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DRAFT REPORT

on the gender pay and pension gap in the EU: state of play, challenges and the way forward, and developing guidelines for the better evaluation and fairer remuneration of work in female-dominated sectors
(2025/2038(INI))

Committee on Employment and Social Affairs
Committee on Women's Rights and Gender Equality

(Joint committee procedure – Rule 59 of the Rules of Procedure)

Rapporteurs: Irena Joveva, Mirosława Nykiel

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

**on the gender pay and pension gap in the EU: state of play, challenges and the way forward, and developing guidelines for the better evaluation and fairer remuneration of work in female-dominated sectors
(2025/2038(INI))**

The European Parliament,

- having regard to the Treaty on European Union (TEU), in particular Articles 2 and 3(3) thereof,
- having regard to the Treaty on the Functioning of the European Union (TFEU), in particular Articles 8, 19, 151, 153 and 157 thereof,
- having regard to the Charter of Fundamental Rights of the European Union, in particular its provisions on gender equality,
- having regard to Articles 22 and 25 of the Universal Declaration of Human Rights,
- having regard to the Commission communication of 5 March 2020 entitled ‘A Union of Equality: Gender Equality Strategy 2020-2025’ (COM(2020)0152),
- having regard to the European Pillar of Social Rights and its action plan (COM(2021)0102), in particular the 2030 headline targets and the EU Social Scoreboard,
- having regard to Directive 2006/54/EC of the European Parliament and of the Council of 5 July 2006 on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation¹,
- having regard to its resolution of 14 June 2017 on the need for an EU strategy to end and prevent the gender pension gap²,
- having regard to its resolution of 30 January 2020 on the gender pay gap³,
- having regard to its resolution of 21 January 2021 on the EU Strategy for Gender Equality⁴,
- having regard to Directive (EU) 2022/2041 of the European Parliament and of the Council of 19 October 2022 on adequate minimum wages in the European Union⁵,
- having regard to the report by Mario Draghi of 9 September 2024 entitled ‘The future of

¹ OJ L 204, 26.7.2006, p. 23, ELI: <http://data.europa.eu/eli/dir/2006/54/oj>.

² OJ C 331, 18.9.2018, p. 60.

³ OJ C 331, 17.8.2021, p. 5.

⁴ OJ C 456, 10.11.2021, p. 208.

⁵ OJ L 275, 25.10.2022, p. 33, ELI: <http://data.europa.eu/eli/dir/2022/2041/oj>.

European competitiveness’ (the Draghi report),

- having regard to the 2024 joint report by the Social Protection Committee and the Commission’s Directorate-General for Employment, Social Affairs and Inclusion entitled ‘The 2024 pension adequacy report – current and future income adequacy in old age in the EU’,
 - having regard to the report by the Commission of March 2025 entitled ‘2025 report on gender equality in the EU’,
 - having regard to the Commission communication of 7 March 2025 entitled ‘A Roadmap for Women’s Rights’ (COM(2025)0097),
 - having regard to Directive (EU) 2023/970 of the European Parliament and of the Council of 10 May 2023 to strengthen the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms⁶ (Pay Transparency Directive),
 - having regard to the Council conclusions of 3 December 2024 on ensuring work-life balance and gender equality for all generations in the context of demographic challenges,
 - having regard to the Council conclusions of 4 December 2024 on labour and skills shortages in the EU: Mobilising untapped labour potential in the European Union,
 - having regard to the Commission communication of 20 March 2024 entitled ‘Labour and skills shortages in the EU: an action plan’ (COM(2024)0131),
 - having regard to the report by the Commission of October 2024 entitled ‘Social Protection Committee Annual Report 2024’,
 - having regard to the Commission communication of 5 March 2025 entitled ‘The Union of Skills’ (COM(2025)0090),
 - having regard to Rule 55 of its Rules of Procedure,
 - having regard to the joint deliberations of the Committee on Employment and Social Affairs and the Committee on Women’s Rights and Gender Equality under Rule 59 of the Rules of Procedure,
 - having regard to the report of the Committee on Employment and Social Affairs and the Committee on Women’s Rights and Gender Equality (A10-0000/2025),
- A. whereas gender equality is a fundamental value of the European Union, enshrined in Articles 2 and 3(3) TEU, Article 8 TFEU and Article 23 of the Charter of Fundamental Rights of the European Union; whereas guaranteeing women’s economic independence is key to achieving gender equality;
- B. whereas in 2023, the EU gender gap in hourly pay was 12 %, with significant variations

⁶ OJ L 132, 17.5.2023, p. 21, ELI: <http://data.europa.eu/eli/dir/2023/970/oj>.

across Member States, in some cases exceeding 18 %; whereas, despite the fact that the employment rate for women continues to increase, the EU is not on track to halve its gender employment gap of 10 % by 2030 and the gap for women with children is higher at 16.5 %; whereas in 2024 only 7.7 % of men in the EU worked part-time compared to 27.9 % of women, whose main reason for working part-time was care responsibilities;

- C. whereas across the EU, women are more likely to work lower paid jobs that limit earnings and contribute to the gender pay gap;
- D. whereas the impacts of the gender pay and employment gaps compound for women in later life as evidenced by the gender pension gap, which stood at 25.4 % in 2023; whereas older women continue to be more exposed to poverty risks than older men in all Member States;
- E. whereas the motherhood penalty, namely the pay gap between mothers and fathers as well as between women with and without dependent children, represents a significant barrier to both full gender equality and long-term demographic and economic stability;
- F. whereas a more competitive EU economy, with more and better jobs, combined with proactive measures, will be key to closing the gender pay and pension gaps in a sustainable and growth-oriented way;
- G. whereas a dynamic, innovation-driven social market economy rewards skills, productivity and performance, thereby creating more opportunities for women to advance in high-value sectors such as technology, agriculture, industry, defence, medicine, law and finance;

State of play

1. Recalls that equal pay for equal work or work of equal value is a founding EU principle and that Member States have an obligation to eliminate gender discrimination in all aspects of remuneration;
2. Regrets the fact that, while there has been a modest reduction over the last decade in the average gender pay gap across the EU, the current pace of change remains insufficient to close the gap before 2100;
3. Recalls that across the EU, women, particularly older women and women with disabilities, are at greater risk of poverty than men and stresses that the gender pension gap is the result of accumulating pay inequalities over the course of a lifetime;
4. Recognises that the motherhood penalty not only contributes to the persistent gender pay and pension gaps, but can also discourage women who want to have children at a time when many EU countries are facing demographic decline;

Economic benefit of gender equality for competitiveness

5. Recalls that there is an economic, and moral, imperative to close gender gaps in pay and employment; highlights that such gaps cost the EU EUR 390 billion in 2023 because of lost earnings and welfare contributions and public finance costs; notes that closing the

gender employment gap would generate a 3.2 to 5.5 % increase in GDP per capita by 2050 and that higher wages encourage more women to enter the labour market;

6. Recalls that the Draghi report highlights that skills and labour shortages are seriously hampering EU productivity and growth; highlights that improving women's labour market participation and working conditions, particularly in emerging sectors linked to the twin transition, could help alleviate these pressures; calls for gender equality to be mainstreamed across the EU's competitiveness, industrial, skills and digital agendas;
7. Recalls that competition in EU labour markets encourages merit-based hiring and promotion practices, helping to reduce the biases that negatively affect women's career advancement and consequently penalise their earnings; notes, furthermore, that a resilient, growth-driven economy means more well-paid, formal jobs that enable women to build solid pension entitlements over their careers;
8. Considers that Member States should focus on reducing barriers to entrepreneurship, supporting work-life balance through flexible working arrangements and accessible and affordable care services, and investing in upskilling, including for older women, women with disabilities and those residing in rural and outermost areas;

Challenges

9. Highlights the fact that gender segmentation across sectors and occupations is a structural driver of the gender pay gap; stresses that this segmentation is both horizontal, with women over-represented in low-paying sectors, and vertical, where, within the same sector, women are less likely to be in better paid senior roles; underlines that female-dominated sectors tend to be underpaid and undervalued, often with limited occupational pension schemes;
10. Stresses that a key factor in the gender pay and pension gaps is the unequal share of care and domestic responsibilities shouldered almost exclusively by women; recalls the fact that women are more likely to be unemployed, work part-time, work in lower paying female-dominated sectors and take career breaks, and that this can be attributed in part to this care penalty, with consequent impacts on pay and career progression;

The way forward

11. Calls on the Commission to put forward a new and ambitious gender equality strategy, building on previous progress, and to propose a dedicated action plan to eradicate the gender pay and pension gaps with EU-level quantitative and time-bound goals;
12. Calls on the Member States to promote solutions that strengthen families in all their diversity and to reward work, such as expanding flexible work arrangements for parents, offering tax incentives for caregiving years and single parents, and investing in the provision of quality, affordable and accessible childcare and long-term care services to help women join the labour market and reduce higher rates of career breaks and part-time work;
13. Highlights the role that women's entrepreneurship and women-led businesses play in improving economic empowerment and potential earnings over a lifetime; stresses the

need for better support at both EU and national level, in particular as regards business development, mentorship, access to finance and venture capital, as well as improved financial literacy for women; calls on the Commission to address these aspects in the next gender equality strategy;

14. Stresses the need to break down occupational gender segmentation to enable more women to participate in high-paying sectors, as well as in senior management and leadership roles in the workplace and in public and political life; highlights the need to ensure that more gender-sensitive and dynamic career guidance is mainstreamed so that silos are tackled as early as possible;
15. Emphasises the need to better value work done in female-dominated sectors and to improve working conditions, particularly pay and career progression, which will improve women's financial independence; calls on the Commission to include a strong gender dimension in the forthcoming initiative for a framework to address long-term care and workforce challenges and in all actions under the Union of Skills;
16. Underscores how only formal work with quality working conditions, particularly in female-dominated sectors, can strengthen tax bases and ensure that women workers are recognised and protected under the law;
17. Calls on the Member States to ensure robust gender-sensitive social protection systems; emphasises the importance of adequate minimum pensions and care credits for pension entitlements for those who take career breaks to care for dependants; highlights the need to ensure adequate protection and income support for informal carers and to ensure second pillar pension inclusion for part-time workers; highlights the need to integrate gender pension gap indicators into the EU Social Scoreboard;
18. Highlights the role of social partners in eradicating the gender pay gap and encourages them to include measures to combat pay inequality and gender biases in collective agreements; calls on the Commission to meaningfully involve the social partners in developing new policies to close the gender pay gap in the next gender equality strategy;
19. Calls for the application of gender mainstreaming in the next multiannual financial framework, to ensure that EU resources contribute to closing the gender pay and pension gaps, strengthening care infrastructure, and supporting gender-sensitive mental health services;
20. Calls for the swift transposition and implementation of the Directives on Pay Transparency and Gender Balance on Corporate Boards⁷ and urges the Commission to ensure their robust enforcement; calls on the Commission to ensure that the Pay Transparency Directive, as the EU's key piece of legislation to tackle the gender pay gap, is not included in any forthcoming omnibus simplification packages;

⁷ Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on improving the gender balance among directors of listed companies and related measures (OJ L 315, 7.12.2022, p. 44, ELI: <http://data.europa.eu/eli/dir/2022/2381/oj>).

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21. Instructs its President to forward this resolution to the Council and the Commission.

ANNEX: DECLARATIONS OF INPUT

The rapporteurs declare under their exclusive responsibility that they did not include in their report input from interest representatives falling within the scope of the Interinstitutional Agreement on a mandatory transparency register¹, or from representatives of public authorities of third countries, including their diplomatic missions and embassies, to be listed in this Annex pursuant to Article 8 of Annex I to the Rules of Procedure.

¹ Interinstitutional Agreement of 20 May 2021 between the European Parliament, the Council of the European Union and the European Commission on a mandatory transparency register (OJ L 207, 11.6.2021, p. 1, ELI: http://data.europa.eu/eli/agree_interinstit/2021/611/oj).