Hourly-based vs annual-based indicator
(source: Istat 2013)

Graph showing the comparison between hourly and annual earnings across different age groups. The graph indicates a gender time gap in earnings.
in Italy more than one over four women has a part-time job (29.3%), against 5.9% of men.

in Italy part-timers’ hourly earnings are basically 28.4% lower than full-timers.

The GPG and The Time Gap: The double penalty of women

The negative impact on the calculation of pension benefits
Women’s and men’s availability to overtime in relation to the number of children

- no children younger than 6
- one child younger than 6
- two or more children younger than 6

[Line graph showing the trend]
The GPG and the part-time gap in Italy: hourly earnings

Elaboration on 2013 Istat data
The GPG and the part-time gap in Italy: annual earnings

Elaboration on 2013 Istat data
What solutions at EU level?
Directive 2006/54/EC contains a definition of equal pay, by copying the provisions of Directive 75/117/EEC. To have more precise categories as tools for dealing with the gender pay gap (GPG) it is important to define the different concepts more precisely, such as:

– **GPG, the definition of which must not cover gross hourly pay alone**, while there needs to be a distinction between unadjusted and ‘net’ gender pay gap;

– **Remuneration, the definition of which should cover any net wages and salaries as well as any work-related financial entitlements and in-kind benefits**;

– Pension gap;

– Work of the same value, so that relevant factors are mentioned; ...