



Backgrounder

Pay Equity

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A step toward gender wage equality

Ensuring women's work is valued equally is still a struggle in many workplaces across the country. While most provinces have legislation governing pay equity, there are still employers that have not evaluated their employment process to ensure it is fair to everyone.

Discrimination begins long before an employee is even hired. It influences every aspect of a job: recruitment, wage setting, training, professional development, career progression, leave, flexible and part-time arrangements.

What is pay equity?

Pay equity is equal pay for work of equal or comparable value. It is a way of eliminating discrimination in the wage-setting system. The labour movement has worked with governments and employers to ensure that pay equity has been built into legislation as a way to reduce the amount of income inequality women experience.

Data from Statistics Canada shows that, in 2015, Canadian women still earned 87 cents an hour for every dollar made by men, regardless of age, education, experience, labour market attachment, or occupation. The pay gap is worse for Indigenous and racialized women.

When setting wage rates, employers often devalue the work typically done by women. This may be because some types of work women do as employment may be similar to the work traditionally done by women in the home.

The Pay Equity Commission of Ontario provides examples of how certain aspects of women's work have not been appropriately valued. For example: compensation practices are often gender biased and

- overlook the manual skills needed by a word-processing operator (a female job class) but recognize and compensate the manual skills of a machinery repairman (a male job class);
- do not value the physical effort of continuous lifting of groceries by a cashier but do value the physical effort of lifting produce by a stockperson;
- do not recognize the responsibility of caring for children by child care workers but do value the responsibility for looking after financial record keeping by a bookkeeper.

When women's work is devalued, their ability to contribute fully is undermined. Suppressing wages makes it harder for women to balance work and family responsibilities.

Applying pay equity

Following the process for achieving pay equity outlined by the commission has created opportunities to develop a diverse workplace strategy and remove the unconscious bias that often influences decision-making. And when gender bias is combined with other biases, economic problems are exacerbated.

Researchers have found that occupational segregation—where women occupy the majority of positions in a job classification—has been a major cause of the persistent wage gap, as average earnings tend to be lower when the percentage of female workers in an occupation is higher. So, jobs in teaching, nursing, clerical work, health care, administrative positions, and in retail all suffer from this historic discrimination in wages.

Generally jobs have been divided into job classes. To determine what job should be in which class, employers look at recruitment practices, duties, responsibility, and compensation schedule for similarities. Then the job classes are identified as female, male, and gender neutral.

The commission explains that, in order to apply pay equity, job information needs to be collected about female jobs and male jobs. Four factors are involved when determining value: skill, effort, responsibility, and working conditions. Once all job classes are assigned value, female job classes are compared to male job classes. Where the values are comparable, the job-wage rate of the female job class must be at least equal to the job rate of the comparable male job class. If the wage is lower, employers must adjust the job rate of the female job class.

Pay equity in Canada

Wage discrimination has been an important issue for the labour movement across Canada. Activists worked hard to lobby politicians to create legislation that would prevent employers from not valuing appropriately the work women do.

Today most provinces have pay equity legislation that applies to the public sector. In Ontario and Quebec, pay equity rules apply to both the public and private sectors. British Columbia has a pay equity framework that governs the pay equity process. Only Alberta and Newfoundland do not have any pay equity legislation or a process for evaluating and establishing pay equity.

Federally, pay equity was under the purview of the Canadian Human Rights Commission. Canada's Human Rights Act says that "it is a discriminatory practice for an employer to establish or maintain differences in wages between male and female employees employed in the same establishment who are performing work of equal value."

In 2009, the Harper government overhauled the pay equity system by introducing new legislation: the Public Sector Equitable Compensation Act. It moved the responsibility of pay equity to what was then called the Public Service Labour Relations Board, now the Federal Public Sector Labour Relations and Employment Board. Instead of making sure that predominantly female jobs pay the same as predominantly male jobs of the same value, the act relegated pay equity to bargaining and to the market. It went so far as to ensure that women would not have support bringing wage discrimination complaints forward by creating a fine of \$50,000 for any union found to be helping one of their members in seeking redress.

Since the election of the Liberals in 2015, a committee has been appointed to conduct hearings and to propose a proactive plan for the government to follow. Despite the government making statements about its support for such a plan, no action has been taken to introduce and then implement new legislation. Unions, advocacy organizations and allies know that enough has been written to support the creation of a proactive pay equity regime. It's time for the government to take concrete action.

Contributing factors to the wage gap

But there are other factors that lend themselves to creating gender discrimination in the workplace.

Research from the federal department Status of Women shows that while more women are entering the labour force (91% in 2015), and more women with children are employed (69.5% in 2015), the majority are finding only part-time work. Women make up 76% of all part-time workers, with 25% of women reporting child care responsibilities as their reason for working part-time, compared to 3% of men.

The lack of affordable child care can remove women from the workforce, which affects pay continuity and progression, employment security, and retirement income. According to the Ontario Coalition for Better Child Care, fees for most child care spaces in Canada cost over \$1,000 per month, which are some of the highest among 35 OECD countries. In fact, 44% of families live in "day care deserts," where there are 3 children vying for one child care space. In addition, 70% of child care centres have waiting lists.

Women are still the main source of support for those needing compassionate care. The 2017 report *A Snapshot of Women, Work and Family in Canada*, by the Vanier Institute of the Family, found that “women account for 54% of all caregivers” who provided care or elder care to a family member or friend with a long-term health condition or a disability.

Pay secrecy around wages is also a major obstacle for working women. Often, in non-unionized workplaces, it is discouraged to share information about pay. Or, many people consider discussing wages impolite. Regardless of the reason, secrecy about wages promotes and perpetuates a system of gender discrimination in compensation. We need greater transparency about pay to encourage accountability in pay practices, to encourage and facilitate action to close the gender pay gap, and to redress gender discrimination.

Pay equity strengthens women’s economic status

When women are paid fairly, it has a tremendous personal and societal effect. Women are able to save money and can better provide for their children and other family members. They can also contribute to their community. They can fully participate, and be a driving force, in the local economy. By having more personal income, the reliance on social support systems decreases, which helps relieve the strain on our social programs.

Raising pay for women also means better pensions, which allow more women to retire with dignity. It means women have greater economic freedom to care for themselves and others.

Pay equity respects human rights

Women have the fundamental legal entitlement to be treated without discrimination on the basis of sex, as guaranteed in the *Canadian Charter of Rights and Freedoms*, and in the *Canadian Human Rights Act*.

Under the *Human Rights Act*, employers are obliged to provide equal pay for work of equal value, and to ensure that systemic gender discrimination in compensation practices is eliminated. Where discrimination is found, employers are responsible for redressing it.

Creating a new work environment where women workers are paid their fair wage can be the perfect opportunity to improve the working conditions and wages for other workers

who face discrimination as well. Indigenous workers, racialized workers, workers with disabilities, and LGBTQ2S workers are consistently paid lower than other workers.

But it's about more than just money. In Canada, it is against our Charter and our laws about human rights to discriminate based on sex. Canada has signed international covenants vowing to create equality and to respect human rights. Pay equity allows governments to fulfill these commitments and to act as a leader in improving women's economic status and strengthening human rights.

Ending the gender wage gap

There needs to be an end to the gender wage discrimination that is taking place in Canada. There are a number of actions that can be taken to rectify the problem.

The Canadian Labour Congress has developed model legislation to encourage unions to lobby for changes that redress the systemic gender discrimination in the compensation of workers in female-dominated, historically female, and stereotypical female work.

Women shouldn't have to rely on a complaint-driven framework to rectify this economic discrimination. Complaint-driven frameworks have proven profoundly inefficient and time-consuming. They have engaged people in extensive, decades-long litigation, and have resulted in uneven access to rights.

The federal government should move to adopt the recommendations brought forward in the 2004 Federal Task Force on Pay Equity.

It should enact new stand-alone proactive and comprehensive legislation to ensure that Canada fulfills its international obligations and domestic commitments to protect equality.

Employers need to recognize that decision-making in the employment process should be free from gender discrimination at every stage. Processes must be inclusive, and there is a need for a full understanding of the benefit of women's diversity and perspectives.

Unions need to continue to highlight workplace inequities at every step of the employment process. We must work to expose wage discrimination and pursue pay equity reviews. Unions also need to identify and create opportunities to have women's work—paid and unpaid—valued.

Other ways to support women's economic security

But creating laws alone will not close the wage gap. We need to put in place the supports that will help women succeed outside the home.

We need a national early learning and child care system and adequately funded parental leave to encourage women to re-enter the workforce. We also need to have a distinct system, funded equally, to meet the needs of Indigenous communities, developed by both levels of government and Indigenous representatives.

Right now, the Liberal government has provided another 5 weeks off for parental leave but has not included any increase in the financial benefits. Spreading the same amount of money over a longer period of time will not make it easier for many parents.

The creation of well-paying, full-time, stable jobs would go a long way to help women reduce the wage gap. This includes paying early childhood and child care educators fair wages and benefits, ensuring they have decent work in the sector to reduce turnover and to help women build lasting careers in the field. Right now, in Canada, 16% of educators earn less than \$15 per hour. Another 45% make less than \$20 per hour. 57% of other program staff make less than \$15 per hour.

Reducing tuition and permitting debt forgiveness will allow women to pursue higher education and succeed further in the workforce.

It's not the job of women to find "better jobs" if they want better pay. There are fundamental, historic, and systemic hurdles that entrench wage discrimination across Canada. By governments committing to a system of pay equity, women's lives can be transformed. The tools to end this economic inequality are within our reach. We must work with governments and employers to ensure that women's work is recognized and valued, and commit to rooting out any discrimination.



NATIONAL UNION OF PUBLIC AND GENERAL EMPLOYEES

- B. C. Government and Service Employees' Union (BCGEU)
- Health Sciences Association of British Columbia (HSABC)
- Health Sciences Association of Alberta (HSAA)
- Saskatchewan Government and General Employees' Union (SGEU)
- Manitoba Government and General Employees' Union (MGEU)
- Ontario Public Service Employees Union (OPSEU)
- Canadian Union of Brewery and General Workers (CUBGW)
- New Brunswick Union of Public and Private Employees (NBU)
- Nova Scotia Government and General Employees Union (NSGEU)
- PEI Union of Public Sector Employees (PEI UPSE)
- Newfoundland & Labrador Association of Public and Private Employees (NAPE)

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