

A CAMPAIGN FOR WOMEN'S ECONOMIC EQUALITY



Equality  
once and for all!

Women in the Workforce:  
*Still a Long Way from Equality*



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Canadian Labour Congress  
Congrès du travail du Canada



# **Women in the Workforce: Still A Long Way from Equality**

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## **Introduction and Summary**

Some people see the issue of economic equality for women as rather outdated, out of tune with a supposed new world of opportunity that has opened up with higher education for women and a more equal division of work between women and men. Yet the fact of the matter is that, after many years of progress through the 1970s and 1980s, the gender wage gap in Canada has remained stuck since the mid 1990s at one of the highest levels in the advanced industrial world.

In 2005, the most recent year for which we have figures, women working full-time for the full year earned an average of \$39,200, or 70.5% as much as comparable men who earned an average of \$55,700. In the mid 1990s, such women earned 72% as much as men. The pay gap is even greater for university-educated women, who earned just 68% as much as men in 2005, down from 75% a decade ago. The gender pay gap in Canada is the fifth greatest in the advanced industrial (OECD) countries and even bigger than in the US.

Strikingly, the pay gap has grown rather than narrowed even as women have become more highly educated than men, and even as most women have decided to have fewer children, later in life. Fully half of women aged 25 to 44 now have a post secondary qualification, compared to 40% of men, and the education gap is even bigger among young people. Women are participating in the paid labour force at higher levels than ever before, and very few women now drop out of paid work for very extended periods of time. But, the pay gap persists and grows.

One key reason for the gender wage gap is that women without high levels of education (or whose credentials are unrecognized in Canada) are much more likely than men to be employed in very low-paid and insecure, part-time and temporary jobs, especially in private sector sales and service jobs. More than one in five women aged 25 to 54, the peak earnings years, make less than \$12 per hour, almost double the proportion of men. Working women, especially recent immigrant women of colour, have suffered most from the failure of governments to maintain adequate minimum wages and employment standards to protect low paid and precarious workers.

When it comes to better-paid jobs, women are still largely excluded from blue collar jobs, especially in the skilled trades. But a large and growing layer

of women have indeed moved into professional and skilled technical jobs, in education, health care and other community and public services. But these women are still paid less than comparable men, and are significantly under-represented in very well-paid jobs. More than three in four of the earners making at least \$89,000 per year (the top 5% of the Canadian workforce) are men, and men are still three times more likely than women to be senior managers.

Public services employ 29% of all women compared to 17% of men (and the gap is even greater if we take account of the community social services sector.) Women have, accordingly, borne most of the impacts of privatization and contracting-out to the private sector, where wages are lower and wage gaps are much greater. Pay equity laws can make a difference, but attempts to equalize wages between male and female-dominated job classifications have generally stalled even though discrimination remains apparent.

One of the key causes of the continuing gender wage gap is that our workplaces and our social and labour market policies have failed to reflect the realities of women's lives. Today, the great majority of women, including mothers of young children and women with elderly parents, participate in the paid work force. But working women still take on most of the responsibility for care and for work in the home.

Many employers demand very long hours of full-time workers, fail to provide reasonable and stable work schedules which match family needs, and will penalize women who take temporary leaves. As a result, many women are forced to work in lower paid and more unstable part-time jobs, or pay a big price for dropping out of the workforce for a year or two, or decide to work very long hours and not to have children at all.

The OECD has found that the gender pay gap is lowest in countries like France and the Scandinavian countries which provide affordable, quality public child care services, and also the most family-friendly workplaces. Here in Canada, Quebec has led the way by not only launching a major child care program, but also by legislating a right to leaves from work to take care of family responsibilities, and greater rights for part-time and temporary workers. The recent Arthurs report on federal employment standards outlined a progressive agenda for reform in 2006, which has since been largely ignored.

Unions have made a significant difference to the gender pay gap. Unionized women earn 93% as much as unionized men, while non union women earn just 75% as much as non union men. Unionization has improved wages and benefits for many working women, especially lower-paid women. However, unionization rates for women in the private sector are low, and lower

than among men (14% compared to 23%.) Organizing women into unions and bargaining for greater equality must be part of our efforts to close the pay and opportunity gap.

The continued economic inequality of women makes many women, especially single mothers and women seniors, vulnerable to poverty. Working families, whose real incomes have been maintained over the past twenty years only through the increased paid working time of women, have been pushed into a cycle of working more and more, and having less and less time for children and the community, while still failing to get ahead.

Economic inequality between women and men persists and is worsening because of a failure to deal with the key issues, in the workplace and in society as a whole. While we have won a few victories – such as extended parental leaves under EI – our governments have generally failed to address such key issues as continued pay discrimination, low pay, long hours and inflexible work schedules, and lack of access to services like child care and elder care. Far from being sidelined as an “old issue”, we must move the issue of economic equality for women to the centre of political debate and action.

While this paper makes a lot of comparisons between the experiences of women and men, it is also important to emphasize that there are major and growing differences in labour market experiences among women. The progress of some women has not been experienced by all. There are also large differences in the quality of jobs as between women of colour and other women, and between women who belong to unions and other women.

## **Women Continue to Enter the Workforce**

Women continued to enter the Canadian workforce in increasing numbers in the 1990s and over this decade, though at a slower rate than in the past. The labour force participation rate of women aged 15 to 64, which was just over one-half in the mid-1970s, had reached two-thirds by the late 1980s, and stood at an all-time high of almost three-quarters (73.5%) in 2006. This is still appreciably below the participation rate of 82.2% for men, though the rate for men has been stable or even falling because of a trend to earlier retirement for older men over most of the 1980s and 1990s. While short periods of time outside the paid work force remain common, the past few years have seen a big increase in the participation rate of older women. For women aged 55 to 59, the participation rate has jumped from just under one-half in the mid-1990s, to 62.3% in 2006. Almost half of women aged 60 to 65 are now still in the paid work force, up from just one-third a decade or so ago. Unlike earlier

generations, most of today's near elderly women have worked for all or most of their lives.

In almost all advanced industrial countries, the participation rate of women in the workforce has steadily climbed since the 1960s, and the gender gap in employment rates has narrowed considerably. The participation rate of women in Canada is now one of the very highest among the advanced industrial (OECD) countries. In 2006, as noted, 73.5% of women aged 15 to 64 were participating in the paid workforce, either working or actively seeking work. This compares to an OECD average of just 60.8%. For women aged 25 to 54, the participation rate in Canada was a very high 86.2% in 2006, compared to an OECD average of 76.5% (OECD 2007, Table C). Labour force participation in Canada by women only lags (very slightly) behind the Scandinavian countries.

## **Women Still Juggle Work and Family Responsibilities**

In all countries, participation rates and employment in full-time jobs tend to be lower for women because women still bear the primary responsibility for child care as well as elder care and work in the home generally. Almost everywhere, the gap between the employment rates of women and men increases with the presence and number of children in a family. The especially low participation rates of women in some European countries, such as Germany, Italy and Spain, reflects the survival of a traditional male breadwinner family model in which men are still the main source of family income, and many married women with children do not participate in paid work at all. This model is eroding as more women have sought economic equality with men and as cultural norms, including the division of domestic work, have changed. But it is still a significant influence on the job market. It is interesting to note that the number of children born per woman has plummeted most in countries where women have made progress in the educational system and job market, but are still expected to bear a highly unequal share of caring work and work in the home. (Beaujot and Kerr 2007).

The very high participation rates of women in the Scandinavian countries (and, likely, the narrow gender pay gap in these countries) reflects the fact that many of the caring needs of households that were traditionally taken care of by women in the home have now been assumed by the whole society through the public and not-for-profit sector. Child care and care for the elderly is readily available at low cost, which has helped women to work outside the home, and also to pursue career paths and climb job ladders without major interruptions in their work experience. The OECD judges that the cost to women of having

children in terms of reduced lifetime earnings is lowest in France and the Scandinavian countries which have public child care programs (OECD 2007 p. 61). Public investment in caring services outside the home has also directly created many good jobs for women.

Canada's very high rate of labour force participation by women does not reflect a well-developed system of government-supported child care. Even in Quebec, a comprehensive system is relatively new. Outside Quebec, quality care is hard to find, and is expensive. There is now some evidence that the Quebec program has, as might be expected, helped boost labour force participation by women, while lack of formal child care has held participation back in other provinces like Alberta (Roy 2006.) It would seem that the major impact in Canada of a lack of organized, quality child care and elder care services is not low labour force participation by women, but rather a heavy tilt towards part-time work, as detailed below. The burden of care does not stop women from working, but it pushes them into lower-paid and more insecure jobs.

Very high rates of participation by Canadian women in paid work undoubtedly reflect the fact that most women want to work to pursue a career, and to enjoy some measure of economic independence, rather than be full-time caregivers at home for extended periods of time, or completely dependent on the earnings of a spouse. Cultural norms have shifted much further away from the male breadwinner model of the 1950s than in many European countries. But high participation in paid work by Canadian women also reflects some new and more disturbing economic realities. As the real wages of men have stagnated and, for many, declined ever since the mid-1970s, women have entered the labour force to maintain and increase real family incomes. There would have been no real income growth for the great majority of Canadian working families over the past thirty years if it had not been for the rising incomes of working women. Incomes of women have increased as more women have worked, as their hours of work have risen, and because the wage gap between women and men narrowed until the mid-1990s.

The dual earner family is now very much the Canadian norm, and the earnings of women currently make up one-third of the income of dual earner families. This proportion has remained steady since the late 1990s after trending up from 25% in the late 1960s. (Statistics Canada 2006, Chapter 5.) About one in four women in dual earner families now earn more than their male spouse, and the earnings of women are, of course, the main source of income for most single-parent families and for the many women who live alone. Low earnings of many women are a major part of the explanation for very high poverty rates among single-parent families headed by women. Low earnings for many women are also a big factor behind low family incomes, since high-

earning men now tend to live with higher-earning women. Of course, a layer of well-paid men can, and do, support spouses who do not work, or work only part-time, but this is much less common than a generation ago. The key point is that the earnings of women are hugely important to economic well-being, and are now rarely just an add-on to male earnings. This makes the low earnings of many women and the gender pay gap highly problematic for both economic and equality reasons.

Three in four (73%) of Canadian two-parent families with children are now two-earner families. While many women (and a few men) with children work part-time, half of all two-parent families with children have two full-time earners. And, more than six in ten (63%) of single-parent families with children are headed by someone in the workforce. Employment rates are a bit lower for women with very young children. The domestic responsibilities of women, and the fact that many women with young children still take some time out of the paid workforce, still make a difference. In 2006, one in three women (33.6%) with a child under age six and about the same proportion with a child under age three (35.7%) were not in paid employment (Statistics Canada 2006, Table 5) and very few men take extended parental leaves to care for a young child. The participation rates of women who have given birth to a child in the last three years are about ten percentage points below those of other women in the same age group. The length of maternity and parental leaves has recently increased partly because of expanded rights to maternity/parental benefits under the Employment Insurance program (Zhang 2007). While more than twice as likely to be in the work force as thirty years ago, lower than average labour force participation rates for women with very young children reflect the choice and opportunity of many women to take short-term or somewhat longer maternity and parental leaves, a choice which has been facilitated by improved maternity/parental benefits, and perhaps influenced by problems of access to quality affordable child care. Very long working hours for some men are also likely a factor why some couples with children decide to live on one income, at least for a period of time.

Regardless of the reasons, the evidence suggests that giving birth to a child lowers the future earnings of a Canadian mother compared to a comparable woman without children by between 5% and 13% (Drolet 2002; Zhang 2007). The OECD points out that mothers have significantly lower lifetime earnings than do women who have no children, with the price being lowest in countries with public child care services. In today's job market, periods spent outside of paid work to care for children may be taken voluntarily, but nonetheless come at a price.

Many women, especially those working in part-time jobs, must deal with unstable and unpredictable work schedules. There was also an increase in unsocial working hours in the 1990s, with more women working at night and on weekends. More women are also now working very long hours. About one in seven women now work more than 41 hours per week. Unpredictable or long hours, combined with high and rising job demands, cause acute stress for many women because women still bear the major responsibility for domestic labour (child care, elder care, household maintenance, etc.). While more men are doing some household work, women in dual earner families in 2005 undertook 62% of the total hours spent by the household in domestic work, or almost one hour more per day than men. (Marshall 2006.) Working women are typically more likely than men to be responsible for dropping off and picking up children at child care, and for shopping. As a result, levels of time stress and work/family stress among women with children are extremely high. More than one-third of 25 to 44 year old women who work full-time and have children at home and 38% of single mothers report that they are severely time-stressed, with levels of reported severe stress rising by about one-fifth over the 1990's. About two-thirds of full-time employed parents with children also report that they are dissatisfied with the balance between their job and home life. (Statistics Canada, The Daily November 9, 1999). This acute time conflict for many women likely leads many to 'balance' work and family by opting out of jobs with very long hours and/or very heavy work demands, and this is likely a key factor behind the continuing wage gap.

## **The Persistent Gender Wage Gap**

One striking development in Canada over the past decade or so has been that the gender pay gap has, after many years of gradual progress towards equality, remained more or less stuck. Continued economic inequality between women and men despite the fact that formal educational qualifications of at least younger women now exceed those of men tells us that women still face discrimination and barriers, and that real equality of opportunity does not yet exist. This in turn means that many women remain, to a significant degree, economically dependent upon the earnings of men to sustain a decent family income, and that many women experience or are especially vulnerable to low income and poverty. This is especially true in an age of unstable families where about four in ten of all marital unions end in divorce. Wage gaps and low income over the course of a working lifetime condemn many women to low income in old age, with the low income rate of single elderly women significantly exceeding that of men (8.4% compared to 3.2% in 2005).

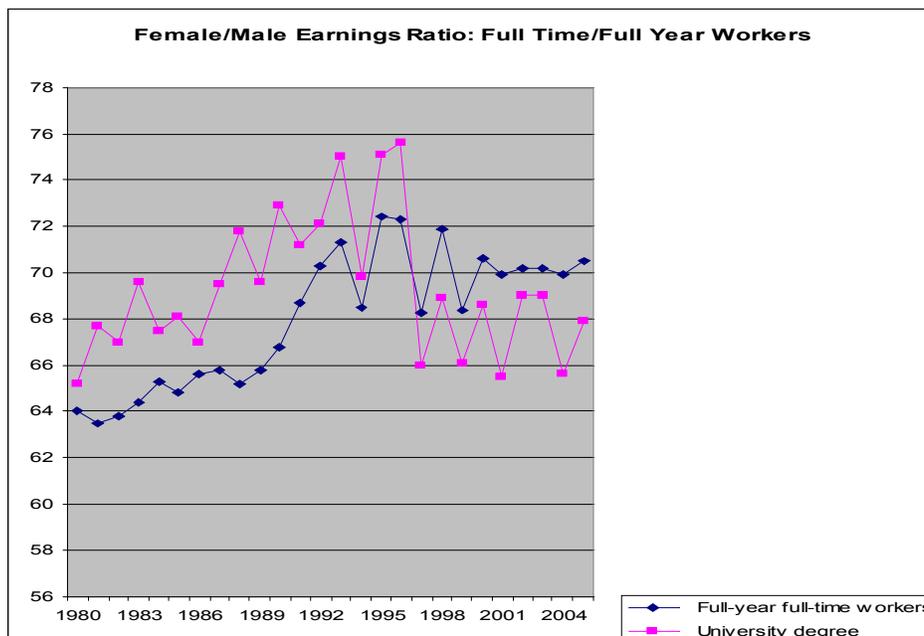
The most commonly cited indicator of the gender wage gap is annual earnings of full-time, full year workers, i.e. of workers in full-time jobs who work all year. This indicator used to be prominently reported upon each year. By this measure, women earned just 70.5% as much as men in 2005, or \$39,200 compared to \$55,700. If we look at all workers – including part-time and part-year workers - the gap is even greater – with women earning just 64.0% as much as men. These annual earnings indicators combine the impact of lower hourly wages with fewer weeks and hours worked over the year. What is striking, as illustrated in the Chart, is that the gender wage gap for full-time/full year workers closed steadily through the 1980s until the mid-1990s. Over that period, womens' annual earnings rose from about two-thirds to about 70% that of men, but the wage gap has since stagnated at that level. As further shown in the Chart, the gender wage gap for workers with a university degree also closed steadily until the mid-1990s, and then suddenly rose again in 1997. It has remained stuck at between 66% and 68% since that time. In short, the long trend towards greater economic equality of women and men has drawn to a close over the past decade or so. Data for 2000 to 2005 are provided in Table 1.

**Table 1**

<b>The Pay Gap: Earnings of Women vs Men</b>						
	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
<b>Average Annual Earnings of Men- Full Year /Full Time</b>	\$53,300	\$54,400	\$54,500	\$54,300	\$56,300	\$55,700
<b>Average Annual Earnings of Women- Full Year /Full Time</b>	\$37,700	\$38,000	\$38,300	\$38,100	\$39,300	\$39,200
<b>Pay Gap</b>	\$15,600	\$16,400	\$16,200	\$16,200	\$17,000	\$16,500
<b>Average Annual Earnings of Women as % Men</b>						
<b>All</b>	61.7	62.1	62.8	62.9	63.4	64.0
<b>Full Year/Full Time</b>	70.6	69.9	70.2	70.2	69.9	70.5
<b>Full Year/Full time with University Degree</b>	68.6	65.5	69.0	69.0	65.6	67.9

Source: Statistics Canada Cat. 13F002XE. Income Trends in Canada. Tables 2020102 and 2020104  
Income Data are in constant 2005 \$.

**Chart 1**



Source: Statistics Canada Cat. 13F002XIE. Income Trends in Canada. Tables 2020102 and 2020104. Income Data are in constant 2005\$.

As shown in Table 2, the hourly wage gap between women and men has narrowed only slightly over the past decade and has increased slightly among young people. The failure of the gender wage gap to continue to close is particularly surprising in view of the fact that the educational attainment of women, especially younger women, has continued to improve compared to that of men. As of 2001, only 26% of women aged 20 to 24 did not have some education beyond high school, compared to 36% of young adult men. By age 25-44, half (49.0%) of women in 2001 had a post-secondary qualification, compared to just 40.1% of men, with women accounting for the majority of university graduates and almost 60% of those with a community college qualification (Statistics Canada 2006, Table 4.2). Yet, the annual earnings gap has continued to widen, not least among those with a university education.

**Table 2**

Average Hourly Wage of Women as % of Men										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
All	81.6%	81.4%	81.1%	80.6%	80.9%	81.8%	82.3%	83.2%	83.8%	83.8%
Age 15-24	91.2%	91.0%	91.0%	89.3%	89.5%	90.0%	90.6%	90.4%	91.1%	90.5%
Age 25-54	81.3%	81.2%	80.7%	80.4%	80.6%	81.9%	82.5%	83.4%	84.2%	84.0%

Source: Statistics Canada Labour Force Survey 71F0004XCB.2006. TableCd3t01an

Table 3, shows average hourly wages for a range of occupations in 2006. These show a pure gender gap per hour worked, as opposed to larger pay gaps for the week and for the year which reflect not just lower pay rates for women, but also fewer hours worked. Women earned an average of \$17.96 per hour compared to \$21.43 for men in 2006, meaning that women earned, on average, 83.8% of the male hourly wage. As indicated, the wage gap tended to be greatest in the male-dominated blue collar occupations, and in the low-paid sales and service sector. Overall, women earned significantly less than men in lower-paid occupations. By contrast, the wage gap is smaller in better-paid occupations, especially in health occupations. As will be detailed below, the impact of these wage differences between occupations and wage gaps within occupations is amplified by the fact that women are disproportionately over-represented in low wage occupations. Data for hourly wages are consistently available only from 1997 and show a slight decrease in the gender wage gap, suggesting that hours of work play a major role in the annual earnings gap.

**Table 3**

<b>Average Hourly Wages by Occupation in 2006</b>			
	<b>Men</b>	<b>Women</b>	<b>Women as % Men</b>
All	\$21.43	\$17.96	83.8%
Management	\$33.33	\$27.68	83.0%
Business, Finance, Administrative	\$20.97	\$17.95	85.6%
Natural and Applied Sciences	\$28.70	\$24.60	85.7%
Health Occupations	\$23.68	\$23.02	97.2%
Social Science, Education, Government Services	\$28.69	\$24.22	84.4%
Art, Culture, Recreation, Sport	\$20.69	\$18.96	91.6%
Sales and Service	\$14.91	\$11.74	78.7%
Trades, Transport and Equipment Operators	\$19.86	\$14.67	73.9%
Processing, Manufacturing Utilities	\$18.79	\$13.57	72.2%

Source: Statistics Canada Cat. 71F0004XCB Labour Force Historical Review, 2006. Table cd301an

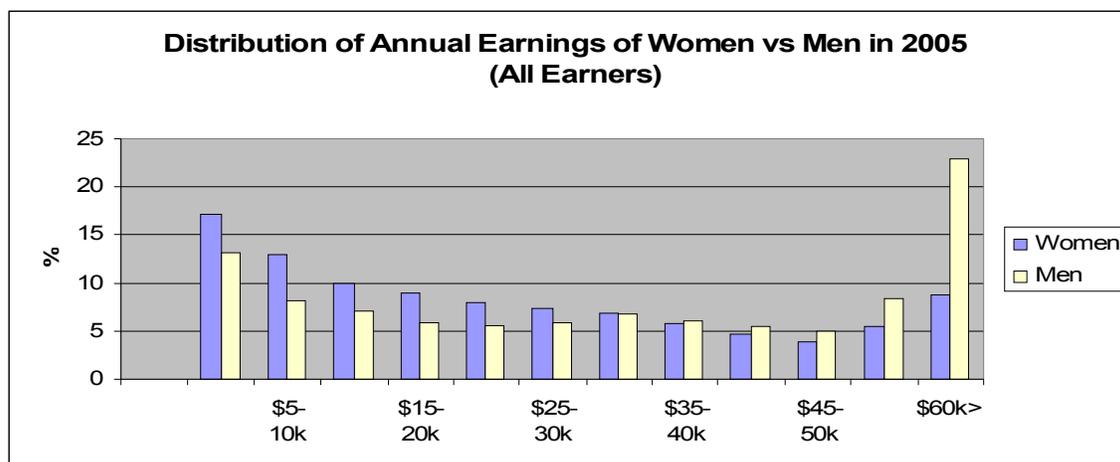
Table 4 and Chart 2, Distribution of Annual Earnings of Women and Men in 2005, indicates that there is a higher proportion of women than men in all earnings brackets until an income level of \$35,000 to \$40,000 is reached. At an annual earnings level of \$60,000 and more, men predominate in a proportion of about 2.5 to 1. Almost one in five men earned more than \$60,000 in 2005, compared to well under one in ten women.

**Table 4**

Distribution of Annual Earnings of Women vs Men in 2005 (All Earners)		
	Women	Men
<\$5k	17.2	13.1
\$5-10k	13.0	8.2
\$10-15k	10.0	7.1
\$15-20k	8.9	6.0
\$20-25k	8.0	5.6
\$25-30k	7.4	5.9
\$30-35k	6.9	6.7
\$35-40k	5.8	6.1
\$40-45k	4.7	5.4
\$45-50k	3.8	4.9
\$50-60k	5.4	8.3
\$60k>	8.8	22.9
Median	\$20,200	\$32,700
Average	\$26,800	\$41,900

Source: Statistics Canada Cat. 13F002XIE. Income Trends in Canada. Tables 2020101  
Income Data are in constant 2005 \$.

**Chart 2**



At the very top of the income spectrum, men overwhelmingly dominate. In 2004, the top 5% of Canadian tax-filers earned \$89,000 or more. Of this top group, 76% were men, rising to 79% in the elite top 1% group earning more than \$181,000. The highly disproportionate representation of men in the very highest income groups helps explain the failure of the gender wage gap to continue to close since the mid-1990s, since the proportion of all income going to the male-dominated high income group has been steadily rising. The top 5% of individual taxpayers declared 25.3% of all income in 2004, up from 20.9% in 1992. (Murphy, Roberts and Wolfson 2007).

The gender wage gap exists in all OECD countries, with the median hourly pay of women full-time workers averaging 18% less than that of men

(OECD 2006, Table EQ3.3). The gender pay gap in Canada measured by this key international indicator is, however, well above average, with women earning 23% less than men in full-time jobs. The gender pay gap in Canada is now the fifth greatest among 22 OECD countries, and somewhat greater than in the United States.

## **The Changing Generational Fortunes of Young Women and the Pay Gap**

The past 30 years or so have seen a huge shift in the life experiences of younger adults. A generation and more ago, young people left home, entered into marital unions, found stable jobs, and had children at a much earlier age than is now the case. Today, it is not until they are in the mid-20s that the majority of young people are working full-time. Before that age, the majority are still at school. More than 40% of people in their twenties still live at home, up from just one in four in 1981. At age 25 to 29, close to half of all young women are still single compared to just one-quarter a generation ago. The average age at which a woman has a first child has risen by four years, to age 28, and single child families are increasingly the norm (Beaujot 2004). Added to all of these changes, families have become much more unstable.

Key changes in the job market help explain this delayed transition to the adult norm of a generation ago. Good jobs require higher levels of education, and there has been a significant deterioration in the quality of jobs available to young people who do not have a post-secondary education. In the 1990s, wage gaps and differences in employment and unemployment rates between young people with and without post-secondary qualifications greatly increased. As a result, post-secondary enrollment in Canada has soared to one of the highest levels in the world.

On balance, young women have made progress. Compared to earlier generations, families have been prepared to invest in the education of all children, and most young women now expect and want to pursue an education and a career. As noted, the education gap between the sexes no longer exists and indeed has reversed. Partly as a result, compared to earlier generations, the earnings of young women have fallen less than those of young men (Jackson 2006). However, the pay gap between young women and young men remains surprisingly intact.

A Statistics Canada research paper looks at employment and earnings for young men and women aged 25 to 29, in each of 1981, 1991, and 2001 (Frenette and Coulombe 2007). Over those years, the educational gap between

young women and men continued to widen, as the proportion of women in that age group with a university degree rose from 16.2%, to 19.1%, to 31.3%, while the proportion of university-educated young male adults rose at a slower pace, from 15.5%, to 16.1%, to 26.1%. The employment gap between university-educated young adult men and women also shrank, as the proportion of women graduates working full-time rose.

Despite progress in terms of educational attainment and obtaining full-time jobs, the pay gap between university-educated young women and young men exploded in the period from 1991 to 2001 (after narrowing between 1981 and 1991). In 2001, university educated young adult women earned an average of \$36,782, or 18.4% less than the average earnings of \$45,054 for comparable men. This compares to a gap of 12.2% in 1991. Between 1991 and 2001, average earnings of university-educated young women actually fell, from \$37,066, while rising among comparable men, from \$42,219 in 2001. (These are real or inflation-adjusted earnings, in year 2000 dollars.) Meanwhile, the earnings gap remained constant for college-educated and high school educated young adults.

The authors attribute much of this gap to the fact that university-educated women suffered pay cuts as a result of disproportionate employment in public sector health and education jobs, while men gained due to disproportionate employment in private sector jobs in engineering, computer science and commerce. The fact remains that it is young adult men university graduates who have had access to the best-paid jobs due to continued occupational segregation, as detailed below.

## **Pay Discrimination and Pay Equity**

Economic research has consistently shown that the greatest part of the gender wage gap in Canada, as in other industrial countries, cannot be explained by supposedly objective factors such as the educational level and job experience of women, but is created by gender itself (Drolet 2002; OECD 2002). In other words, there is an unexplained differential by gender when analysts control for other measurable factors (some of which are themselves influenced by gender). Pay gaps can and do result from cultural preconceptions of the value of particular jobs, reinforced by comparisons with other employers operating on the same assumptions, rather than from an objective analysis of job characteristics as a guide to pay levels. Male blue collar workers are still often paid more than women clerical workers, even though their jobs are neither more highly skilled, nor involve greater responsibility, nor are necessarily more demanding. Well into the 1970s, nursing and elementary

school teaching were low-paid jobs mainly because these were professions dominated by women, rather than because the skill level and responsibility of the work were low. Traditionally, male workers were more highly unionized than women, and greater bargaining power helped raise their relative wages. (Low unionization for women compared to men is still a big factor in the private sector.) Until at least the 1960s and 1970s, the cultural norm was that men should be paid a family-supporting wage, and women were viewed as secondary income earners.

Pay gaps can arise from the fact that women are discriminated against when it comes to accessing better jobs and promotions. Such discrimination can be overt - protection of male job preserves - or more systemic - a failure to recognize and accommodate differences between women and men. While differences in total work experience are not necessarily very large, the perception that a career comes second seems to be a major factor behind the glass ceiling that continues to exist in some workplaces and professions.

The struggle for legislated pay equity for women goes back a long way. The demand for laws requiring equal pay for women and men doing the same job dates back to the nineteenth century and, by the 1950s, most Canadian provinces had legislated against pay discrimination in the sense of forbidding employers from paying women less than than men performing the same job. However, expressed in this way, the principle of equality is problematic for the simple reason that women and men mainly work in different jobs, rather than side-by-side for different pay in the same job. Pay discrimination by gender is less discrimination against individuals than systemic, in that the kinds of jobs held by women are under-valued compared to the jobs of men, and pay lesser wages. (Armstrong, Cornish and Millar 2003).

From the mid-1970s, the federal government and some provinces began to legally require some employers to pay women equal pay for work of equal value, that is, to equalize pay between comparable job groups or classifications within the same establishment. Usually, such legislation has applied to public sector employers and application to even large private sector employers has been much more limited and episodic. Small employers have almost invariably been excluded.

Proactive pay equity laws covering only the public sector have been introduced in Manitoba, New Brunswick, Prince Edward Island and Nova Scotia. On the other hand, Newfoundland and Labrador, Alberta, British Columbia and Saskatchewan - still have no legislation at all governing equal pay for work of equal value. Only Ontario (1998) and Quebec (1996) have proactive pay equity laws covering both the public and private sector. Preliminary reports on the tenth anniversary the Quebec Pay Equity Act

indicated that one third of the completed pay equity exercises had resulted in salary adjustments of between 3.9 and 8.1 percent. The federal legislation, which requires filing of a complaint, is embedded in the Canadian Human Rights Act. Similar human rights provisions also cover the Yukon, the North West Territories and Nunavut.

The federal legislation is much less effective. Equal pay for work of equal value can only result from a complaint by employees. When a complaint has been made, employers and unions have had to undertake complex comparisons of job classifications to determine if female-dominated jobs have been undervalued, and if so, to calculate any pay differential which should be eliminated. And employers have used lack of clarity in the legislation to challenge the positive results of pay equity studies and to tie up the process for years by resorting to the courts.

There have been some significant pay gains for some groups of women under the federal law, as in landmark legal settlements for women clerical and support workers in the federal public service, and women workers at Bell Canada. (Men in female-dominated classifications also benefitted). However, these victories came only after years of protracted negotiations and extremely expensive legal struggles. In practice, the legal struggle for pay equity has only benefitted women working for large employers, mainly where a union has been prepared to actively press the case.

The principle of equal pay for work of equal value has not been effectively applied outside a few parts of the job market, and has been undercut by the restructuring of work in such a way as to undermine large workplaces where systematic comparisons can readily be made between the jobs of women and men. (Armstrong, Cornish and Millar 2003). Pay equity legislation would be much more effective if all employers were required to pro-actively ensure that their pay classification systems were gender neutral.

## **Precarious Work**

The fact that more women are working is positive from the point of view of the economic independence of women and the incomes of families, but tells us nothing about the quality of the jobs that women are finding. A significant and disproportionate number of women workers are employed in precarious jobs - that is, in insecure jobs that carry a high risk of unemployment and/or low pay and provide limited access to benefits such as pensions and drug and dental plans. Precarious jobs also involve limited control of working hours and conditions, and offer limited prospects for advancement in the job market.

The incidence of precarious and insecure forms of work rose significantly in the 1990s, and is higher for women than men. (Vosko et al. 2003). Table 5 – Employment of Women and Men in 2006 by Form of Employment - shows the major differences in the kinds of jobs - or 'forms of employment' - held by women and men. The biggest difference by far – explored in more detail below – is that women are much more likely to work in part-time jobs. More than one in four women (26.1%) work part-time, compared to just over one in ten (10.8%) men and the gap is even greater when young workers are excluded. Men are more likely to be self-employed, but women have been catching up fast and are more likely to be in the most insecure form of self-employment, working by oneself in an unincorporated business. Women are modestly more likely to work in temporary jobs, which can be contract or seasonal jobs.

**Table 5**

<b>Employment of Women and Men in 2006 by Form of Employment</b>		
	<b>Men</b>	<b>Women</b>
Full Time	89.2%	73.9%
Part Time	10.8%	26.1%
Employees	81.4%	88.7%
% of employees in public sector	17.3%	28.6%
% of employees in temporary jobs	12.3%	13.7%
Self-Employed	18.6%	11.3%
Of which – Unincorporated/ No Employees	43.4%	58.1%

Source: Statistics Canada Cat. 71F0004XCB Labour Force Historical Review. 2006. Tables cd1107,08,44an

Another key dimension of precarious employment is the incidence of low pay. Even steady, full time jobs can provide little or no economic security if they are in low paid businesses and sectors. In 2007, 31.4% of all women were in low paid jobs compared to 20.9% of men, and, while the incidence of low pay is highest among young workers, fully 21.6% of women aged 25 to 54 were low paid compared to just 11.5% of men in the same age group. Low paid is defined as earning less than two-thirds of the median wage, which translated to under \$12 per hour in 2007. (Custom data supplied by Statistics Canada Labour Force Survey Division. This definition of low pay is used by the OECD to make international comparisons). A single person with no children or dependents would need to earn an above poverty-line income.

If we understand precariousness as a combination of unstable work and low paid work, it is clear that women are much more precariously employed than men. This translates into a high risk of poverty for single women,

especially those with children. In 2005, 33.4% of all single parent families headed by women fell below Statistics Canada's Low Income Cut-Off line (after tax), as did 37.1% of unattached (single) women under 65, compared to 32.1% of unattached non-elderly men. (Statistics Canada <http://www40.statcan.ca/101/cst01/famil19a.htm?sdi=low%20incomehttp>, accessed December 20, 2007). Low wages also imply a significant degree of economic dependence upon men for many women in dual earner families.

Women of colour are especially likely to have low earnings. Data from the 2001 Census showed that, while women had average annual earnings of \$24,390, visible minority women earned an average of \$22,301, and women immigrants who had come to Canada in the previous five years had average annual earnings of just \$18,113. Low earnings of women are clearly one major factor behind very high poverty rates among recent immigrant families. Women from most immigrant groups participate at high levels in the paid work force, but are often only able to find low paid and precarious jobs. Many such women have high levels of education, but face difficulty in having international credentials recognized, and also face racial discrimination. Women with disabilities also had below average earnings (\$20,821). Such women, like aboriginal women, experience not just low pay but also much higher than average rates of unemployment, and low levels of employment. Among all equality-seeking groups, women earn significantly less than their male counterparts.

## **Unemployment**

The unemployment rate of women is usually a bit lower than that of men. In 2006, the unemployment rate for women aged 15 to 64 was 6.1% compared to 6.6% for men, and, for core working-age women, aged 25 to 54, it was 5.2% compared to 5.4%. For both women and men, these were the lowest annual average unemployment rates for more than thirty years. Women also tend to be unemployed for a slightly shorter period of time than men - an average of 15.8 weeks compared to 17.4 weeks in 2006. Lower unemployment rates for women mainly result from the fact that a higher proportion of men are employed in seasonal jobs like construction and primary industries, while relatively more women are employed in steadier public and social services jobs. Also, women who lose a job are a bit more likely than men to spend a period of time outside the workforce rather than to actively look for another job right away. That said, many women have experienced unemployment in recent years. The unemployment rate for women topped 10% in both 1992 and 1993 before slowly falling over the rest of the decade. Even at a superficially low unemployment rate of 6% it has to be borne in mind that a much higher

proportion of workers, about 10%, will experience at least one spell of unemployment over the course of a year. Younger women have experienced and continue to experience very high rates of unemployment. In 2006, the unemployment rate for young women aged 15 to 24 was 10.4%.

While women are unemployed a bit less often than men, they are also less likely to have very stable employment. The average woman worker aged 25-54 has been in her job for 94 months or a bit under 8 years, almost one year less than a man in the same age group. Among workers aged 25-54, about one in five of both women and men have been in their current job for less than one year. Shorter job tenure is one indicator of more precarious employment, and also reflects periods spent out of the workforce caring for children. There continues to be a significant gap between the proportion of women and men who work full-time hours for a full year - that is, who are steadily employed. In 2005, 55.2% of men worked full-time hours for the full year, compared to 45.8% of women. (Statistics Canada. Income in Canada. 2006. Table 202013).

## **Women and the Employment Insurance (EI) Program**

Despite deep cuts in the mid 1990s affecting who is eligible and the amount of benefits which are paid, EI remains critical to the well being of workers and working families. In 2005-06, even with a low overall unemployment rate, the program provided about \$8 billion in benefits to provide income support to workers between jobs; about \$3 billion in maternity/parental benefits to parents (almost all to mothers); and \$1 billion in sickness benefits. Some 2 million claims were filed in that year. In 2006 the maximum weekly benefit was \$423, representing 55% of maximum insurable earnings of \$40,000 per year. (Human Resources and Social Development Canada 2006.)

EI income support during periods of unemployment, maternity/parental leave and periods of sickness is obviously important in terms of stabilizing and supporting family incomes, and also supports the economic independence of women since benefits are not based on family income (with the exception of a small supplement for low income families), but rather on insured individual earnings. However, key EI program rules exclude or unfairly penalize women because they fail to take into proper account the different working patterns of women compared to men. While the great majority of adult women now engage in paid work, the hours they work exclude many from EI benefits, as do periods of time spent away from work caring for children or others.

As Monica Townson and Kevin Hayes document in a study originally conducted for Status of Women Canada (whose research program was eliminated in 2006), only 32% of unemployed women qualify for regular EI benefits, compared to 40% of men who are unemployed. Over 70% of women and 80% of men qualified for benefits before major cuts were imposed in the early 1990s. The key reason for the gender gap is that, to qualify, a person must have worked in the previous year, and must have put in between 420 and 700 hours of work, depending on the local unemployment rate. Workers in most large urban areas now have to put in 700 hours, roughly the equivalent of 20 weeks of full-time work (Townson and Hayes 2007).

Fewer unemployed women qualify than do men because many women take extended leaves from work to care for children or others. After a two year absence from paid work, the entrance requirement jumps to 910 hours, or more than six months of full-time work. And, when they work, women are much more likely than men to be employed in part-time and/or temporary jobs as opposed to full-time/permanent jobs providing steady hours. Because they lack enough qualifying hours, only about half of part-time workers who lose their job actually qualify for unemployment benefits.

Even when they do qualify, the lower pay of women combined with more unstable work patterns means that they usually qualify for lower benefits (an average of \$291 per week compared to \$351 for men in 2005/06.) Only about one third of the total dollar amount of regular EI (unemployment) benefits is paid to women, even though women now participate in the paid work force at almost the same rate as men.

The EI program now provides up to 15 weeks of maternity benefits, and 35 weeks of parental benefits, 90% of which are taken by women. Expansion of maternity/parental leaves stands as a major gain for working women in recent years, especially the 2001 increase in parental benefits from 10 to 35 weeks. To qualify, a woman must have worked 600 hours in the previous year. About three quarters of all women giving birth to a child do qualify, and about 60% claim a benefit. But a full year of leave is much more likely to be taken by women who qualify for a reasonable benefit, or whose employer supplements the EI benefit. Quebec has recently begun its own EI maternity/parental program which offers much higher benefits (covered through higher premiums), and also covers self-employed workers for the first time.

The key reforms to the EI program which have been advocated by labour and anti-poverty groups are a reduction in the number of qualifying hours for regular benefits to 360 in all regions, a longer duration of up to 50 weeks of regular benefits, and an increase to at least 60% in the percentage of insured earnings replaced by EI benefits.

## Part-Time Work

The paradox of part-time work is that this is a form of employment that can help women balance work and family roles, but one that usually comes at a high cost in terms of job quality (Duffy and Pupo 1992). Certainly women are much more likely to work part-time than men, and part-time jobs are usually much less desirable than full-time jobs. Some part-time jobs—usually in unionized workplaces, public services, and with some larger companies—can offer good pay and benefits, stable hours and regular shift times, and decent career development prospects. In such contexts, the flexibility of part-time work is welcomed by many, mainly women, workers who may choose to work part-time for a few months or even a few years before returning to full-time work.

However, most part-time jobs are low paid, and some employers deliberately create part-time jobs to keep labour costs to a minimum. In 2006, part-time jobs paid an average hourly wage of just \$13.80 compared to \$20.99 in full-time jobs. Adult women part-timers actually make more on average than male part-timers, but the fact remains that there is a huge hourly wage gap between the two kinds of work. Partly, this reflects the fact that many part-time jobs are to be found in relatively low-wage industries, such as retail trade and the hospitality industries, but studies have also shown that part-time jobs tend to be paid less than comparable full-time jobs. Typically, part-time jobs are also only about one-half as likely to provide benefits as full-time jobs. Thus, in 1999, just one in five part-timers (18.9%) were covered by an employer pension plan compared to 41.6% of full-timers, and 19.8% of part-timers were covered by a supplementary medical insurance plan compared to 59.5% of full-timers. (Data from Statistics Canada Workplace and Employee Survey). Opportunities for career advancement and training are much more limited than in full-time jobs.

Work schedules are often extremely variable. Four in 10 (37.9%) non-union part-timers work irregular hours or are on call compared to one in four unionized part-timers (data from Statistics Canada Survey of Work Arrangements 1993). Irregular part-time hours make it extremely difficult to balance work and family, and work and education. In many stores and restaurants, part-time workers have little or no control of their work schedule. Hours can be posted with little advance notice to meet the fluctuating demands on a business for goods and services, or to fill holes in the work roster. Part-time schedules are usually much more variable than those of full-time workers who are promised 35 to 40 hours of work per week. It is not uncommon for part-time and casual workers to be obliged to sit at home and wait to be called into work, depending on whether business is good or slow. This practice of varying the hours of part-timers may make business sense, but makes a mockery of the common idea that part-time work gives women workers the

ability to work the hours that they want. Employment standards legislation in most provinces is all but silent on the right of part-timers to advance notice of hours, and on equal wages and pro-rated benefits between full and part-time workers (Broad and Hagin 2002).

Someone is considered by Statistics Canada to be a part-time worker if he or she works in a main job for less than 30 hours per week. More than one in four of all women work part-time compared to only about one in ten men (26.1% compared to 10.8% in 2006.) Most male part-timers are students. In the core working-age group of people aged between 25 and 54, just 4.6% of men worked part-time in 2006, compared to 19.4% of women. These proportions have been stable or somewhat declining in recent years. Women with children, especially two or more children, are much more likely to work part-time than other women. As shown in Table 6, 6.2% of all 'core age' women are working part-time for reasons related to caring responsibilities, more than thirty times the proportion of men in the same age group. Women are also twice as likely as men to be working part-time because of problems finding a full-time job.

**Table 6**

<b>Part-Time Work in 2006 Among Core Age (Age 25-54) Workers</b>		
	<b>Men</b>	<b>Women</b>
% All Workers in Age Group Working Part Time		
Due to:		
Caring for Children/ Personal and Family Responsibilities	0.3%	6.2%
Lack of Availability of Full-Time Jobs	2.2%	5.6%
Personal Preference/Voluntary/Other	2.1%	7.6%
<b>Total - For All Reasons</b>	<b>4.6%</b>	<b>19.4%</b>
<small>Source: Statistics Canada Cat. 71F0004XCB Labour Force Historical Review, 2006. Table cd1t08an</small>		

Significantly more women than men also express a preference for part-time work. Working part-time can, in principle, be desirable, allowing women, and potentially men, to better balance the demands of work and family and community life. However, this choice must be seen, in part, as socially constructed. Some women 'choosing' to work part-time would likely choose to work full-time if they could find high-quality, affordable child care or elder care, or if their spouses took on a greater share of work in the home. The incidence of part-time work for women tends to be much lower in countries like Sweden and Denmark which offer organized child and elder care arrangements, and the gap between women and men working part-time is more modest in the

Netherlands where it is common for both partners to work part-time and to share child care responsibilities.

## **Improving Part-Time Work**

Innovative amendments to the *Saskatchewan Labour Standards Act* in 1994 required employers to post part-time work schedules one week in advance, to provide rest and meal breaks to part-timers, and to provide pro-rated benefits to part-time workers (in establishments with more than 10 employees). Some provinces have enacted similar limits on the ability of employers to treat part-timers as 'just in time' workers.

Very strong opposition from the business community meant that the Saskatchewan government failed to implement, and ultimately repealed, the most innovative section of the new Act which would have required employers to offer available hours of work to their current part-time workforce before hiring new part-timers. This would have allowed part-timers to gradually turn themselves into full-time workers, and undercut the ability of employers to create a mainly part-time work force. Employers did not want to lose the control of total hours worked which comes with maintaining a predominantly part-time workforce. (For details, see studies by Dave Broad and colleagues from the Social Policy Research Unit of the University of Regina, posted at: <http://www.uregina.ca/spr>).

## **Temporary Jobs and Self-Employment**

Both corporate and public sector employers have tried to limit hiring of more costly full-time, permanent employees with guaranteed hours and, usually, benefits by hiring temporary workers to meet spikes in demand, and by outsourcing or contracting out some tasks to smaller outside suppliers. Many of these contractors in turn contract out work to sub-contractors and to individuals, with the quality of employment generally declining at each link in the chain. As a result, there has been a steady increase in contract or temporary workers, and also in the number of self-employed workers over the past decade and more. This has come on top of a traditional layer of self-employed workers who run their own businesses.

Contract and temporary work can lead to a permanent job, and a few workers enjoy moving from contract to contract, or want to work only in a seasonal job. But, such employment is rarely a first choice for adult workers, since temporary workers are typically excluded from benefit plans, training

programs, and career ladders, and are paid less than comparable permanent employees.

As noted, in 2006, 13.7% of all women employees compared to 12.3% of male employees were in temporary jobs, which are defined as jobs that are casual, seasonal, or, most often, have a defined end date. The incidence of temporary employment for women has about doubled since the late 1980s, and has been inching up even in the low unemployment period since the late 1990s. Women temporary workers are much more likely to work part-time than temporary male workers.

Another form of precarious employment is self-employment. A layer of self-employed workers are high-earning professionals - such as doctors, lawyers, architects, engineers, and accountants - who usually work with professional colleagues and employ support workers. Others are owners of small- and medium-sized businesses that employ workers. These people are mainly self-employed by choice, and can earn high and stable incomes. However, a large and growing layer of self-employed workers are running tiny businesses of their own mainly because they cannot find stable, permanent employment. Unincorporated micro-enterprises with no employees run the whole range from home and building cleaning, to household maintenance, to child and elder care, to making clothes, to working as freelance writers and editors and artists. Many of these solo self-employed workers have just a few clients and can, in many cases, be considered to be hidden employees.

The rapid growth of self-employment in the first half of the 1990s was mainly driven by the increasing numbers of so-called own-account workers - that is, self-employed workers who are unincorporated and employ no paid help. About one-half of all own-account workers reported in the mid-1990s that they would rather have regular jobs (data from Statistics Canada's Survey of Self Employment). A lot of people are self-employed for short periods and many low paid, precariously employed workers frequently alternate between solo self employment and temporary jobs. The legal distinction between self-employed and contract workers is not clear-cut, and can even differ from one legal statute to another (Fudge et al. 2002). As the Arthurs Report on federal labour standards made clear, many disguised employees are covered by minimum labour standards in theory, but are often not aware of that fact. Arthurs recommended that all workers should be given formal notice of their employment status, and their legal rights as employees (Federal Labour Standards Review. 2006).

Self-employment among women rose in the first half of the 1990s from 9.9% of total women's employment in 1990 to 11.6% in 1997, but fell slightly to 11.3% by 2006. While self-employment is more prevalent among men,

accounting for fully 18.6% of all men's jobs in 2006, self-employed women are much more likely to be own-account workers, running their own micro-enterprises with no employees. Women self-employed workers are also much more likely to have very low earnings than are self-employed men. In 2000, almost half (45%) of all self-employed women made less than \$20,000 from their businesses compared to 19% of self-employed men. Less than one-fifth of self-employed workers making more than \$60,000 per year were women.

## **The Restructuring of Women's Work: Two Examples**

### **1. Clerical Work**

Traditional 'pink collar' clerical or office support work performed by women has been dramatically changed by new information and communications technologies, changed management strategies, and by the outsourcing of work once performed in house to contractors and sub-contractors. One theme that emerges from recent Canadian studies is the increased precariousness of clerical work. In their study of the customer payments centre in a large telecommunications company, Fox and Sugiman (2004) detail a shift from full-time and permanent to part-time and temporary jobs among a predominantly female work force, and the erosion of already limited prospects for mobility to better jobs. Similarly, Good and McFarland (2004) show how mainly women workers in a New Brunswick call centre must be prepared to work very flexible hours and to change shift schedules so that the number of operators always just matches the volume of inbound calls. In both cases, the work is intensive, mainly consists of quite narrowly defined tasks, and is closely monitored by management. However, it is not unskilled, often requires some degree of discretion and judgment to deal with customer problems, and pays better than minimum wage. Also, in both cases, management has experimented with new forms of work organization such as teams and rotation between jobs.

### **2. The Restructuring of Public Sector Employment: Implications for the Gender Gap**

As the welfare state expanded in the 1960s and 1970s, so too did opportunities for women to enter relatively good public sector jobs. Since public sector jobs tend to be better paid and more secure than average, the major expansion of employment of women in public and social services helped close the overall pay gap. Comparative studies of OECD countries show that women have benefited greatly from the growth of public sector employment, and that the pay gap is lowest in countries with higher levels of employment in

public and social services. (Fuller 2005, 409-412).

In the public sector, women are employed in jobs which share many of the characteristics of the best jobs held by men in the private sector. Many public sector jobs require high levels of education, and many public sector employers are large employers. As in the the private sector, large employers are more likely to offer decent wages, benefits and working conditions. The public sector is also highly unionized and wages are more equal as between different categories of workers, not least men and women, when workers bargain collectively with employers. Public sector women workers have also benefited from struggles to make governments model employers in important areas such as pay equity and access to maternity and parental leaves. Public services employment also tends to be more stable than in the private sector. Last but not least, when controlling for occupational differences, men are paid more or less the same whether they work in the public or private sector. Women, however are better paid if employed in the public sector while holding other objective factors which govern pay constant. This suggests that outright pay discrimination against women, while certainly still present, is less significant than in the private sector.

It has not gone unnoticed among private sector employers that the public sector provides better jobs for women, resulting in pressures on them to pay higher wages. For example, the Canadian Federation of Independent Business (CFIB) argues that decent wages in public services “distort” the labour market and makes it harder for them to recruit and retain workers at the wages they want to pay (CFIB, 2006). While reflecting other factors, the drive by governments at all levels to contract out and privatize public services reflects demands from business employers to reduce cost pressures on them. Privatization and contracting out are also driven by the intent to lower public sector wage costs to (more discriminatory) private sector levels, at the expense of mainly women workers.

A large number of women are employed in so-called “ancillary” jobs in health care – everything from clerical support work, to food preparation, to cooking and cleaning, to provision of personal care such as washing and bathing. This is heavily gendered and frequently devalued work, often dismissively referred to as 'hotel work' even though it is actually very important to good health outcomes for patients. In both hospitals and long-term care homes, the quality of care is critically bound up with the quality of ancillary jobs, since it is with these kinds of workers with whom most patients and residents come into contact, and since good food and clean facilities are critical to the health of both patients and professional health care workers (Armstrong and Laxer 2006). Nonetheless, in recent years there have been ongoing attempts by some governments and health care institutions to cut health care

costs by contracting- out ancillary health care work, shifting it from predominantly unionized hospitals and often unionized long-term care homes to non union private contractors who pay much lower wages and benefits.

In British Columbia, the provincial government passed legislation in 2002 removing job-security and no-contracting out clauses from the collective agreements of health care and social service workers. Bill 29 permitted regional health authorities and long-term care facilities to lay-off support staff and conclude new agreements with global firms such as Sodexo, Aramark and Compass. Housekeeping services, as well as dietary, security and laundry services were contracted-out. As a result, more than 8,500 workers who were members of the Hospital Employee's Union (HEU) lost their jobs in less than a year (Stinson, Pollack and Cohen 2005, 10). Almost immediately, the unions representing the health care workers launched a court case to challenge the legality of Bill 29 – the Health and Social Services Delivery Improvement Act – which had resulted in the largest mass firing of women workers in Canadian history.

In that year, women who worked in the private sector earned 64% of what women in the public sector earned, while, men employed in the private sector earned 77% of their public sector counterparts (Fuller 419). The great majority of HEU members are women, many of whom are workers of colour. As unionized, public sector health care workers, they were much less vulnerable to pay discrimination and low wages than in the private sector.

When their jobs were contracted-out, these workers experienced large pay cuts. At \$10.25 per hour, the newly, contracted-out wages were 79% lower than the HEU Health Support wage of \$18.32 per hour. These workers immediately joined the ranks of the working poor and began to face unsafe working conditions, inadequate training and planned over-work. The quality of caring services began to rapidly deteriorate due to disruption of teamwork, higher staff turnover reduced capacity to provide quality cleaning services and a reduced capacity to respond quickly to urgent requests from doctors, nurses and unit clerks. (Stinson, Pollack and Cohen 2005; HEU, 2007).

Before the major cuts in B.C., 19.3% of women were employed by the B.C. Government and 71.3% of workers in the broader provincial public sector were women (Fuller 2005, 408) In addition to Bill 29, the B.C. government committed itself to large cuts to public spending and downsizing, and public sector employment fell by about 10%, 2002-2005. Fuller (2005) found that this drop in public sector employment resulted in significant downward pressure on wages, which was more pronounced for women than men. As a result, of public sector downsizing, there was a 3.4% increase in the gender wage gap in B.C. over these years. (Fuller 2005, 436).

Five years after the fact, the Supreme Court of Canada ruled (in June 2007) that key sections of Bill 29 were unconstitutional, in violation of the Canadian Charter of Rights and Freedoms. This decision, found for the first time, that rights to collective bargaining are protected to some degree by the Charter right to freedom of association. At the beginning of 2008, the affected unions and the B.C. government and health employers were discussing a plan to implement the Supreme Court's decision.

## **Occupational Segregation of Women and Men**

In Canada, as in all advanced industrial countries, there is still very marked occupational segregation between women and men. In other words, men and women hold very different kinds of jobs, working in almost parallel occupational worlds. This is an important part of the reason for the gender wage gap because jobs where women predominate still tend to be lower paid than jobs where men predominate, even though the educational and skill requirements may differ very little. Traditionally, men were relatively concentrated in blue-collar industrial occupations, as well as in white-collar management jobs and in the professions, while women were relatively concentrated in low-level, “pink-collar” clerical and administrative jobs in offices, and in sales and services occupations. This division has broken down over time as women have entered professional and managerial jobs in increasing numbers. But, women in better-paid occupations are still mainly to be found in only a relatively few occupational groups, notably working in health, education, and social services jobs in the broader public sector. Women are much more likely than men to work in the public sector, defined as working directly for government or in almost entirely government-funded bodies, such as schools, universities, and hospitals. One in four women employees (28.6%) worked in public services in 2006, compared to just less than one in five men (17.3%). The better-paid professional and managerial jobs in the business sector of the economy and, indeed, many of the higher jobs in the public sector are still held mainly by men.

Table 7 provides a fairly detailed picture of employment of women and men by broad occupational groups in 1996 and 2006. Looking first at 2006, it is striking that four in ten men (39.7%) are still to be found in blue-collar jobs - the total of the share of all men's jobs to be found in primary industries (5.3%); trades, transportation and construction occupations (26.3%); and processing, manufacturing and utilities jobs (8.1%) These kinds of jobs include blue collar jobs in manufacturing, utilities, trucking and other transportation industries as well as in construction. Many of these jobs are in the skilled trades and require an apprenticeship or college level education, while others are relatively

unskilled. While by no means all well paid, these kinds of jobs do tend to command about average pay, and are often unionized. In 2006, by contrast, just 7.7% of women were employed in these blue-collar jobs, one-fifth the proportion of men, and this small minority of women are mainly to be found in relatively low-paid manufacturing jobs in sectors like clothing rather than in the well-paid skilled trades which women have barely penetrated.

**Table 7**

Distribution of Employment of Women and Men by Occupation (percentage)					
	1996		2006		Women as % Employment Within Occupation in 2006
	Women	Men	Women	Men	
Managers	8.2	11.6	7.1	11.0	36.3
Professionals	28.8	20.3	32.5	22.9	55.9
Clerical/Administrative	25.6	7.2	24.1	7.1	75.0
Sales and Service	28.6	19.2	28.6	19.3	56.8
Primary	2.1	6.5	1.5	5.3	20.5
Trades, Transport, Construction	2.1	26.4	2.1	26.3	6.5
Processing, Manufacturing, Utilities	4.7	8.8	4.1	8.1	31.1

Source: Statistics Canada Cat. 89F0133XIE Women in Canada. Work Chapter Updates. 2006. Table 11.

By contrast, one-quarter of women (24.1%) are still to be found in non-professional office jobs - that is in clerical, administrative, and secretarial jobs - compared to just 7.1% of men. Many of these jobs are quite skilled, certainly involving computer skills, but they tend to pay less than skilled blue-collar jobs. (See Table 3 for average wages by occupational group).

A lot of both men and women work in usually low-paid, often part-time, sales and service jobs, a big occupational category that includes salespersons, chefs and cooks, security guards, and child care and home support workers. But, more women are employed in these lower-end jobs than are men, explaining why women are much more likely to be low-paid than men. More than one in four women (28.6%) worked in these occupations in 2006 compared to one in five men (19.3%), and the men who work in these kinds of jobs tend to be teens and young adults.

Turning to professional occupations, which usually require formal post-secondary education and qualifications, women now hold a significant edge over men. Almost one in three women (32.5%) work in these kinds of jobs, a

much higher proportion than for men (22.9%). But, women are significantly more likely than men to work in professional jobs to be found in public and social services: in health care occupations; in social services and government jobs, and in teaching. As shown in Table 8, in 2006, women accounted for 55.9% of all professional jobs, but 87.4% of jobs in nursing, therapy and other health related professional jobs (not including doctors and dentists, where the majority of workers are still women); 71.3% of professional social sciences and religion jobs (most of them in public and not for profit social services); and 63.9% of teaching jobs. Of the 32.5% of all women who are professionals, two in three are employed in these predominantly public sector/ female dominated occupations. Clearly issues of privatization and contracting-out of public services work are of particular importance to working women.

**Table 8**

<b>A Closer Look at Professionals in 2006</b>			
	<b>% All Women</b>	<b>% All Men</b>	<b>Women as % Employment Within Occupation</b>
Business and Finance	3.3	2.8	51.6
Natural Sciences/Engineering/Mathematics	3.2	10.1	22.0
Social Sciences/Religion	6.7	2.4	71.3
Teaching	5.6	2.8	63.9
Doctors/Dentists/Other Health	1.4	1.0	55.3
Nursing/Therapy/Other Health Related	8.9	1.1	87.4
Artistic/Literary/Recreational	3.4	2.6	54.1
<b>Total</b>	<b>32.5</b>	<b>22.9</b>	<b>55.9</b>

Source: Statistics Canada Cat. 89F0133XIE Women in Canada. Work Chapter Updates. 2006. Table 11.

By contrast, the majority of professional men are to be found in business/finance and natural sciences/engineering/mathematics occupations, many of which are in the private sector. Men still overwhelmingly predominate in natural sciences, engineering, and mathematics professional jobs (where women account for just 22.0% of employment), and still account for about half of all professional jobs in business and finance. That said, it is notable that the proportion of women in professional business and finance occupations has increased rapidly from 38.3% in 1987, to 46.9% in 1996, to 51.6% in 2006. (Statistics Canada 2006, Table 11).

Men also still hold a big lead in management jobs. More than one in 10 men (11.0%) are in management jobs compared to 7.1% of women. Moreover, men hold double the proportion of senior management jobs, which make up 0.8% of all men's jobs compared to just 0.3% of all women's jobs. These are the kinds of positions which predominate in the top 1% of the workforce whose share of all earnings exploded in the 1990s.

To summarize, the majority of women still work in the traditional and relatively badly-paid clerical, sales, and services categories, and very few women work in the blue-collar occupations. A high and rising proportion of women work in professional occupations requiring higher levels of education and providing better levels of pay, but these women are still relatively concentrated in public and social services.

The report of the federal government's Pay Equity Task Force (Government of Canada 2004) further details the fact that women are still highly concentrated in a small number of traditionally female occupational categories - health care, teaching, clerical, administrative, and sales and services jobs, and overwhelmingly predominate in the very lowest-paid occupations, such as child care workers, cashiers, and food services workers. Women are still greatly under-represented in most of the very highest-paying professions, from specialist physicians, to senior private-sector managers, to corporate lawyers and security dealers. Even in the public sector where women predominate, men are much more likely to hold senior management jobs. In the federal public service, men are more than twice as likely to be senior managers. These differences persist despite employment equity policies which were intended to increase the proportion of women in management jobs (as in the federal public service).

All that said, there has clearly been some continued progress made by a layer of women who have moved into professional and managerial jobs. Since 1987, the proportion of women in management jobs has risen from 6.0% to 7.1%. Most importantly, the proportion of women in professional occupations has risen from 24.1% in 1987, to 28.8% in 1996, to 32.5% in 2006 (Statistics Canada 2006b, Table 11). This occupational shift has been much more pronounced than for men. (The proportion of men employed in professional jobs rose from 18.0% in 1987, to 20.3% in 1996, to 22.9% in 2006.) The shift of women into professional jobs has been led by the growth of employment for women in health, social sciences and government jobs, but it has also taken place in professional occupations in business and finance and in the natural sciences. In short, a small group of women are moving into higher-end jobs in the private as well as the public sector. Paralleling this upward shift, the proportion of women in non-professional office jobs such as clerical workers and administrative workers fell from 29.7% to 24.1% of all women's jobs, 1987 to 2006, while the proportion of women in low-paid sales and services jobs decreased only slightly, from 30.0% to 28.6%, over the same period.

## Unions and the Gender Pay Gap

Unions have been an important force in closing the economic inequality and pay gap between women and men. However, this role needs to be strengthened by increasing union representation for women, especially lower-paid women in the private services sector.

In 2006, the unionization rate for women was, for the first time, slightly higher than for men - 31.7% compared to 31.6%. However, the unionization rate for women in the private sector was just 14.0%, still well below the 23.0% rate for men in the private sector. The unionization rate for women in the public sector is high and stable at 76%, while it has been declining slowly in the private sector. In 2006, fully two-thirds of unionized women worked in the public sector, and just one third in the private sector. Unionization is especially low for women working in low paid private service industries such as retail trade (12.9%) and accommodation and food services (7.1%).

The most important benefit of unionization for any worker is a formal contract of employment which can be enforced through the grievance and arbitration process. Collective agreements specify wages and benefits in a formal system of pay-by-position, and usually provide for promotion and job security on the basis of seniority or other objective criteria. Such formalized systems counter gender discrimination to some degree, and many unions have also actively worked to equalize the wages of workers in male and female dominated job classifications through bargaining and, where available, through pay equity legislation. Unions can also bargain for greater gender equality by emphasizing issues of key importance to working women, such as employer-supported caring leaves and the ability to modify work schedules.

Economic research shows that unionized workers earn higher wages than otherwise comparable non-union workers. The union wage advantage or hourly union wage premium has been generally estimated to be in the range of 7% to 14% in Canada when other relevant factors - such as age, occupation and working in the public or private sector are taken into account. Higher wages are only one part of the union advantage, which includes much higher non-wage benefits, such as pensions and health plans, greater access to overtime pay and much more paid time off the job.

The union wage advantage or premium is generally greatest for persons who would otherwise be lower paid workers. Unions generally work to narrow pay differences between higher and lower paid job classifications within unionized firms and highly unionized sectors, and also between management and workers. Unions also encourage employers to invest and train more, which results in higher productivity and higher wages.

In 2006, unionized women earned an average of \$21.86 per hour or 93% of the wage of unionized men. Non-union women earned an average of \$16.15 per hour, or 75.4% of the wage of non-union men. Unions raise the wages of working women, and narrow the gender wage gap.

In the public sector, union coverage is high for women, raises wages, and significantly narrows the gender wage gap. In the private sector, union coverage is much lower for women than for men, raises wages more modestly (with a greater impact on part-time workers), and does not close the gender wage gap as much as in the public sector. However, unionization does have a major impact on the wages of women in the lowest paid occupational category, sales and service workers.

As shown in Table 9, the union wage premium for women in this category in 2003 was \$3.87 per hour, or a very substantial 38.1% of the wage of non-union women, and unions closed the gender wage gap within this occupational group since the union wage premium is significantly higher for women than men (38.1% vs. 27.3%). Union coverage for women in sales and service jobs ranges from highs of 60.8% in protective services (security guards), to 40.1% in child care and home support (mainly in the broader public sector), to 28.6% in travel and accommodation jobs, to 21.3% of cashiers, 14.6% of chefs and cooks, and just 9.9% of retail clerks, and 6.0% of food and beverage servers.

Clearly, the unionization rate of women must be significantly increased in low paid private services jobs if the significant union advantage is to be enjoyed by more working women. (For an extended analysis of the impact of unions on the gender wage gap, see Jackson 2004).

**Table 9**

<b>Union Coverage and Wages in Sales and Service Occupations in the Private Sector in 2003</b>						
	<b>Union Coverage</b>	<b>Average Hourly Wage</b>			<b>Union Wage Premium</b>	
		<b>All</b>	<b>Union</b>	<b>Non-Union</b>	<b>(\$)</b>	<b>(%)</b>
All	14.4%	\$12.34	\$15.41	\$11.47	\$3.94	34.3%
Men	15.7%	\$14.29	\$17.07	\$13.41	\$3.66	27.3%
Women	13.5%	\$10.95	\$14.02	\$10.15	\$3.87	38.1%

Data file from the Gender and Work Database: <http://www.genderwork.ca/>

## Conclusions

This paper has shown that the economic inequality gap between women and men remains very significant, and that it has failed to close in recent years despite the fact that the education gap between women and men has closed and reversed itself. The gender gap remains large and persistent even among younger, well-educated women workers.

There are many important explanations for the continuing wage gap. Perhaps the most important is that women still bear the greatest burden of work in the home, and pay a price for dropping out of the work force or for working shorter hours in part time jobs in order to care for children or others. This price seems to exist even if the actual difference in work experience is not all that great, since the great majority of women with young children now exit the paid work force for only brief periods. International experience - as recently summarized by the OECD in its major “Babies and Bosses” report - shows that the availability of high quality, affordable child care is associated with greater economic equality between women and men, as is the availability of work schedules which help women workers balance the demands of paid work and caring work (OECD 2007).

There is still very marked occupational and industrial sector segregation between women and men, with women being much more likely than men to be employed in low wage private services jobs, and much less likely than men to be employed in average pay blue collar jobs. While a significant layer of women now work in better-paid professional jobs, these women are relatively concentrated in public and social services. Men still predominate in highly-paid and senior management jobs, especially in the private sector.

Unions make a significant difference to the gender wage gap, and increasing unionization among lower paid women would have a major and positive impact.

Public policies that could help close the economic opportunity gap between working women and men span a wide range, from child care programs and pay equity laws, to Employment Insurance and public pension reforms, to improved minimum employment standards. The recent proposals of the Arthurs Report on federal employment standards included rights to unpaid leaves from work, rights to vary hours to meet family needs, equal treatment for part-time workers, new rights for temporary workers, and higher minimum wages. A very wide range of policies should be reviewed for their impact on economic equality between women and men - a task that could usefully begin by re-establishing a strong Status of Women branch within the federal government.

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AJ:sm:ch:sm\*cope225 (01/28/08)