

Presentation to the
Federal Pay Equity Review Round Table
Wednesday, April 17, 2002
Ottawa

The National Action Committee on the Status of Women (NAC) is Canada's largest feminist lobby organization representing a coalition of over 500 diverse groups across Canada. NAC represents women from all sectors of the Canadian society including unionized and non-unionized women, academic and other professional women, women living in poverty, aboriginal women, women of colour, immigrant women, women with disabilities, older women, younger women, Lesbian, heterosexual and transgendered women, women from cities, from small towns and from the north.

In sitting at this table I am aware of trying to represent particularly those of women who do not have a voice at most of the tables where discussions such as the one we are holding today take place. NAC is confident that the concerns of unionized women will be represented by the unions at the table who have been working on pay equity for years both independently and in solidarity with NAC, but we are less confident that the concerns of unorganized women, especially those in precarious employment situations, will be represented during the process of the pay equity review due to their vulnerable situation in the labour market. NAC is best placed to represent those concerns and is very pleased that the Task Force recognizes the importance of having NAC play a central role in its deliberations. As discussions go on NAC hopes to be able to have greater representation at the table.

My purpose today is to present you with a picture of the economic situation of women in Canada and the relationship of their situation to pay equity. This picture will include a discussion of the differential impact for women including differences caused by race and ability. At minimum NAC contends that any discussion of pay equity must include both a gender - and race-based analysis as well as greater attention to disability issues.

The Economic Situation of Women

According to Statistics Canada's Women in Canada 2000: A gender-based statistical report the majority of women in Canada are poor. According to this report:

- One in five Canadian women lives in low-income situations as defined by Statistics Canada's Low Income Cutoffs (LIC.)
- It is more probable that women in racialized groups will be poor. In 1995, 37% of women of colour had incomes below the LIC, compared with 19% of other women. The unemployment rate for women of colour was 15.3% compared to 9.4% for other women.

- The situation is worse for Aboriginal women. In 1995, 43% of Aboriginal women were officially poor.
- In general, high poverty rates are true for female lone-parents, women with disabilities, young women and senior women, with race creating further differentials within these groups.
- There are also regional differences for women. A greater percentage of women in Atlantic Canada than in other provinces have incomes of less than \$13,786 (62% of women) and only 6% have incomes over \$32,367. The next worse situation is that of women in Quebec.

Income Gap Between Women and Men

In 2001 NAC partnered with the CSJ Foundation for Research and Education to research the current status of women of gender inequality. This research, which was conducted by Dr. Karen Hadley, studies the real income gap between women and men taking into consideration all income including wages and transfer payments. The report reveals that the picture of women's poverty is worse than that of men. Based on Statistics Canada's Survey of Labour and Income Dynamics the annual *median, after tax* income of Canadian women in 1998 was 61% of men's - \$13,806 for women compared to \$22,673 for men.

Without going through a whole list again of statistics suffice it to point out that this figure is worse for racialized women and for Aboriginal women. Regional differences also persist in the gender/income gap. In Atlantic Canada women's median incomes at \$11,235 are only 59% those of men's. According to Hadley a close study of the SLID data for 1998 shows that "the income gap between women and men persists across age, educational attainment, labour market situation, language and family type." Her report also indicates that when race is introduced into these various categories the situation worsens again for women.

In general, there is real poverty out there and the situation is worse for women than it is for men and it is worse for certain groups among women.

Wage and Earnings Gaps Between Women and Men

A consideration of the situation of full-time, full-year workers indicates that while the gender gap is not as great and is shrinking, especially for unionized workers, it still exists. Research also indicates that women do better than men in income from part-time permanent employment and part-time temporary employment but fewer men than women are employed in this generally low-paid work: 19.5% of women employees versus 6.3% of men were located in part-time permanent work in 2000. The same trend holds for temporary work. More importantly men fare much better than women in full-time full-year employment, where the bulk of pay equity complaints arise in the median hourly ratio where 82% of men employees work compared to 67% of women employees. (This information is taken from "Rethinking Feminization: Precariousness in the Canadian Labour

Market and the Crisis in Social Reproduction: John P. Robarts Lecture, April 11, 2002)

Economic and Political Restructuring and the Challenges to Pay Equity

Any consideration of pay equity policies must include the economic and political context that has radically transformed employment practices in the past five to ten years, and which has serious implications for women's access to real economic equality. We have witnessed the dismantling and weakening of the role of government in its present practices to champion the private over the public, on the assumption that the private sector is more efficient. This has translated into radical changes for women's work, particularly the paid work done by women of colour in sectors of the economy that remain highly sex-segregated and/or segregated by race (e.g. the health sector, childcare and industries like clothing and textiles) as old jobs are lost and new ones created.

Restructuring and Privatization

In all pay equity discussions, we need to examine how the central elements of government economic restructuring are undermining the goals of pay equity or dramatically altering their effectiveness. One example of the restructuring of the economy and the trend towards privatization has been the contracting out of public sector jobs. Through layoffs, shutdowns, and downsizing, there has been a dramatic loss of jobs in the public sector, a sector that for many women was relatively well-paid, secure, full-time and unionized.

External to the federal public service, women workers employed in the private sector of federally regulated workplaces have also been subjected to changes in the structure and conditions of their employment. These workers include women who were previously employed in the public sector and were terminated, or who took "buy outs" only to re-emerge as private sector service providers. A significant portion of this sector includes non-unionized workplaces in areas such as banking where a quarter of the mainly women employees under federal jurisdiction are found and within interprovincial transportation and communications. As an example of the unpredictability of these sectors, the airline industry itself is facing new contingencies, including mergers and bankruptcies of a global nature. The vulnerability of pay equity, particularly for non-unionized workers, needs to be explored.

In this transition, new jobs are being created that reclassify and redefine skills and employment conditions that conform more to private sector rules, with serious implications for the service providers who are overwhelmingly female. Departmental mergers, like the one that merged Labour Canada, Employment & Immigration Canada as well as part of a number of other departments to form a new "super ministry", Human Resources Development

Canada, have resulted in the reclassification of jobs and a renegotiation of employment conditions for some women workers, while other workers are displaced. Also, reclassification often has the effect of attaching a supposedly higher status to the job, i.e. moving it from clerical to management or administration, but often without better remuneration.

_Restructuring and Non-Standard Employment

New categories of work are replacing the more highly paid jobs that had been done by women. Some of these jobs are being contracted out to private companies, employing some of the same employees who were displaced while doing the same work in the public service. Many of these women now find themselves being pushed into a labour market of non-standard employment - temporary, part-time, contracts, and sub-contracts - jobs which are not automatically covered by union agreements nor pay equity legislation. According to Statistics Canada, 41% of employed women are now in some form of non-standard working arrangements, overwhelmingly the source of most new job growth for women. Feminist economists in Canada argue that these non-standard forms of employment, like contracting out, have resulted in the continued labour-force segmentation of women's jobs, as well as low wage rates, which are the very opposite of the stated goals of pay equity.

Political Restructuring

"The 'Social Union' re-negotiation of responsibilities between federal and provincial and territorial governments has resulted in yet another form of restructuring that affects the jobs that women hold in each of these jurisdictions, as well as the remuneration they receive and the comparators that are available for pay equity purposes. The first of these, the Labour Market Agreements, have already led to new constructions of full devolution and co-management in some provinces. It is as yet unclear where any Social Union agreements in the areas of Benefits and Services for Persons with Disabilities, Early Childhood Development, the National Child Benefit, and Health Care and Medical Insurance will lead us with respect to those jobs currently under federal jurisdiction and covered by the Canadian Human Rights Act. This significant shift in responsibilities makes for a less predictable future for the current pay equity legislation. What are the implications of this shifting terrain for the achievement and maintenance of equal pay, particularly taking into account the issue of comparator jobs which may come and go under this restructuring?"

Differential Impacts of Restructuring

Demonstration of the extent of the differential impacts of economic and political restructuring on specific groups of women workers is also a key area for consideration. Although anyone can become poor under the impact of economic restructuring, poverty is disproportionately distributed among

particular groups in accordance with the broad lines of inequality in Canada; studies confirm that women in racialized groups, aboriginal women, women with disabilities, and elderly women are much more likely to be poor. In addition, new entrants to the labour market, especially young women and immigrant women, are significantly impacted, and constitute a significant part of the contingent labour force, alongside racialized and aboriginal women. Their situations provide evidence to demonstrate the challenges that restructuring is imposing on the relevance of pay equity provisions as they now operate. For example, experience has shown us it is mainly higher paid women who have benefited the most from pay equity in Ontario. It is especially higher paid women in large workplaces in the public sector proper that benefit but not so much women in the broader public sector, in smaller workplaces in this segment of the public sector and also in workplaces that are non-unionized. Racialized women, aboriginal women, and women with disabilities are under-represented in these higher-paying jobs and therefore do not benefit from any pay equity provisions that have been allocated to these (higher paying) jobs.

Relationship between Pay Equity and Employment

NAC believes that any current study of pay equity must deal with the symbiotic relationship between employment equity and pay equity. The time has come to ask why these are separate policies. Employment equity is supposedly about getting marginalized groups on to the ladder and pay equity is about moving workers belonging to these groups, especially women, up the ladder. NAC wants both to happen in an integrated way. That is the only way that the situation of the many more workers falling outside the standard employment relationship will improve.

Concluding Remarks

NAC, along with other presenters, would like to see the federal government take a pro-active stance in the development of new legislation rather than continuing the complaint-based approach that is currently in place. The Federal Government has a responsibility to broaden the base of workers covered by federal jurisdiction. Women's work has been restructured. The current legislation is no longer relevant to the restructured workplaces of women. This restructuring, through things like the Social Union talks, is ongoing. We need to discuss how to take into account the changed and future conditions of women's work as we have outlined above through the impacts of political and economic restructuring.

NAC's concern is that under these new economic conditions women workers may not even be able to maintain the pay equity provisions they have achieved, let alone continue the progress they have made to date in narrowing the wage gap. We have to have a more pro-active, inclusive pay equity policy that will work towards changing the dismal situation of women that we described at the beginning of this presentation, and which, for some, is worsening under current conditions.

