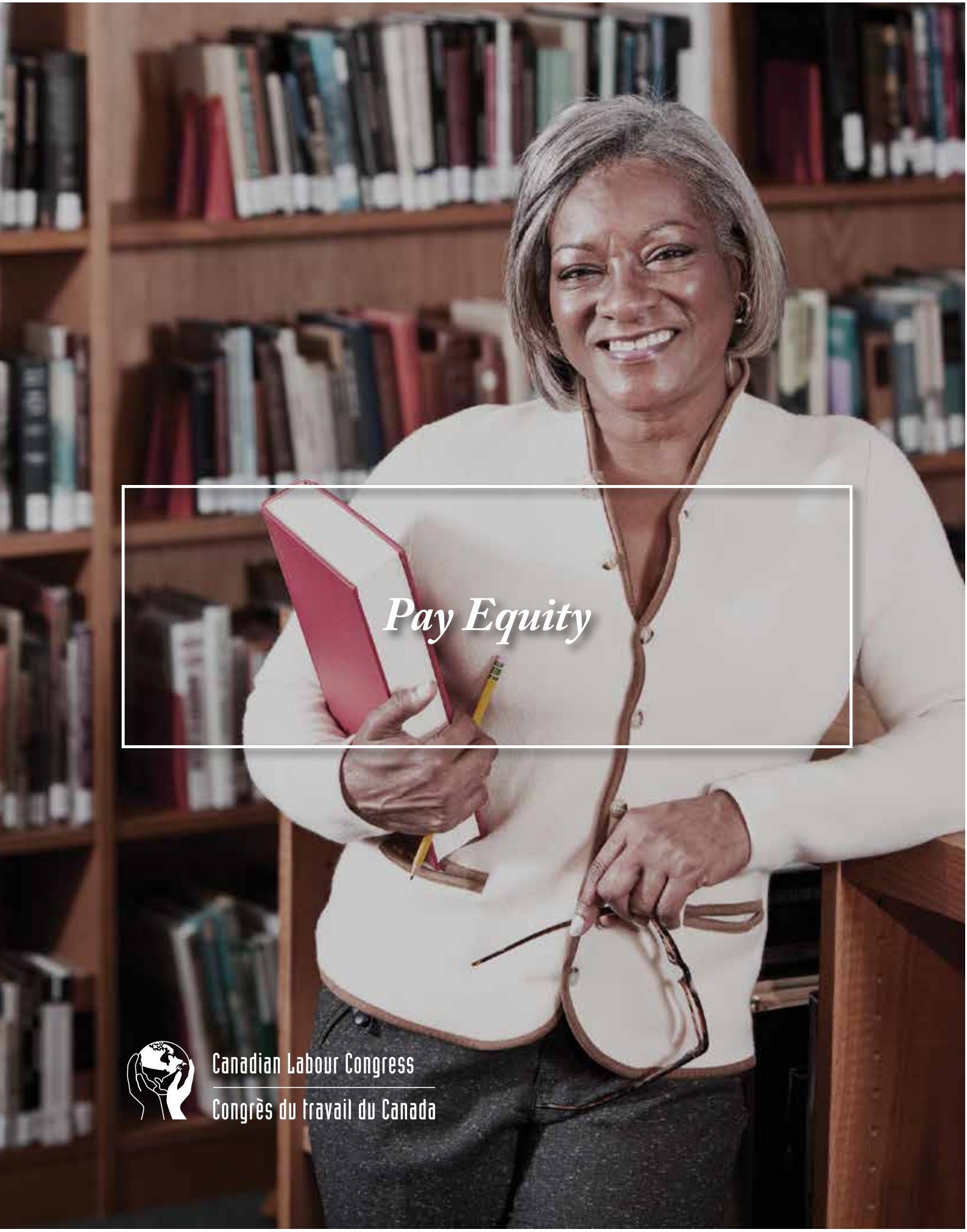


Pay Equity

Canadian Labour Congress

Congrès du travail du Canada

Recommendations

1. Table pay equity legislation in the current session of parliament, as per the recommendation of the 2016 Report of the Special Committee on Pay Equity. As recommended by the Committee, this legislation would establish a distinct Pay Equity Commission and a Pay Equity Tribunal. The new Tribunal would be given clear and broad enforcement authority, including the ability to award costs.
2. Repeal the *Public Sector Equitable Compensation Act* (PSECA), as per the recommendation of the 2016 Report of the Special Committee on Pay Equity.
3. Enact the government's 2004 Pay Equity Task Force recommendation to include other equity groups in pay equity legislation, and provide resources for Statistics Canada to publicly publish the data required to inform pay discrimination for these equity groups.

What Is Pay Equity?

Pay equity is equal pay for work of equal value. Pay equity compares the value of different occupations or jobs, for example childcare workers and truck drivers.

Pay equity is needed to correct systemic discrimination that has led to significantly lower wages in occupations that are dominated by women workers.

The value of a job is determined based on the level of skill, effort, responsibility, and working conditions required for that job. These four factors are described in detail by the Equal Wages Guidelines of 1986.

Both Ontario and Quebec have proactive pay equity legislation that covers both public and private sector employers.

Is Pay Equity the Same as Equal Pay?

Pay equity is distinct from the concept of "equal pay". Equal pay means that all workers must receive equal pay when doing the same job or substantially the same job. For example, two cooks working at the same shop with the same level of training, responsibility, and experience should receive equal pay. In Canada, equal pay is governed by provincial and federal Employment Standards legislation.

Pay Equity History

The concept of pay equity has been around for a long time. The International Labour Organization adopted the Equal Remuneration Convention (C100) in 1951, which was intended to address "equal remuneration for men and women workers for work of equal value." Canada ratified this convention in 1972.

In 1977, the *Canadian Human Rights Act* allowed pay equity complaints to be heard by the Canadian Human Rights Commission. This only governed workers in the federal sector, about 10% of all workers in Canada.

In 1987, Ontario was the first province to implement proactive pay equity legislation, replacing the previous complaints-based model. Quebec introduced proactive pay equity legislation in 1996. Experts agree that a proactive model is a far better way to address systemic discrimination.

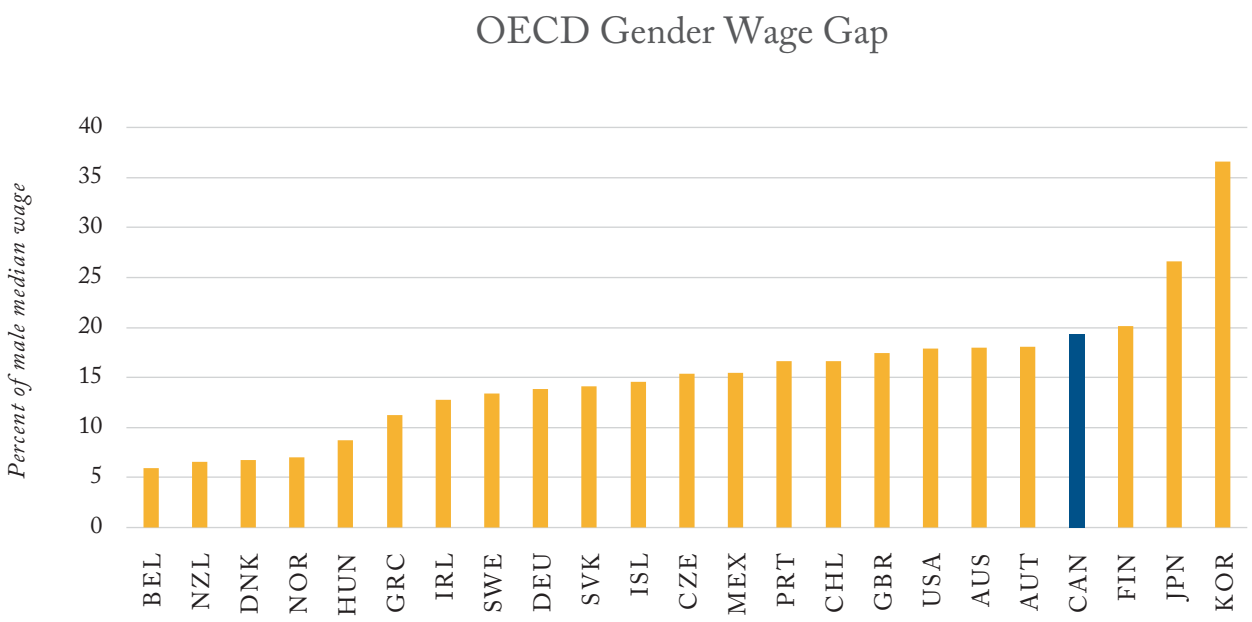
Following the 2001 Special Report to Parliament on Pay Equity, the government launched an independent Pay Equity Task Force. The Task Force commissioned research and consulted widely for nearly three years. **Their 2004 report makes 113 recommendations, including moving to a proactive model for pay equity legislation.**

The Task Force's recommendations received the full support of the labour movement, women's groups, and human rights organizations, but they have yet to be implemented.

It's Time to Act

The federal government has said that it is committed to gender equality, and has acknowledged that equal pay for work of equal value is a human right. We have an excellent roadmap for action in the 2004 Task Force report. Still, when the 2016 Special Committee on Pay Equity presented its report, titled "It's Time to Act," the government's response was to delay action until 2018.

Internationally, Canada has been falling behind on women's equality and pay equity. **Canada's gender wage gap is now the fourth highest in the OECD, and Canada was ranked 35th by the World Economic Forum 2016 Global Gender Gap Report.** Even the United Nations Human Rights Committee raised concerns about persistent inequality between men and women in Canada, and suggested that Canada "should strengthen its efforts to guarantee that men and women receive equal pay for work of equal value … with a special focus on minority and Indigenous women."[1]



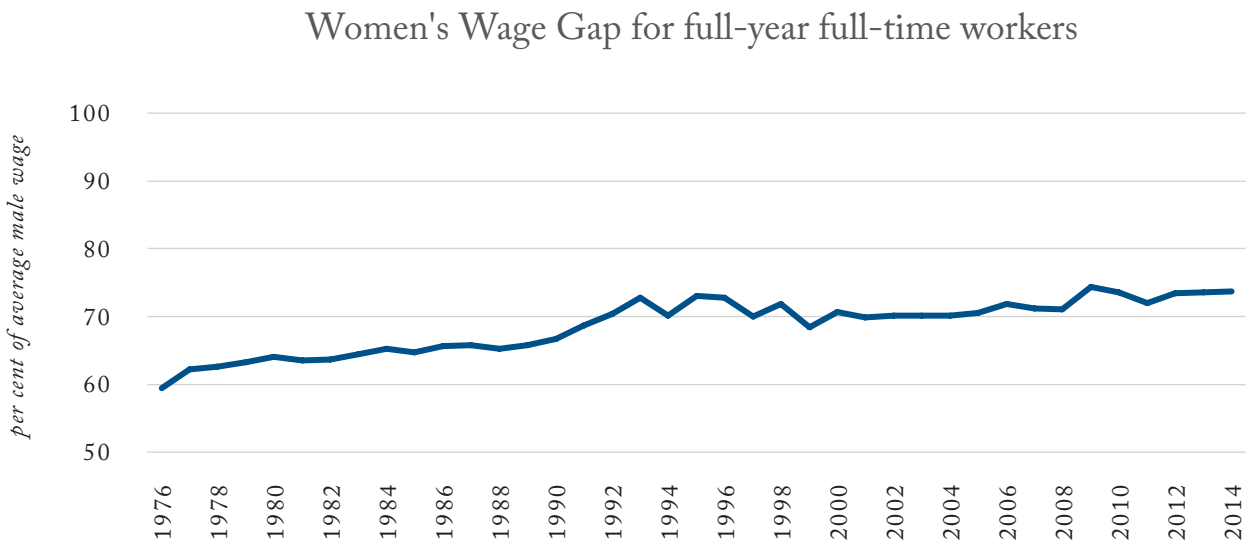
Source: https://data.oecd.org/earnwage/gender-wage-gap.htm

The wage gap in Canada is stubborn. Statistics Canada calculates the wage gap by comparing the average wages of men and women who work full-time for the whole year. This indicator has hovered between 70 and 74 cents on the dollar since 1992!

The full-time, full-year wage gap has persisted despite the fact that women's educational attainment has increased dramatically over the past 30 years. In fact, working age women are more likely to have graduated from university than their male counterparts. While this is not a perfect indicator for pay equity, it does eliminate other factors behind the gender wage gap, such as part-time and temporary work.

There are also differences between groups of women. Indigenous women, racialized women, women with disabilities, and immigrant women face even higher wage gaps. It is more difficult to get reliable data about the pay equity gaps for women in these groups. However, a 2014 report from the Canadian Centre for

1 Concluding observations on the sixth periodic report of Canada, 2015, UN Human Rights Committee.



Source: Cansim 202-0102 (1976-2011) and 206-0053 (2012-2014)

Policy Alternatives found that pay equity legislation and action from public sector unions had reduced, but not eliminated, the pay gap for Indigenous, racialized, and immigrant women who work in the public sector.[2]

Instead of enhancing the public sector trends towards pay equity, the previous Conservative government tabled the *Public Sector Equitable Compensation Act* (PSECA) in 2009. PSECA compromised pay equity in the public sector in several ways. Instead of protecting pay equity as a human right, this law allowed it to be bargained away at the negotiating table. It forced women to file complaints as individuals, without the support of their unions. PSECA actually imposed a $50,000 fine for unions that did assist their members in filing a pay equity complaint. Finally, it barred federal public sector employees and their unions from filing pay equity complaints with the Canadian Human Rights Commission.

The Consequences

Women in Canada earn less money than similarly educated men, and are more likely to have incomes that put them below the poverty line. Women dominate low wage, precarious work – 1 in 3 women earn less than $15 per hour, compared to 1 in 5 men.

Lower wages impact household decision-making. For example, women are nearly ten times more likely to work part-time to accommodate unpaid care work. According to Statistics Canada nearly 400,000 women worked part time to accommodate care work in 2016, compared to 40,000 men.

This exacerbates the wage gap for women, impacting their future earnings and even their ability to qualify for Employment Insurance should they be laid off.

Low wages throughout their lifetime affects women's retirement as well — as they have lower personal savings and lower CPP contributions. Even with the Guaranteed Income Supplement (GIS), 30% of single women over 65 live in poverty.

The good news is we already know what the solutions are. The Pay Equity Task Force submitted its report 12 years ago, which laid out a framework to eliminate the current complaints-based pay equity system, and to implement a proactive approach.

2 McInturff, K. and P. Tulloch. (2014) Narrowing the Gap. Canadian Centre for Policy Alternatives.

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