A Growing Concern
Ontario’s Gender Pay Gap

Mary Cornish
ABOUT THE AUTHORS

Mary Cornish is recognized nationally and internationally as an expert in the field of human rights and labour law and gender equality. Mary is a senior partner in the Toronto public interest law firm Cavalluzzo Shilton McIntyre & Cornish. She has written extensively in the area of pay and employment equity and effective human rights enforcement. She chaired the Ontario Human Rights Code Review Task Force whose 1992 Achieving Equality Report formed the basis for Ontario’s 2006 human rights reforms. As a feminist human rights lawyer, she continues to chair the Equal Pay Coalition, a broad based civil society coalition which successfully lobbied for the implementation of Ontario’s proactive pay equity laws. Mary has also argued many precedent setting cases which established important labour and human rights principles in Canada. This includes the successful 1997 SEIU Charter Challenge which restored the pay equity rights of over 100,000 Ontario public sector women and the CUPE et al Charter Challenge which obtained up to $414 million government funding for these restored rights. She also won for Jane Doe, a woman attacked by a serial rapist, the right to sue the Metropolitan Toronto police force and the recognition that the Charter applies to ensure police forces act in a non discriminatory fashion. She authored the 2013 CCPA Report, 10 Ways to Close Ontario’s Gender Pay Gap.

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Executive Summary

LAST YEAR, THE Ontario Equal Pay Coalition, in partnership with the Canadian Centre for Policy Alternatives’ Ontario office, began tracking two key trends in its 2013 report, 10 Ways to Close Ontario’s Gender Pay Gap: (1) the pay gap between men and women in Ontario and, (2) the date in the calendar year that demarcates how much longer women have to work to earn the amount that men earn in a year.

This year’s report examines whether there has been any change in the pay gap and denotes a troubling development. Ontario’s pay gap between men and women got worse, not better, between 2010 and 2011 — the most recent data available. As a result, women in Ontario have to work longer to earn what men earn in terms of average annual earnings.

Last year, using average annual earnings of Ontario men and women, we reported that Ontario gender pay gap was 28% — that, on average, women made 72 cents for every man’s dollar. After examining why there still is a gender pay gap and why closing that gap matters, we identified 10 specific policy measures that could make a difference.

A year later, we find the gap has grown to 31.5% — on average, women made 68.5 cents for every man’s dollar in 2011. This is the price of inaction. In dollar terms: men’s average annual earnings increased by $200 — from $48,800 in 2010 to $49,000 in 2011 — but women’s average earnings decreased by $1,400 — from $35,000 in 2010 to $33,600 in 2011.²

If you compare women’s and men’s earnings based on the full-time, full-year measure, it also reveals an increase in the gender pay gap from 24% to 26%.
There is only one measure where women saw a modicum of improvement: the gap based on the women’s hourly income measure decreased between 2010 and 2011 by 1%. It’s a hollow victory that still fails to account for the circumstances of many Ontario women who work part-time, women who face employment barriers in getting higher paid work, or women who can’t get paid work at all. The pay gap is higher for women who are racialized, Aboriginal women, and women with disabilities.

What does that mean in calendar terms? Last year, Ontario’s Equal Pay Day landed on April 9, 2013. Ontario’s Equal Pay Day this year comes on April 16, 2014 — one week later than last year, to recognize the longer time women need to work into the new year to make what men earned by the end of 2013.

Taken over the course of a lifetime, Ontario’s gender pay gap means women would have to work the equivalent of 14 years longer after age 65 to make what men earn on average by age 65.

This report not only documents the worsening gender pay gap in Ontario, it scouts a range of municipal, provincial, national and international best practices to guide policy makers intent on narrowing the gap. There are plenty of options at hand. This report offers a 10-point plan to get there.
Introduction

It has been well documented that men traditionally earn more than women in the labour market. This report documents the extent of that pay gap in Ontario and how to fix it.

There are many ways to measure pay gaps. This report uses average annual earnings as the main gap measure, since it gives the best picture of what earnings Ontario women have available to support themselves and their families over the year. As well, this measure helps policy makers, employers and unions focus on the entire gamut of measures that can be deployed to effectively close the gap.\(^6\)
I. Tracking Women’s Earnings

This section examines women’s earnings in Ontario in a variety of ways. Figure 1 tracks women’s average annual and full-time, full-year earnings compared to men from 2002 to 2011.

Figure 1 shows that men’s average annual earnings took a dip due to the 2008 recession and only began recovering in 2011, while men’s full-year, full-time average annual earnings have pretty much flatlined for most of the 2000s. Given this dynamic, one might expect the gender pay gap in Ontario to narrow between 2010 and 2011, but that was not the case.

In 2011, women’s average annual earnings dipped downward, as did their full-year, full-time average annual earnings. Several factors may be influencing this downward dip. What follows is a brief picture of the labour market facts facing Ontario women.

1. Labour force participation holding steady: Women’s participation in the paid labour force remains steady — 57.8% of women are employed compared to 65.2% of men.  

2. Occupational segregation continues: Despite the dramatic increase in women’s employment over the course of the past generation, women continue to predominate in sales, service, health care and education sector occupations — with women comprising 82.3%
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Women still earn less than men in all occupational categories.\(^6\)

**3. Part-time work increasing:** As well, women are more likely than men to work part-time, which contributes to lower earnings. Part-time work is increasing at a much faster rate than full-time work and women’s share of full-time work has not increased since 2008, while men’s share has increased post-recession.\(^6\) In 2013, 65.8% of part-time workers were women, compared to 34.2% of men, while 43.8% of full-time workers were women, compared to 56.2% of men.\(^9\) Generally speaking, women are more likely to be multiple jobholders.\(^10\) The figure for Ontario women with young children working part-time is 11.4%.\(^11\) Not all women work part-time by choice, however. In 2013, one-third of Ontario part-time workers said they would rather be working full-time—a 43% increase since 2000.\(^12\)

**4. Women are predominant in minimum wage and low-paying jobs:** Women are more likely than men to work a minimum wage job—women account for 58.3% of minimum wage workers in Ontario.\(^11\) In 2011, 18.3% of persons in families whose major income

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**Figure 1** Average Annual and Full-Time, Full-Year Earnings Men and Women, Ontario, 2002–2011

earner is female were in low-income families, compared to 8.1% of persons in families whose major income earner is male.\textsuperscript{14}

5. **Women majority of degree/diploma holders:** The majority of women in Ontario pursue postsecondary education — last year 51.8% of Ontario women over the age of 25 secured a university degree or postsecondary diploma/certificate.\textsuperscript{15}

6. **Spike in unemployment for single mothers:** While the recession affected many Ontarians, single moms were particularly hard hit. Single mothers with young children represented the biggest increase among parents in their rate of unemployment, with unemployment rising from 11% in 2007 to 17% in 2010 for single mothers with children under the age of six.\textsuperscript{16}

7. **Younger women losing jobs:** The recession also left an imprint on young women trying to get a foothold into Ontario’s labour market — between 2009 and 2013, young women lost nearly 18,000 more jobs than young men.\textsuperscript{17}

8. **Age matters:** In 2011, the gender pay gap increased to 38.5% for Ontario women between the ages of 35 and 44.\textsuperscript{18}

9. **Older women working longer:** The number of Ontario women aged 65–69 who are in paid work doubled between 2007 and 2013.\textsuperscript{19}

10. **Women with children working:** Two thirds of women with children under age six had paid work in 2013, with little respite by way of affordable, accessible child care options.\textsuperscript{20}

11. **Multiply disadvantaged women earn less:** Racialized women earn 19% less than non-visible minority women and 24% less than racialized men. First-generation immigrant women earn 18% less than non-immigrant women and 27% less than immigrant men. Aboriginal women’s median income is 17% less than those of non-Aboriginal women, and lags 25% behind the earnings of Aboriginal men and 40% behind the earnings of non-Aboriginal men.\textsuperscript{21} Women with disabilities earn 75% of women without disabilities.\textsuperscript{22}

A note about pay gaps and methodology: the gender pay gap may not represent actual progress for women but, rather, deteriorating conditions for men — a phenomenon known as the “composition effect.”\textsuperscript{23} For example, the recession and decrease in higher paying male dominated manufac-
turing jobs during the period of the lowering of men’s earnings contributed to closing the gender pay gap. Given the increasing human capital attainments of women and their rising labour force participation, the gender pay gap should have been decreasing very significantly on those grounds alone.
II. 10 Ways to Close the Gender Pay Gap in Ontario

This section examines the 10 ways Ontario could be moving to close the gender pay gap and briefly assesses whether there have been any policy actions to ensure progress over the past year.

Step #1 Treat Closing the Gap as a Human Rights Priority

The Ontario government did not take any significant actions in 2013 to demonstrate that closing the pay gap is a human rights priority. While the Pay Equity Act and Human Rights Code require pay discrimination to be eradicated, there are examples of the Ontario government acting to deny and minimize its own responsibility to do so. For instance, in January 2013 the Ontario government intervened in a Pay Equity Hearings Tribunal proceeding to dispute the right of women in Ontario’s predominantly female public sector workplaces such as long-term care homes, child care centres and community service agencies to have a pay equity maintenance process which allows them to maintain pay equity with their original comparator under the Pay Equity Act. The government also responded to a November 2013 Human Rights Code application by the Ontario Association of Midwives to
deny any pay discrimination in its funding of midwifery compensation despite the fact that an independent pay equity expert found substantial pay equity inequities. In discussions with the Association, the government denied that midwives had pay equity rights even though they are the most highly female predominant profession in Ontario. Midwives are independent contractors and not covered by the Pay Equity Act. The Association’s application is an important precedent for expanding pay equity enforcement using the Code for the increasing numbers of women who are not covered by the Pay Equity Act and the government had every opportunity to promote it as such. It did not.

As well, although government austerity wage freeze measures are supposed to exempt pay equity adjustments, in practice this is often not honoured. Despite objections from the Association of Ontario Midwives, the government applied its wage restraint policy covering employees to deny its claim for pay equity adjustments. As highlighted later in this report, the government has failed in practice to exempt from austerity restrictions the funding necessary to close the gender pay gap in the Broader Public Sector (BPS) agencies, which provide Ontario’s public services. When it comes to pay equity, the government has yet to take heed from international research that fiscal austerity and decreasing public investment can erode an economic recovery, whereas gender equality policies contribute to growth.

At the same time, there is some possibility for future progress. In a statement at the March 6, 2014 International Women’s Day event, Premier Kathleen Wynne warned against using economic difficulties as a reason for not addressing gender equality issues. Yet that warning is not yet being heeded in the day-to-day administration and policies of the Ontario government.

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**Step #2 Raise Awareness Through Annual Equal Pay Days and Education**

While the Ontario government has declared April 16, 2014 the province’s official Equal Pay Day, there is much more that it can do. The Ontario government can look for guidance to major campaigns conducted worldwide by governments to mark Equal Pay Day and to focus everyone on steps needed to close the gender pay gap.

For example, the U.S. White House convened a U.S. National Equal Pay Task Force in 2010. In 2013, the task force released a progress report on achievements since the Equal Pay Act was passed in 1963. The White
House website includes eye-catching outreach and educational materials on closing the pay gap. U.S. agencies with pay equity enforcement responsibilities host multiple Equal Pay Day events every year featuring experts in equal pay advocacy and private sector leaders. They also hosted an Equal Pay Tweet Up and web chat, as well as holding briefings to highlight the plight of America’s most vulnerable workers. In 2012, the U.S. Department of Labour held an open contest to create Equal Pay Apps, which are publicly available. Winning apps provide users with, for example: wage data, interview and negotiation skills, and connects users to equal-pay related social networks, empowering women to demand equal pay.

In 2013, the Australian Workplace Gender Equality Agency convened academics, business representatives and industry groups to discuss a range of gender pay gap issues.

With the gender pay gap stagnating in the European Union (EU), the EU marks Equal Pay Day by promoting its initiatives to tackle the pay gap on many fronts and by sharing good practices by its member states.


On the education front, so far, there does not appear to be any focused pay and employment equity gender awareness embedded in Ontario’s education system, although the Ontario Pay Equity Office and the Ontario Human Rights Commission have tried. Ontario legislators, government leaders, policy makers and business organizations have not yet received the necessary pay equity, employment equity education, and training required to carry out the 10 steps. While the Pay Equity Office offers some public webinars and e-learning modules, these efforts are limited to training on Pay Equity Act issues.

Step #3 Develop Closing the Gender Pay Gap Plans

Despite repeated requests by the Equal Pay Coalition, the Ontario government does not have a plan to close the 31.5% gender pay gap in Ontario, nor has it committed to develop one. This means there are no official indicators, targets, or goals in place.

Although there are many, the Ontario government does not have to look to international models for these plans: Ontario already has models for broad-based, multi-tiered planning, including Ontario’s 2008 Poverty Reduction Strategy, *Breaking the Cycle* and the *Accessibility for Ontarians with Disability Act, 2025*. 
So far, the Ontario government has not treated the gender pay gap as a priority for this kind of targeted equity planning. It has not even included closing the gender pay gap in its Poverty Reduction Strategy, despite the fact that the Pay Equity Office recommended its inclusion. But it’s not too late. The Poverty Reduction Act, 2009 embedded the government’s commitment in law so that successor governments would continue the fight beyond the four-year government mandate. Using the words of the government’s 2013 Breaking the Cycle: Fifth Progress Report, closing the gender pay gap must also be “a long-term endeavour, supported by strong, multifaceted policy solutions and ongoing stakeholder and community engagement. Ontarians deserve nothing less.”

While critics note that the government has not made sufficient progress on its target of reducing poverty by 25% in five years, they do recognize that its “all hands on deck” approach is critical to breaking the poverty cycle as it is for closing the pay gap. The Poverty Strategy’s Results Table provides governance and oversight and acts as a “clearinghouse” within government to analyze and provide advice on government policies and programs with poverty-related implications. Such governance and oversight is also necessary for the pay gap. It is expected Ontario will shortly announce a new five-year poverty reduction strategy. The opportunity exists for the gender pay gap to be featured as part of that strategy.

The Accessibility for Ontarians with Disability Act, 2025 provides a province-wide plan for training, reporting, transparency and compliance for employers to address accessibility issues. In fact, employers must be fully compliant with the Act by 2025. While there remain concerns about the adequacy of the AODA process, important features that could be adapted to close the gender pay gap include: a) stakeholder involvement in planning and implementation; b) compliance enforcement by inspectors; c) guidance for municipal councils with a population over 10,000 to establish compliance advisory committees; d) online compliance wizard to assist organizations; e) deputy ministers’ requirement to report their ministries’ annual progress on identifying, preventing and removing barriers.

Closing the gender pay gap requires action by the federal and local municipal governments as well as the province. For example, actions to close the gender pay gap could be accelerated with federal funding supports for provincial programs with predominantly female staff such as child care, home care and health care. Municipal governments, which have the closest connection to community needs, can also create roundtables to close the gender gap — like many have done for poverty reduction — or implement local plans to galvanize broad-based community action.
The City of Boston is an excellent example of local government planning to close the gender pay gap. It has a plan to use 100% of its talent. That includes asking Boston employers to sign the Women’s Compact and pledge to pay women equal wages. Its report, Boston — Closing the Wage Gap, Becoming the Best City In America for Working Women profiles Boston’s gender pay gap and provides detailed advice on measures to close it.66

Examples abound of governments at multiple jurisdictional levels who are working to close the gender gap.

The EU has embedded closing the gender pay gap as one its five core policy areas for its Strategy for equality between women and men (2010–2015).47 It is also embedded in the Europe 2020 Strategy, the EU’s economic growth strategy and in the European Pact for Gender Equality adopted by EU leaders.48 There are numerous examples of EU country action plans to close the pay gap, which include actions covered by the 10 key steps, such as working with employers to improve family, work and private life reconciliation, promoting gender mainstreaming, analyzing public sector pay practices, and measures to increase the salaries in female-dominated sectors.49

Step #4 Enforce and Expand Pay Equity Laws

Over the last year, there have been no new pay equity laws or policies in the province. The last annual report available for the Pay Equity Office, which administers the Pay Equity Act, is for 2010–11. The 2009–2010 annual report noted that the Office’s monitoring had found that “many employers have never done any form of pay equity.”50 The Pay Equity Office both issues decisions based on complaints and periodically monitors compliance, including of some private sector non-unionized workplaces. This is done through its Wage Gap Program, started in 2011.51 Yet overall, during the 2012–13 period, only $3.3 million in pay equity adjustments was paid out to over 1,200 workers as a result of the Pay Equity Office’s efforts. It represented an increase of $0.7 million from the previous year.52 No report has yet been issued on this program’s results.

The 2010 Pay Equity Office Report on the Proxy Sector describes the progress in achieving pay equity in predominantly female workplaces, such as nursing homes and child care centres as “uneven” and “moderate.”53 The report has not been updated since 2010.

At the same time, two Pay Equity Office Review Officer decisions denied the right to maintain pay equity to women in such workplaces, using their original external comparators which were necessary because of a lack of
male comparators in their workplaces. These decisions have been appealed to the Pay Equity Hearings Tribunal.\textsuperscript{54}

The Pay Equity Office is hindered in its efforts by inadequate funding and an ineffective enforcement structure.\textsuperscript{55} Unlike Ontarians who seek to enforce their Code human rights, no legal assistance is provided for women to complain under the Pay Equity Act, often making those rights inaccessible.\textsuperscript{56} While the Pay Equity Office produced a December 2013 \textit{Step by Step to Pay Equity, Mini Kit} to assist with compliance efforts, more systemic change, adequate resourcing and aggressive enforcement is required.\textsuperscript{57}

Since 2010, when the U.S. White House took on a stronger leadership role in pay equity enforcement, U.S. agencies have “substantially” increased the enforcement of pay discrimination laws, resulting in the recovery of more than $111 million in back wages due to sex-based wage discrimination.\textsuperscript{58} The Equal Pay Coalition has been asking Premier Kathleen Wynne to also take a strong leadership role in Ontario. The U.S. Equal Employment Opportunity Commission publicizes the total number of charges filed and resolved under all statutes enforced by \textsc{eeoc} and promotes lawsuits they bring against discriminatory employers.\textsuperscript{59} Such actions put employers on notice that the government is serious about enforcing its laws and serves to encourage employers to comply.

Ontario has not moved to enact additional innovative measures such as “pay transparency” laws. Shining a light on an organization’s pay systems can reveal gender bias and empower employees, employers, unions, and other equality seeking organizations to take appropriate action. In the words of the EU Commission, “If companies really respect the principle of pay equity for women they should have nothing to hide. Women should not be paid less simply because they are kept in the dark about what their male colleagues earn.”\textsuperscript{60}

Recognizing the power of transparency, the Ontario government has promised to introduce legislation to enhance accountability and oversight through increased general transparency across the government and the \textsc{bps}.\textsuperscript{61} This power could also be harnessed to close the gender pay gap. Noting the slow progress on closing the gender pay gap, the EU Commission has adopted a broad range of pay transparency measures. It is requiring member states to implement at least one of the following with reporting by December 31, 2015: 1) employee right to request information on pay levels broken down by gender, including variable pay such as bonuses; 2) employers’ regular reporting of average remuneration by category of employee or position, broken down by gender (applies only to large and medium
companies); 3) conducting pay audits in large companies and making them available to workers’ representatives and social partners on request. 

For example, Austria’s National Action Plan for Gender Equality in the Labour Market requires businesses to publish equal pay and employee income reports every two years. The U.S. White House advocates for the passage of the Paycheck Fairness Act which, although twice blocked by the Republicans, would protect employees who share their own salary information from employer retaliation.

**Step #5 Implement Employment Equity Law and Policies**

Despite ongoing requests by organizations such as the Colour of Poverty organization and the Equal Pay Coalition, there has been no action to bring back Ontario’s specialized 1993 Employment Equity Act. This law was repealed in 1995 by the Progressive Conservative government. While employment equity obligations do also flow from current Human Rights Code provisions, making real sustained progress requires employers to have specific proactive legal obligations to remove barriers and implement targets and timetables. This will help to get more women and vulnerable groups working at all jobs levels in a business.

While the government has implemented a voluntary form of limited employment equity for its own public service with its OPS Inclusion lens, which is making slow progress, it has failed to make such obligations binding on itself and it has not provided leadership by legally requiring employers — including itself — to take employment equity actions.

The Ontario Public Service Diversity Office implemented the OPS Inclusion Lens in 2011 to identify potential or existing employment barriers within OPS policies, programs and services. Relying on disaggregated demographic data, the lens addresses 17 dimensions of diversity, including race, age, gender and disability. The lens is required to be embedded into major processes, such as cabinet submissions and results-based planning. The same requirement is necessary for embedding a “closing the gender pay gap” lens in government decision-making. A previous government requirement for cabinet submissions to include a gender impact was eliminated in the 1990s.

While gender is included in the OPS Inclusion Lens, it does not appear to be a primary focus. Likely because of the AODA, 25 in 2012, the OPS created a multi-year accessibility plan as part of its AODA compliance. It needs similar planning for the OPS pay gap. According to the Ontario Public Ser-
vice Employees’ Union (OPSEU), which represents the majority of the female-dominated OPS, the government has not maintained pay equity. Despite massive changes in the way government work is organized and paid since the original January 1990 pay equity plan — and despite repeated OPSEU efforts — the OPS compensation system has not been regularly monitored for gender bias. OPSEU has filed a complaint with the Pay Hearings Tribunal to enforce their members’ pay equity rights. That proceeding has not been resolved.

One form of employment equity policy that the government did start to move on is the “comply and explain” approach. In a study of 353 companies, those with the highest representation of women in top management experienced a 35% higher return on equity and a 34% higher total return to shareholders. After a 2012 review and public consultation at the request of the Ontario government, the Ontario Securities Commission issued proposed amendments to its corporate governance disclosure requirements, which require companies to provide annual disclosure on amongst other gender diversity matters, numbers and targets for representation of women on the board and in executive officer positions.

Here’s another model: In May 2013, U.S. President Obama directed the U.S. Office of Personnel Management to submit a government-wide strategy to address the gender pay gap in the federal workforce, with each agency required to review pay and promotion policies to support the strategy.

**Step #6 Promote Access to Collective Bargaining**

While union protection makes life better for everyone, it is especially helpful as an equality promoting tool for closing the gender pay gap. The unionized wage premium in Ontario is 28.2%, or $6.43 per hour.

Apart from increasing women’s wages, union protection often leads to greater access to full time positions and/or more secure and greater part-time hours. As well, it means women have someone to negotiate with their employer to secure their pay equity rights.

There was no move last year to amend Ontario’s labour laws to provide greater access for predominantly female workers to collective bargaining. While certification data under the Labour Relations Act are not kept by gender, a comparison of the 2013 certified bargaining units compared to 2012 shows that workplace certifications estimated to be predominantly female appear to have dropped from 118 in 2012 to 91 in 2013. The vast majority of certifications in both 2012 and 2013 were for predominantly male workplaces.
The public sector’s higher unionization rate (70%, compared to 15% in the private sector), its greater pay equity enforcement, and transparent pay have contributed to a smaller gender pay gap in the public sector. Yet the increasing privatization of public sector work has the effect of widening the pay gap as those workers often lose their union protections and higher pay. Ontario’s New Democratic Party has introduced a private members’ bill, Bill 129, to amend the Ontario’s Labour Relations Act to provide greater access and protections. The Bill requires successor rights in the predominantly female “contract sector”, which includes personal support services, food services, cleaning, security and home care; employee reinstatement where fired or hours cut during organizing campaign; off site and online certification voting; employee bill of rights poster in workplaces; protection against unjust firing prior to the first collective agreement; and re-employment after strikes.

In contrast to that approach, Ontario’s Progressive Conservative Party has repeatedly called for the restriction of union collective bargaining rights, an across-the-board public sector wage freeze and changes to public tendering rules to open it up further to the private sector. Over the last year, the Ontario government has criticized the Conservatives’ approach and called for “a respectful partnership with labour leaders by building a sustainable process for wage negotiation through collective bargaining.” It also repealed Bill 115, a law which had been strongly criticized by female-dominated school board employees for its impairment of their collective bargaining rights. In the Fall of 2013, the government introduced the School Boards Collective Bargaining Act (Bill 122) to facilitate bargaining in the school board sector.

Yet during the same year, the Ontario Government argued it does not have to “negotiate” with the almost exclusively female-dominated Association of Ontario Midwives while maintaining that it must negotiate with the male-dominated Ontario Medical Association. Restrictive provisions in the Labour Relations Act and an uncooperative employer, prevent female predominant lawyers in Ontario’s Legal Aid system from gaining collective bargaining rights leading to a province-wide campaign.

The government did take action to provide stronger employment protections for vulnerable workers with the introduction of Bill 146, Stronger Workplaces for a Stronger Economy Act, 2014, which is now at second reading. Drawing from the Ontario Law Reform Commission’s 2013 report, Vulnerable Workers and Precarious Work, Bill 146 protections include: removing the cap on unpaid wages that can be recovered under the Employment Standards Act and making temporary employment agencies liable for employment standards violations.
Step #7 Increase the Minimum Wage

Some progress was made in Ontario on increasing the minimum wage effective June 1, 2014 from $10.25 to $11.00 per hour. The government has promised to introduce legislation to tie future minimum wage increases to the Consumer Price Index.\(^6^5\) The province’s new Bill 146, providing stronger protections for vulnerable workers to collect unpaid wages, will also make it easier for such employees to enforce their minimum wage entitlements. With women more likely to be in minimum wage jobs than men — and minimum wage jobs more than doubling in the past 10 years — this move is an important step toward closing the gap. A fair minimum wage acts as a “pay equity downpayment” and also helps to eradicate poverty.\(^6^6\)

Yet, the base pay of $11.00 per hour is still poverty level wages. Equality seeking groups lobbied for the minimum wage to be set at $14, which is 10% above the poverty line, and then indexed to the CPI.\(^6^7\) From 2010–13, Ontario’s minimum wage remained frozen at $10.25/hour, which kept minimum wage workers below the poverty line by 19%.\(^6^8\) The Ontario minimum wage increase followed a government-commissioned report by the Minimum Wage Advisory Panel which confirmed that vulnerable workers (eg, racialized and immigrant workers) are over-represented as minimum wage workers and 70% of minimum wage workers work part-time.\(^8^9\)

Even $14 per hour is less than the “living wage” in Ontario. The 2012 CCPA report, *A Living Wage as a Human Right*, documents how discrimination affects the ability of many workers to earn a living wage.\(^9^0\) Living wage is defined as the wage level “for a family with two children, and two parents employed full-time and year-round, to meet a basic standard of living.”\(^9^1\) A 2008 report by Hugh Mackenzie and Jim Stanford estimated the living wage for two working parents raising two young children living in Toronto at $16.60.\(^9^2\) Equality seeking groups are continuing to lobby for the $14 minimum wage rate.

Step #8 Provide Affordable and Accessible Child Care

Some limited progress was made on this step with the government’s introduction of the *Child Care Modernization Act* in December 2013\(^9^3\) and the modest increase in the Ontario Child Benefit, effective July, 2013. The government’s full-day kindergarten phase-in over a five-year period now reaches approximately 122,000 children, or nearly half of Ontario’s four- and five-year-olds.\(^9^4\) However, with only about 20 per cent of children under age five having access to regulated child care in Ontario, much remains to be done.\(^9^5\)
Ontario women with children are limited in gaining access to jobs and bringing home higher annual earnings because they continue to disproportionately shoulder family responsibilities. At the same time, a TD report clearly makes the link between accessible and affordable child care, increasing workforce participation and economic recovery.

The proposed Child Care Modernization Act provides an important new framework for child care in Ontario. The government states it will substantially increase spaces for children across the province by, in part, increasing the number of children who can be cared for per staff member and ensuring school boards offer before and after-school programs for six to 12-year-olds where sufficient demand. The government estimates that its proposed new Regulations to the Day Nurseries Act (which increase the number of children to be cared for by staff) will “potentially reduce what parents/families pay in child care fees, and subsidy costs for children up to age 6 years, by approximately $3,500.” However critics argue that any such reduction would come at the cost of quality of care as the proposed Regulations are not in line with expert recommendations for staff-child ratios and that child care fees are still unaffordable. Based on Ontario’s 2012 survey of child care operators, the current median fees for preschool entry child care programs per day are: infant – $50.00; toddler – $42.30; and preschool – $38.00. This is in sharp contrast to the Quebec model, where child care centres with trained staff provide care and early learning at the subsidized rate of $7 per day.

Although behind the schedule called for by child care advocates, the Ontario Child Benefit was increased by $100 to $1,210 per year for each child beginning July 2013. The benefit reaches about one million children in low- and middle-income families each month. The government has promised to increase it to $1,310 in July 2014. The government’s 2013 budget also announced an additional $39 million in 2015–16 to support the child care system, in addition to new funding announced previously up to 2015.

While this increased funding will lead to some more access, it still falls far short of the investment required. The Ontario Coalition for Better Child Care calls for a $300 million public investment to reduce parent fees and raise wages to retain qualified staff.” The Toronto Dominion Report documented that Ontario is significantly behind other countries in child care investments. Studies have concluded that every dollar invested in child care increases the economy’s output (GDP) by $2.30, which has a larger impact on the Canadian economy than a dollar used to support most other major economic sectors, most government programs, and the short-term impact
from taxes via stimulus effects.\textsuperscript{107} Currently, Ontario child care funding is provided by municipal, provincial, and federal governments as well as parent fees.\textsuperscript{108} As funding is provided to local government authorities, this is another reason for including such authorities in the process of developing plans to close the pay gap.\textsuperscript{109}

\underline{Step #9 Mainstream Equity Compliance into Government Laws and Policies}

No evident steps have been taken by the Ontario government to focus policy makers on including a “closing the gender pay gap” impact analysis in their decision-making. The Ontario Women’s Directorate has only recently started to give some focus to women’s economic issues since its primary focus over the last 10 years has been on violence against women. While that is one of the key equality issues facing Ontario women, even that issue cannot be removed from the focus on women’s economic issues, especially since many women remain trapped in domestic violence with no ability to leave due to financial constraints. Closing the pay gap gives women more choices to be free of such violence.

In 2013, the Ontario government has communicated to some public sector community services agencies that it is “ending pay equity funding” as part of its effort to take sustainable measures to “manage with available resources” given the current economic climate.\textsuperscript{110} The provincial government, over the years, has eliminated designated pay equity funding for achieving pay equity in various parts of the public sector, funding which was the hallmark of its early years of pay equity enforcement. There is also no designated public funding system for adjustments to maintain pay equity in the public sector. Women in BPS agencies increasingly are working at discriminatory pay because their agencies are being denied sufficient government funding to ensure public services are provided free of gender discrimination.

Child care funding is another example of this problem. While there is still some designated pay equity funding in this area, it is inadequate and does not allow for maintaining equitable wages.\textsuperscript{111} The Ontario government is the majority funder in the child care system and, until 2012, it provided various wage funding grants to child care centres. The child care funding formula implemented in 2013 took several existing child care wage grants and collapsed those grants into a new funding stream of core funding which could be used by municipalities for any purpose.\textsuperscript{112}
For the first time in more than 20 years, there is no Ontario program with the goal of increasing the inequitable wages of child care staff. In 2013, the Ministry’s own wage survey showed that the majority of early childhood educators and child care staff make inadequate wages for the skill of the work. For example, Registered Early Childhood Educator wages range from $15.67 to $19.19 per hour. Without adequate wage funding, child care centres must choose between providing accessible child care at reasonable fees and providing equitable pay. At the same time, the Ontario government negotiated to give the male-dominated Ontario Provincial Police constable with three years on the job an annual base salary before overtime of $90,621 which is about $51.00 per hour.\textsuperscript{13}

When establishing full-day kindergarten programs, the Government funded school boards to ensure that early childhood educators working for school boards were specifically funded for their collective agreement wages, which included their pay equity adjustments. A similar policy should apply to funding of child care centre staff.

Another example of inadequate funding by government is for home care workers who went out on strike in 2013 due to their “poverty level wages of $15 per hour,” which is less than 30% of what an OPP constable makes. SEIU Local 1’s Justice 4PSWs campaign calls for increased government funding to sustain equitable wages for the highly female-predominant personal support workers in the home care sector\textsuperscript{14} who provide important care services to Ontario’s vulnerable populations.

The Ontario government is calling for an Ontario Pension Plan to supplement the federal CPP,\textsuperscript{15} which is credited with substantially reducing poverty among seniors, especially women.\textsuperscript{16} Such a move should be considered part of the province’s plan to close the gender pay gap as Ontario women who have faced years of pay discrimination need additional public pension protection.

Implementing mainstreaming in the Ontario government would require government policy makers to assess, as stated in the Equal Pay Coalition’s 2008 Framework for Action, whether government policies including funding have no impact or contribute to closing or widening the gap.\textsuperscript{17} There are numerous models to follow for such gender mainstreaming. Canada’s 1995 Federal Plan for Gender Equality provides guidance.\textsuperscript{18} The European Commission’s A Guide to Gender Impact Assessment gives practical advice to European decision-makers.\textsuperscript{19} All of these guides flow from the UN Convention on the Elimination of Discrimination Against Women (CEDAW) and the 1995 Beijing Declaration and Platform for Action and Beijing +15 Outcome
documents, which require governments to implement this human rights-based approach to public policy.

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**Step #10 Mainstream Equity Compliance into Workplaces and Businesses**

It is difficult to assess what Ontario’s workplaces are doing to mainstream pay equity compliance because there is no process for requiring any public accountability of those measures. Even Pay Equity Act plans do not need to be made public.

There are many models for requiring such accountability, particularly in the EU and Australia. The European Commission has developed a number of initiatives to mainstream pay equity compliance into workplaces and businesses, including a comprehensive *Manual for Gender Mainstreaming Employment*; exchanges of best practices; financing of member states’ pay equity initiatives and projects to raise awareness among employers about the business case for gender equality and equal pay.

The Swedish 2009 *Discrimination Act* requires employers (of 25 or more employees) to proactively survey their business every three years in order to detect and remedy gender-based gaps in pay, terms of employment, and to create an equal pay action plan. Portugal’s 4th *Plan for Equality* includes equality plans within enterprises. Belgium requires employers to outline how differences in labour costs between women and men should be included in companies’ annual audits, which are made publicly available, and that companies with more than 50 employees should compare their wage structure for men and women every two years. Where the analysis reveals that women earn less than men, employers are obliged to create an action plan to close the earnings gap.

Under Australia’s *Workplace Gender Equality Act 2012*, employers with 100 or more employees must annually report to the Workplace Gender Equality Agency on remuneration data broken down by gender, as well as answer a questionnaire that includes: “the existence of a formal policy or formal strategy on remuneration; the inclusion and nature of gender pay equity objectives in formal remuneration policies or strategies; an analysis of a gender pay gap at the organizational level; any action plan to address an organizational gender pay gap.” As well, there is a requirement to embed gender equality targets in an organization’s key performance indicators. Australia’s WGEA helps employers by providing a payroll analysis tool and a gender target-setting tool to help uncover gender pay gaps and set targets for improvement.
Another important pay equality tool for an organization is agreeing to adopt and implement the UN Women and UN Global Compact’s Women’s Empowerment Principles. Principle 2 includes the payment of equal remuneration for work of equal value, workplace policies free of gender discrimination, and flexible work options for those with family responsibilities.

In 2012, London, Ontario was the first Canadian municipality to adopt these principles at the urging of the Business and Professional Women’s Clubs of Ontario.

As well, some jurisdictions use an award system to encourage employer compliance. In November 2013, the Australia’s WGEA announced a new program that recognizes the best employers for gender equality. Such programs encourage employers to mainstream gender equality as a means to differentiate their brand in a competitive marketplace.
Conclusion

This report shows that much needs to done if Ontario is to reverse the past year’s increase in the gender pay gap and show real progress on making the province’s growing gender gap history. A dramatic change in thinking and action is required with government, business and civil society leaders working together to reach the goal of an Ontario economy where men and women are equal. As this report demonstrates, there are plenty of existing models to emulate — but progress requires political will, effective planning and enforcement moving forward.
Notes


9 Statistics Canada. “Table 282-0002”, supra.


Statistics Canada, Table 282-0002, supra.


Statistics Canada, Table, 282-0211, supra.


“Ontario Gender Gap: Women and Jobs Post-Recession, supra.


Association of Ontario Midwives v. Her Majesty the Queen in Right of Ontario as represented by the Minister of Health and Long Term Care, HRTO File No. 2013-1149-1.


https://www.appacats.mcss.gov.on.ca/eadvisor/start.action.


“Breaking the Cycle, supra, p.67.


See The European Pact for Gender Equality adopted by EU leaders in 2011; Council of the European Union, Council conclusions on the European Pact for gender equality for the period 2011–2020, (2013), 2: The EU 2020 Strategy aims to create more and better jobs, to achieve a higher employment rate for women as part of the overall employment target of 75 % for all 20–64 year-olds, and to ensure that there are 20 million fewer people in or at risk of poverty and social exclusion by 2020. the framework of actions on gender equality agreed between the European social partners in 2005.


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52 Source: Email communication from Emanuela Heyninck Pay Equity Commissioner to Mary Cornish dated March 21, 2013.


54 Service Employees International Union, Local 1 and Ontario Nurses Association v. Participating Nursing Homes, Ministry of Attorney General, Intervener PEHT Files No. 3696-10-PE and 1507-11-PE.


62 European Commission, “Tackling the Gender Pay Gap in the European Union”, (2013). Portugal requires employers to submit remuneration information to the labour ministry on an annual basis, records which are made available to employees. France has a similar law – the 2006 Act on Equal Pay.


70 OSPEU v. The Crown in the Right of Ontario (Ministry of Government Services), Pay Equity Hearings Tribunal File No.0884-12-PE.


74 Statistics Canada. “Table 282-0073, supra. The average hourly wage for all unionized Ontario workers $29.23, and for no union coverage is $22.80, a difference of $6.43 per hour.


79 Ontario PC Caucus, Paths to Prosperity: Flexible Labour Markets, June 2012.


Raise the Minimum Wage Backgrounder: "the 19% gap is derived from the difference between the $10.25 minimum wage and LIM for 2013. The current minimum wage is $18,655 per annum; based on 35 hour work week. In 2013, the Low Income Measure is $23,105; based on Before Tax LIM for a 1person household calculated from 2010 LIM plus 2% CPI. Source: http://www.statcan.gc.ca/pub/750002m/2012002/tbl/tbl03-eng.htm.

Minimum Wage Advisory Panel Report, supra.


13.4% of women working part-time who said they did so because of family responsibilities. See http://www.statcan.gc.ca/pub/89-503-x/2010001/article/11387-eng.pdf.


The “total public spending in the [child care] sector in Canada at 0.25% of GDP ranks last among comparable European and Anglo-speaking countries... Even looking at family support, including child payments, parental leave benefits and child care support, public spending in Canada is 17% below the OECD average” TD Economics Special Report, Early Childhood Education has Widespread and Lasting Benefits, (2012), 8.


Funding is provided to Consolidated Municipal Service Managers (CMSMs)/District Social Services Administration Boards (DSSABs) and First Nations child care administrators who manage and/or deliver child care services at the local level.

For example, see letter dated August 6, 2013 from Peter Armstrong, Director, Program and Services Branch Culture Division, Ministry of Tourism, Culture and Sport to Ms. Sue Wilkinson Executive Director and CEO, Findhelp Information Services.

“Licensed Child Care Questionnaire Results, Table, 2.” http://www.edu.gov.on.ca/childcare/ChildCareQuestion.pdf.


Between 1976 and 2011, the poverty rate for single females over the age of 65 dropped from 68.1% to 16.1%. “Risky Business: Canada’s Retirement Income System” Hugh Mackenzie, CCPA Report, 2014, p.4.


http://weprinciples.unglobalcompact.org/Site/Principle2/.

