


Closing the Gender Pay Gap – Everyone Benefits and Will Thank You




Closing Ontario's Gender Pay Gap – What You Need to Know to Get Started

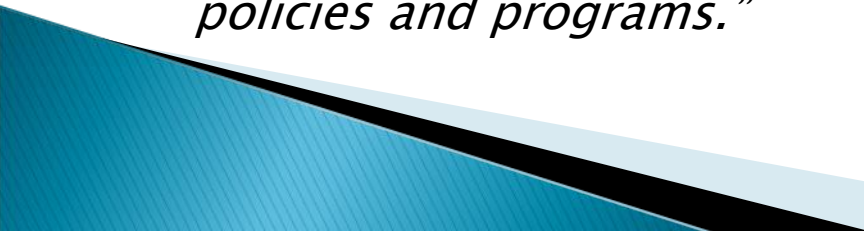
Presentation by Mary Cornish and Jennifer Quito,
Ontario Equal Pay Coalition to
Governmental Decision-Makers, Counsel and
Policy Analysts
March 27, 2015
Macdonald Block, Toronto




Purpose of Presentation

- ▶ 1. Overview of Ontario's Gender Pay Gap
 - ▶ 2. Show why government actors need to make it an urgent priority to develop comprehensive pro-active strategies to close Ontario's gender pay gap.
 - ▶ 3. Provide reference materials to support the dialogue and decision-making in government.
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PREMIER KATHLEEN WYNNE'S MANDATE LETTERS

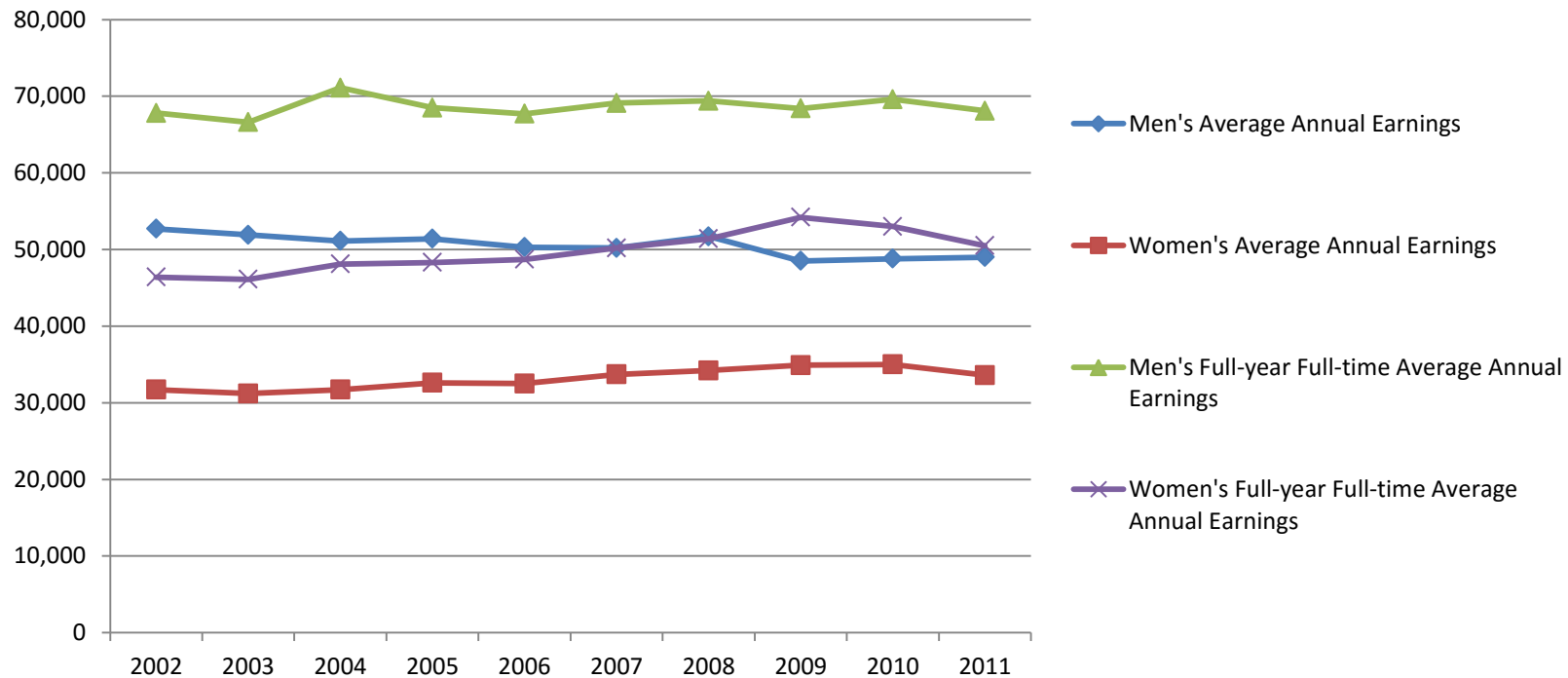
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 - ▶ **Minister Responsible for Women’s Issues to: Promote Gender Equality and work with Ministries to Apply Gender Lens**
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Ontario's Gender Pay Gap


- ▶ Wage gap – (2011) 31.5%
 - ▶ Wage gap is increased– Women who are further disadvantaged by factors such as race, disability, aboriginal and immigrant status subject to higher pay gaps.
 - ▶ This discrimination causes ongoing inequality, hardship and poverty for women, their families and communities.
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Gender Pay Gap is Stagnating


Figure 1: Average annual and full-time, full-year earnings Men and women, Ontario, 2002–2011, Statistics Canada, Survey of Labour Income Dynamics




Pay Inequality Causes Harm

- ▶ Everyone and every community across Ontario which relies on underpaid or underutilized women's work is affected by the gender pay gap.
 - ▶ Ontario's economic recovery and future are jeopardized by failing to harness 100% of the talent and economic potential of Ontario women.
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What Causes the Pay Gap?

- ▶ Women are segregated into work ghettos that engage in typical 'female work'
 - Caring work/ Healthcare / Education / Clerical
 - ▶ Work engage tasks that are just associated with being a woman, instead of acquiring monetary value on the labour market through a valuation of skill, effort, responsibility and working conditions[\$]
 - High level communication skills, multitasking, fine movement dexterity, care and nurturing.
 - ▶ As these gendered skills do not secure a financial reward, women are underpaid for their work.
 - ▶ Precarious work
 - ▶ Lack of affordable child-care
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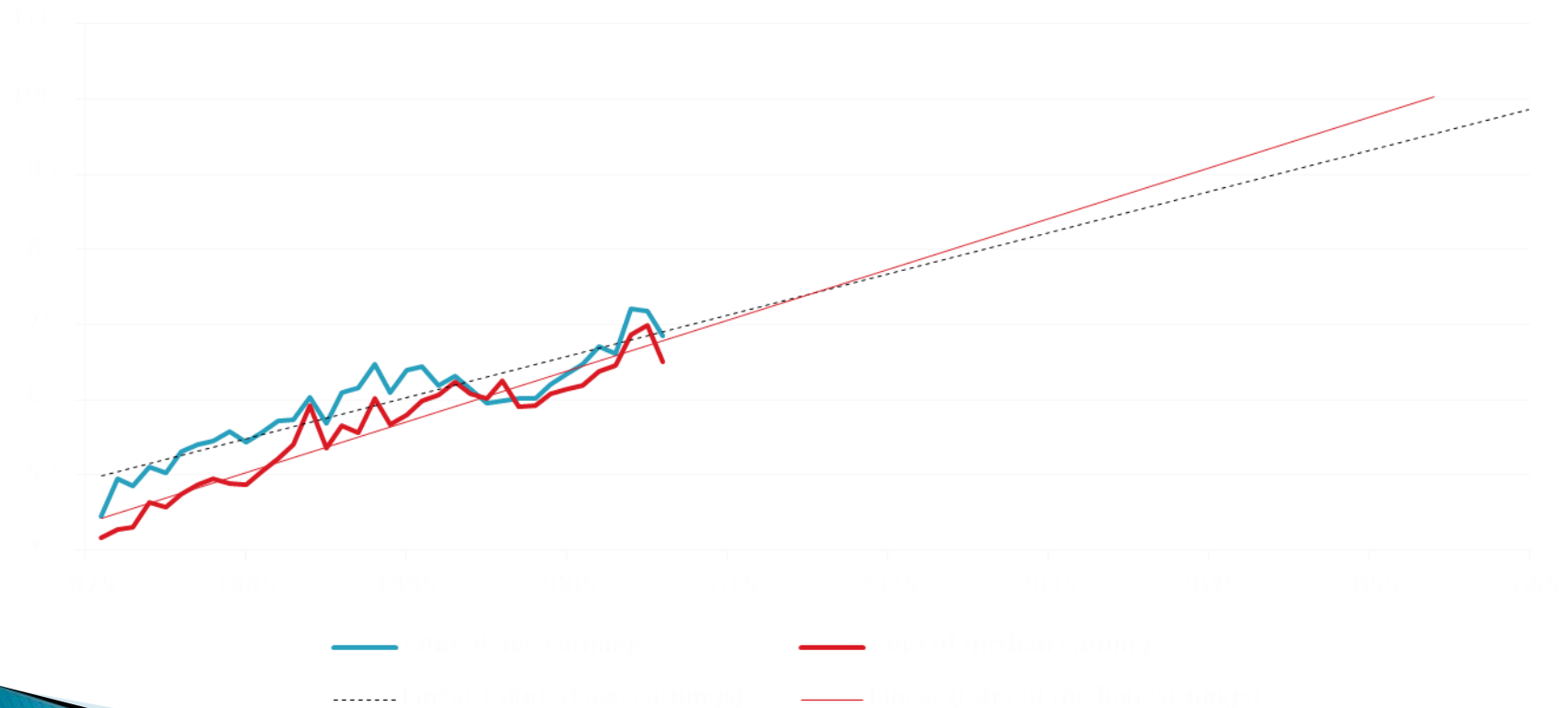
Why Isn't Ontario's Gender Pay Gap History?

- ▶ The gender pay gap has persisted and become often invisible and normalized.
 - ▶ Despite the 1988 *Pay Equity Act*, business and governments have not treated closing the gender pay gap as a human rights and economic priority.
 - ▶ Business and governments often depend on lower and unequal women's pay to get private goods and services delivered and public services provided.
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Measuring the Gender Pay Gap

- ▶ Three Overall Measures
 - ▶ **Average Annual Earnings** – fullest picture of the impact of the gender discrimination in compensation as it shows what women earn at the end of the year even if they work part time.
 - ▶ **Full Time Full Year Earnings** – measure often used historically to measure the gap.
 - ▶ **Hourly Wages** – most current Stats Can data but limited picture as many women work part time or part year.
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Based on Current Progress – Will take 55 years to close the pay gap – longer for women who are racialized, Aboriginal, have disabilities or are immigrants or similarly disadvantaged – Women need to work 14 more years to earn what men earn by age 65. See CCPA report, *Growing Concern*




Data Problems

- ▶ No current reliable way to compare 2012 Canadian Income Survey (CIS) data released in December 2014 with 2011 SLID data which is basis for (AE) 31.5% gender pay gap and (FT/FY) 24% gap. SLID has been discontinued and CIS has different methodology which may be reconciled by Stats Can by end of year.
 - ▶ CIS data for 2012 shows annual average earnings gap of 29.2% and FT/FY at 23.1%. CIS average annual earnings for men at \$48,500 and women at \$34,500 – a \$14,000 gap. 2012 reduction in gap may reflect different methodology – it is still way too large.
 - ▶ Census changes have also impacted collection of data, particularly for intersectional impacts.
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Gendered Ontario Labour Market

- ▶ Women are segregated into work ghettos, receiving lower pay than men because they are women.
 - ▶ Gender-based systemic labour market practices and prejudices infuse pay women receive for their labour, products or services.
 - ▶ Increase in “precarious” work” without sufficient protections and with vulnerable work dominated by women who are multiply disadvantaged.
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Many Factors Contribute to the Gender Pay Gap

- ▶ There is no one cause – gender pay inequality is a complex social and economic phenomenon and rooted in Ontario's gendered labour market, economy and society.
 - ▶ Pay inequality is sustained by other intersecting discrimination in areas such as education, health and reconciling of work and family where there is a lack of access to affordable and accessible child care.
 - ▶ Although women are the most highly educated now, human capital factors such as education or experience, access to full or part time employment and work sector affect the gap.
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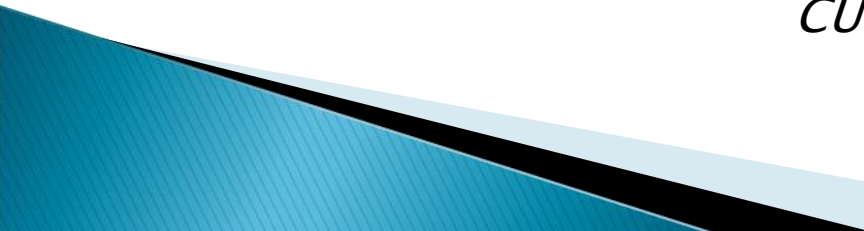
Occupational Segregation and Prejudice

- ▶ Work segregation, prejudice and undervaluation underpin Ontario's gender pay hierarchy with men still outearning women in all levels of the earnings spectrum.
 - ▶ Men dominate higher-paying work and women are found mostly in insecure, often part-time lower paid informal and formal work. See *Growing Concern*, CCPA Report
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Systemic Undervaluation of Women's Work

- ▶ *Many of the demands, conditions and contributions of women's work are invisible and undervalued both because so many women do these jobs and because female-dominated skills, effort, responsibilities and working conditions are associated with unpaid domestic or volunteer work.*
- ▶ *Yet such skills are essential to carrying out the work and are acquired over time, through training, even though they are often undervalued relative to those of men. Moreover, many of these women's jobs are highly demanding, but in ways so long associated with women that they are thought to be part of being a women.*

*Dr. Pat Armstrong
Expert Witness,
CUPE et al v. Attorney-General (Ont.), 2001*



Securing Pay Equality – The Legal Framework

- ▶ **ILO Convention 100 and Recommendation 90.** Equal Remuneration for Work of Equal Value – core labour standard requires the often different work men and women do to be paid the same where it is of comparable value based on skill, effort, responsibility and working conditions.
- ▶ **ILO Convention 111** requires employment equity measures to eliminate discriminatory barriers affecting women's employment and occupations (including pay).
- ▶ These standards, together with **CEDAW and other UN standards**, require signatory states to develop effective pay equality mechanisms
- ▶ **Ontario standards** –include *Pay Equity Act, Human Rights Code, Canadian Charter of Rights and Freedoms.*

Pay Equality – A Human Right and A Remedy

Gender Pay Equality is both a


- substantive human rights *entitlement* to sex equality in the labour market, and
- a systemic human rights *remedy* for past and ongoing discrimination.

Human right to non-discriminatory pay essential to human dignity and respect.


Securing right non-negotiable – manner and timing are.




Why is the Issue Urgent?

- ▶ This is a human rights crisis which must be redressed.
 - ▶ Women's pay critical to family, community and Ontario's prosperity.
 - ▶ Ontario increasingly dependent on women's work to fuel the economic recovery
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Closing Pay Gap Benefits Women, Families, Communities

- ▶ Breaks discrimination cycle and challenges systemic prejudices and practices that lead to the undervaluation and women's inferior social/economic/political position;
 - ▶ greater pay empowers women and changes dynamics in work, homes, communities;
 - ▶ Contributes to quality public services and social inclusion;
 - ▶ improves health and educational pathways for girls and boys and reduces family poverty.
 - ▶ Reduces women's vulnerability to violence and exploitation.
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Closing Pay Gap Benefits Businesses and Economy

- “By helping women reach their full economic potential, we can also help boost growth, prosperity and stability for the whole world”. IMF Dir.Christine Lagarde“ Female Labour Key to Healthy Economy, IMF Says’, Globe and Mail, 2015
 - reduces inefficiencies and increases productivity and profitability;
 - Pay systems relying on actual levels of responsibility and skills, motivate and retain skilled workers;
 - Reduces liability risks/costs of rights violations;
 - Improves business consumer image and builds investor/shareholder confidence.
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11 Steps to Close the Pay Gap

1. Treat as Human Rights Priority
2. Equal Pay Days and Education/Awareness
3. Develop Closing the Gender Pay Gap Plans
4. Expand and Enforce Pay Equity Laws
5. Implement Employment Equity Laws and Policies
6. Promote Access to Collective Bargaining Protection
7. Increase the Minimum Wage
8. Provide Affordable and Accessible Child Care
9. Mainstream Equity Compliance into Government Laws and Policies
10. Mainstream Equity Compliance into Business Practices
11. End Violence Against Women

See *Growing Concern: Ontario's Gender Pay Gap*.



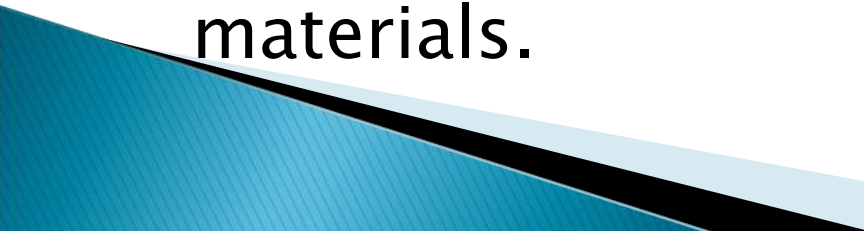
Multi-Dimensional Planning Approach Needed

- ▶ While pro-active pay equality promoting laws are critical first step – they are not enough.
 - ▶ A multi-faceted systemic human rights approach is required to ensure the right systemic focus and priority for addressing gender equality
 - ▶ Helps to secure the systemic benefits to Ontario of gender equality while working to avoid the adverse impacts of inaction.
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Applying a Gender Human Rights Lens

- ▶ Gender-based analysis and impact assessment tools have been used in Canada and internationally to achieve gender equality objectives. These tools set out how to embed gender equality in government planning, policy and decision-making.
 - ▶ These tools can be adapted to focus on a closing the gender pay gap objective. See *Applying A Gender Lens to Closing the Gender Pay Gap* document for reference materials.
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Mainstream Gender Pay Equality

- ▶ Design the right mix of systemic solutions based on international standards but tailored to the particular Ministry context and the diversity of women and their work.
 - ▶ Build mechanisms which accurately count and value both women's and men's work in all public policies and laws. Eg. Fund pay equity adjustments; require government contractors to prove pay equity compliant.
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Empower Women's Voice

- ▶ Employed and self-employed women all must have a clear and equal voice in the development, implementation, enforcement and evaluation of pay equality measures.
 - ▶ Women's empowerment is both a strategy and a goal in overall struggle for gender equality.
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Some Questions/Issues to Consider

- ▶ How can new strategies, policies, programs and laws be developed or existing ones modified so government actions serve to close and not widen Ontario's gender pay gap?
 - ▶ Have government actions taken a pro-active approach to including mechanisms to ensure that women's work is not undervalued and is compensated properly and free of discrimination?
 - ▶ What types of gender-specific and intersectional data are available and needed to consider how options will have a different impact on men and women and their diverse circumstances and disadvantages?
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Some Questions/Issues to Consider

- How will strategies to close the gender pay gap be promoted and incorporated:
 - into the budgetary decisions of Government including Ministries, Treasury Board and Cabinet BPS?
 - into the funding decisions of Government Ministries including Treasury Board and Cabinet in relation to Broader Public Sector and Contractors and the funding of public services?
 - as a key part of the overall government priorities and planning.
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Next Steps for Ontario

Governments and Businesses at all levels need to develop plans to close the gender pay gap.

Equal Pay Coalition has called for Premier to commit to a plan that will close the 31.5% gender pay gap by 2025 – the same compliance date for making Ontario accessible under the *Accessibility for Ontarians with Disabilities Act*.

Make the gender pay gap history in Ontario





Support Pay Equity
Your children will thank you

References:

- ▶ *Growing Concern, Ontario's Gender Pay Gap*, 2014 CCPA Report, policyalternatives.ca
- ▶ *Hennessy April, 2014 Index*, policyalternatives.ca
- ▶ *Applying a Gender Lens to Close Ontario's Gender Pay Gap*, M.Cornish and J. Quito, equalpaycoalition.org
- ▶ 2008 Equal Pay Coalition Framework for Action, www.equalpaycoalition.org.
- ▶ Ontario Pay Equity Commission, www.pec.on.ca
- ▶ Equal Pay Coalition www.equalpaycoalition.org
- ▶ Ontario Human Rights Commission, www.ohrc.on.ca