This is a publication of the:

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**Pay Gap - Causes, Consequences and Actions**
May 1996

**Acknowledgements**
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*Cette publication est également disponible en français.*

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Human development is development of all the people. No society can progress half-liberated and half-chained.


There are villages in which men fish and women weave, and ones in which women fish and men weave. But in either village, the work done by men is valued higher than the work done by women.

Margaret Mead, anthropologist

A Long and Universal History

In Renaissance Britain, pay scales for harvesters were gender specific: female harvesters were paid at a lower rate than males. Until about 75 years ago, female teachers were paid at a lower rate than males in Canada. In 1965, New Brunswick adopted legislation making the minimum wage the same for women and men. The gender pay gap has a time-honoured legislated history: its persistence after the disappearance of overt support for it is now a concern.

In 1994, Canadian women's average earnings for full-time work were 70% of men's, a figure that has not changed significantly for decades. In New Brunswick, women working full time earn 64% of what men earn, only two percentage points more than in 1971. If "progress" continues at this pace, it will take approximately 400 years for women's full-time remuneration to reach parity with men's. (35)

Women have always worked. The innovations of the 20th century, however, have brought about huge economic and social changes. Industrialization, urbanization, and more recently, globalization of the economy have transformed Canada from an agrarian, primary sector economy, to one that is service-oriented and technology-driven, as the following quotation illustrates:

...the tertiary sector of transportation, communication, trade, financial, and other service occupations were clearly expanding more rapidly during the first half of the twentieth

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1 Report of the War Cabinet Committee on Women in Industry. (London, 1919)
2 Statistics Canada calculates earnings based on the average total earnings of full-time, full-year workers, from wages or net income from self-employment. (Statistics Canada, #13-217. 21-25.) The pay gap refers to the ratio of women's earnings in relation to men's, or the difference between their total earnings in dollar figures.
3 Niemann describes how, in 1918, the Canadian government adopted policies and principles that can be said to be an official endorsement of a minimum wage for women and a “living wage” for men; women’s wages were usually set at about two-thirds of the male rate (33). See also Just Give Us the Money, 16-26.
century. By 1961, the tertiary sector accounted for more than half, or 54 percent, of the labour force, an indication that Canada had been transformed from a predominantly agricultural, natural resource-based society to a labour-intensive society, to a post-industrial capital-intensive system with almost three quarters of its workforce in the tertiary sector by 1991. (33, 314)

The movement away from an agricultural society meant that the home was no longer the "primary workplace it once was" (33, 309). It became increasingly acceptable - and economically necessary - for women to move into the paid labour force outside the home. The proportion of the labour force that is female has risen from 13% in 1911 to 45% in 1991. (33, 308) Moreover, the female labour force is no longer made up of young single women who work only until marriage. In 1993, 70% of women with children under the age of 16, and 54% of those with children under 3 were part of the paid workforce. (81) The idea that women work for a supplementary wage, debatable even in an historical context, is, in the 20th century, a pernicious myth belied by repeated studies. The majority of married women are active members of the workforce and their contribution often makes the difference between poverty and a comfortable family income. If wives' earnings were deducted, the percentage of husband-wife families whose incomes fall below the National Council of Welfare's Low Income Cut-Off line would rise from 10% to 21% in Canada. In N.B., 17% of husband-wife families would be poor instead of 9%, if wives' earnings were deducted. (45)

Women's economic disempowerment is a global problem. Although in many countries significant advances have been made in the spheres of education and health, women still trail far behind men in economic and political power. Women represent 70% of the 1.3 billion people living in poverty world-wide, they hold 10% of parliamentary seats and only 6% of cabinet positions in national governments. National wealth is not a prerequisite for improving women's status, as the progress in gender equality in some developing nations illustrates. (59, 3-6)

The 1995 United Nations Human Development Report includes a Human Development Index, which measures overall human development (education, health, standard of living) in countries around the world, a Gender-Related Development Index, which focused on the inequalities between women and men in the human development indicators and a Gender Empowerment Measure, which calculates the extent of women's participation in economic and political life and in decision-making.

While Canada ranked first of 174 countries on the Human Development Index in 1995, our rank on the Gender-Related Development Index was ninth. In 1992, Canada was eighth on the Gender-Related Development Index (59, 76-77), and second in the 1970's. (44, 1) Canada
was one of only four industrial countries whose ranking dropped sharply when the status of women was factored.

On the Gender Empowerment Measure (GEM), Canada was fifth, after Sweden, Finland, Norway and Denmark, who have all "adopted gender equality and women's empowerment as conscious national policies." (59, 2) A closer look reveals that in the categories of Earned Income Share and Parliamentary Representation, Canada trails far behind the top four and is outpaced by many with lower overall ratings. (59, 84-85)
Causes

Numerous studies have been conducted to explain the pay gap, often based on one or a combination of the economic theories described below. Results vary, but none can account for the entire difference in the average earnings of women and men. In spite of the enduring popularity of the human capital theory, which attributes income differences to differences in education, experience and commitment to the labour force, the most recent study by Statistics Canada calculates that only 12% of the pay gap can be attributed to differences in characteristics such as age, education, and experience. (16, 38) These authors say that the reason for the unexplained part of the pay gap is something that they cannot finger, that "it must be something built into either the work system or the whole labour market." (The Toronto Star, March 29, 1995)

The three most common economic theories concerning the reasons for the pay gap are the theories of human capital, dual labour market, and the reserve army of labour.

- Human capital theory attributes income differences to variations in education, experience and commitment to the labour force.
- Dual labour market theory suggests that the workforce is divided into primary and secondary sectors, the first consisting of skilled, unionized, well-compensated, stable jobs, and the second consisting of temporary, low-paying jobs with little upward mobility, and few benefits.
- The reserve army of labour theory posits that the very structure of capitalism depends on the existence of a cheap, expendable, renewable pool of workers. (24, 275-299) Pay gap theorists suggest that, in western society, women make up this reserve army.

It is important to note that none of these theoretical models excludes discrimination. The persistence of the pay gap is likely due to a variety of factors. Inequality in the workplace is founded on social inequality. Although women have always worked, their work has traditionally been afforded less market value than men's. When women began entering the labour force, they were directed toward jobs which replicated their work in the home. This led to a devaluation of their capacity as workers, since qualities relating to their job performance were often presumed to be a result of "natural" ability rather than skill. This presumption of inherent ability or talent came to affect the way jobs were evaluated when pay equity legislation and policy were developed. A recent Labour Canada study describes a tendency to undervalue women's work in terms of talents versus skills. Manual dexterity, interpersonal skills, communication and
psychological skills, ability to work in a chaotic work environment and in sub-standard conditions are often viewed to some degree as "natural" to women and therefore not warranting equal compensation. (18, 31-32.) Since only a limited number of jobs were deemed acceptable for women, they became clustered into a small number of low-paying occupations. Moreover, they were generally believed to be working for a supplementary wage, or for pocket money for themselves. The resulting devaluation of women's work is founded on a kind of tautology: women are paid less because they do "women's work." The following excerpt explains this evolution:

Women's work in the home received no pay and little recognition of its true worth. Employers in the labour market adopted this same view of women's work to help justify the low wages for it. Women were considered to be working for "pin money", and their skills were underrated or ignored by traditional evaluation mechanisms, whether through formal plans or informal judgements. (18, 1986)

The resulting segregation of the labour force is still apparent today. In 1993, 71% of Canadian women working outside the home were concentrated in teaching, nursing, clerical work, sales and service occupations. (81, 1994) The most common occupation for women in Canada and in N.B. is that of secretary, an often devalued job.

Many studies persist in attributing much of the gender pay gap to the choices women make. "Choice" ignores that "the structural divisions in society discriminate against the potential for equal opportunity." (3, 272) It is a loaded term in the context of women's work patterns. Just as labour force participants rarely "choose" to participate, women can hardly be said to choose to perform certain jobs over others. Occupational segregation precedes workforce participation. "It is not clear how much of "choice" is the result of past discrimination which has kept women from obtaining the necessary qualifications and support to compete in traditionally "male" occupations." (7, 292) In spite of studies that have shown female students performing as well in all subjects at all levels of schooling as their male cohorts, women are still socialized into a narrow range of occupations and into traditional fields of higher education.

Traditional hierarchical family structure still conspires against women in the work world. The increase in the numbers of working women has not been accompanied by changes in family responsibility. Gloria Steinem commented two decades ago that "housework is the only kind of work that is only noticed if you don't do it." 4 Women are still overwhelmingly responsible for child-rearing and housework, even when they hold a full-time job. In 1992, women who were active in the labour force devoted about two hours more per day than comparable men to

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4 Address to Smith College Graduates, 1971
household activities such as childcare, domestic work and shopping. The home workload shows no sign of lightening. For both lone-parent women and women with spouses, the average hours per day spent on childcare and domestic work have actually increased since 1986. (81, 1994) Of the women aged 25 to 44 who are not currently labour force participants, 17% left their last job because of "personal responsibility" and another 21% had lost their job or been laid off. 31% had not worked in the past five years, but the reasons for their workforce absence were not given. Of women who work part-time, 34% wanted but could not find full-time work. (81, 1994) A recent study estimated the "real" unemployment rate for women, including "discouraged workers", at 18%, approximately double the official figure. (15, 1995) Some gaps in research will hopefully be filled when Statistics Canada begins to include questions about unpaid work in the 1996 Census.

Canadian women working full-time full-year actually worked 39 hours per week on average, compared to 43 for men, a 9% difference. Figures for the average length of time workers had held their job are only available for full-time and part-time workers combined, which would reduce women’s average since almost all part-timers are women and job tenure is much less for part-time work: Canadian women had been in their current job for 83 months, compared to 105 months for men. In N.B., women had held their job for 77 months compared to 107 for men. (75)

Both sexes begin their careers with similar, low, earnings. It is after their mid-twenties that the gap progressively widens. Canadian women aged 15 to 24 who worked full-time full-year in 1994 earned $19,269, 90% of what men earn, while women aged 55 and over earned $26,000, 65% of what men earn. As women age, their earnings remain almost static.

Marital status is another, related, factor. Never-married (single but not necessary childless) women who work full-time earn 92% of what never-married men earn: both earn a relatively low wage. Never-married men, never-married women and married women all earn approximately the same (in Canada, $28-30,000; in N.B., $22-23,000 in full-time annual earnings), significantly less than married men (in Canada, $43,300; in N.B., about $37,000). Married men have higher average earnings than all other groups of men and women. No group of women, whether never-married, married, separated, young or old, earn as much as married men. The relatively small population of never-married women aged 35 to 44 who work full-time full-year earn $32,200, which is 85% of what never-married men their age earn and 72% of what all men their age earn; never-married women aged 45 to 54 earn $36,000, which is 93% of what never-married men their age earn and 78% of what all men their age earn. (68) Higher levels of education correlate with higher earnings for both men and women. Women with post-secondary
qualifications have higher average earnings than other women, but they have lower earnings than similarly qualified men. Canadian women with university degrees who worked full-time full-year in 1994 earned $40,252 or 72% of what men earned. (Never-married, therefore mostly young, women with university degrees who worked full-time full-year earned $38,871 or 95% of what their never-married male counterparts earned in 1994. Married university-educated females, an older group, earned 68% of what their male counterparts earned.) (68) A study of one class of university graduates revealed that the women's earnings were slightly higher on average than the men's, but even for these highly educated workers, the gap widened progressively over time. (61)

Massive changes in women's labour force participation have not been accompanied by changes in their personal lives or in society's expectations of them. Women's unpaid contribution to the world's economy is estimated at $11 trillion. (59) Since this has direct significance to power dynamics between the sexes, it is not surprising that the pace of progress for women has been slow. If women's unpaid labour was considered, we would surely have to radically re-evaluate the way we view women, because, "Fully recognizing women's economic contribution will completely change all the socio-economic premises on which we have erroneously founded our gender relations." (UN 1995)
Consequences

We have said that the pay gap is caused by larger problems; the pay gap also *causes* problems. Women’s diminished economic power has detrimental effects on society as a whole. Some consequences of the pay gap include:

- **a total income gap** among persons with any income from any source: wages and salaries, net income from self-employment, investment income, government transfer payments, pensions and miscellaneous income. In 1994, Canadian women’s total average income was $18,916, 62% of men’s $30,760. In N.B., women had a total income of $15,308, or 59% of men’s $26,089. (72 T. 46)

- **a pension gap**, since pension contributions are commensurate with wage rates and labour force participation. In 1993, women’s Canada/Quebec Pension Plan benefits averaged only 59% of men’s, $266 compared with $452 for men (55). Women’s longer life expectancy means that they experience a diminished standard of living after retirement for a longer period of time. This situation is unlikely to improve given the demographic of an aging population and the uncertainty about the Canada Pension Plan. The government is currently proposing changes to the CPP which include partially de-indexing the CPP against inflation, which would gradually erode the value of payments. (54)

- **the feminization of poverty**. A higher percentage of women than men are poor in Canada and in N.B. (18% of adult women and 13% of adult men in Canada in 1994) Lone women are especially vulnerable to poverty, especially lone elderly women and lone mothers. The number of lone-parent families rose dramatically between 1961 and 1991, reaching 20% of all families with children. (76) 82% of lone-parent families are headed by women, and in N.B., 63% of the children of lone mothers are poor. (45)

- **greater reliance on social programs and transfer payments**. The poverty of women increases the need for social assistance and other subsidized services such as healthcare, housing and child care. "Increasing women’s pay would increase the standard of living for employed women and their families, and it would make it financially more worthwhile for other women to enter the labour force." (10, 6 - 7) In 1993, 13% of the total income of women aged under 65 came from transfer payments (social assistance, child tax benefits, pensions, unemployment insurance, training allowances, etc), compared with 8% of men’s. The average transfer payment for these women was $2,441 and for men $2,350. Lone mothers receive 37% of their income from transfer payments, compared with 19% of men’s;
women over 65 receive 62% of their income from transfer payments, in contrast to men's 47%. (79, 7.13-7.14)

- The Statistics Canada Health Status Index shows a correlation between low income and **poor health**. Women are both the primary providers and consumers of healthcare.
- Aside from crucial issues of fairness and equality, the pay gap results in **reduced overall economic prosperity**. If there was pay equity, the added tax revenue would be in the billions, and fewer women would qualify for tax breaks geared to low income. (10, 7-8) In a study conducted for the provincial-territorial Ministers of Education in 1991, researchers concluded that "Canada's GDP will rise significantly in future decades if women participate in the labour force on an equal basis as men." Four possible scenarios of Canada's labour force in the future were studied: from women’s participation in the labour force remaining about as it is now to women’s participation being equal to men’s in terms of numbers and occupational patterns. By the year 2036, the scenario where women participate equally would produce a Gross Domestic Product that would be $335 billion larger than under the scenario in which women’s labour force participation remained virtually unchanged. “This optimistic forecast cannot be realized, however, unless much stronger and more comprehensive measures are taken to improve women's access to education and training opportunities,” according to the study. (30)

The most important result of pay equity would be the full integration of women into the economy. Under the current system, women are faced with discrimination in employment, low purchasing power, financial dependence on governments for income support, and the stresses of a life in which they are not given equal credibility with men. Society pays a high price for maintaining the current system of compensating women on a lower pay scale than men, a price that will only rise in the future as poverty claims more women through single parenthood and old age. (10, 14)

In addition to these consequences, there are the less easily measured effects on psychological well-being, quality of life, and improvement in gender relations that would result from women's increased economic status.

**New Brunswick’s Pay Gap**

Throughout the 1970's and 1980's, the pay gap for full-time, full-year workers in N.B. fluctuated significantly, remaining generally better than the national average until the early 1980's. As of 1994, N.B.'s gap was the widest in the country and only two percentage points
narrower than it was in 1971. However, the gap can change significantly from year to year as is shown in Table 1. Fluctuations may result from sample errors or from larger changes in the economy. A greater margin of error is noted in provinces with smaller populations.

A reduction in the pay gap can be due to an increase of women’s earnings or a decrease of men’s earnings. In N.B. in the years shown in Table 1, men’s earnings rose steadily, except for a small dip in 1985. Women’s earnings increased except in 1985, 1989 and 1993.

The Canadian pay gap worsened in 1994, after years of steady improvement: the improvement between 1989 and 1993 is attributed to significant growth in average female earnings at a time when male earnings remained stalled. In 1994, Canadian men registered the first significant advance in full-year full-time earnings in years, while women’s earnings decreased slightly.
### TABLE 1
Average Earnings of Women Working Full-Time, Full-Year as a Percentage of Men's and in Dollars, 1971-1991

<table>
<thead>
<tr>
<th>Year</th>
<th>New Brunswick</th>
<th>Canada</th>
<th>N.B. Women</th>
<th>N.B. Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>1971</td>
<td>62%</td>
<td>60%</td>
<td>4,526</td>
<td>7,364</td>
</tr>
<tr>
<td>1975</td>
<td>62%</td>
<td>60%</td>
<td>7,361</td>
<td>11,839</td>
</tr>
<tr>
<td>1977</td>
<td>63%</td>
<td>62%</td>
<td>9,019</td>
<td>14,411</td>
</tr>
<tr>
<td>1979</td>
<td>61%</td>
<td>63%</td>
<td>10,137</td>
<td>16,500</td>
</tr>
<tr>
<td>1980</td>
<td>66%</td>
<td>64%</td>
<td>11,480</td>
<td>17,523</td>
</tr>
<tr>
<td>1981</td>
<td>64%</td>
<td>64%</td>
<td>12,905</td>
<td>20,104</td>
</tr>
<tr>
<td>1982</td>
<td>67%</td>
<td>64%</td>
<td>15,014</td>
<td>22,475</td>
</tr>
<tr>
<td>1983</td>
<td>66%</td>
<td>65%</td>
<td>15,969</td>
<td>24,064</td>
</tr>
<tr>
<td>1984</td>
<td>65%</td>
<td>66%</td>
<td>16,785</td>
<td>26,022</td>
</tr>
<tr>
<td>1985</td>
<td>64%</td>
<td>65%</td>
<td>16,603</td>
<td>25,779</td>
</tr>
<tr>
<td>1986</td>
<td>64%</td>
<td>66%</td>
<td>17,244</td>
<td>27,038</td>
</tr>
<tr>
<td>1987</td>
<td>66%</td>
<td>66%</td>
<td>18,072</td>
<td>27,596</td>
</tr>
<tr>
<td>1988</td>
<td>70%</td>
<td>65%</td>
<td>20,199</td>
<td>29,052</td>
</tr>
<tr>
<td>1989</td>
<td>62%</td>
<td>66%</td>
<td>19,528</td>
<td>31,312</td>
</tr>
<tr>
<td>1990</td>
<td>66%</td>
<td>68%</td>
<td>21,490</td>
<td>32,659</td>
</tr>
<tr>
<td>1991</td>
<td>65%</td>
<td>70%</td>
<td>22,915</td>
<td>35,050</td>
</tr>
<tr>
<td>1992</td>
<td>70%</td>
<td>72%</td>
<td>24,492</td>
<td>35,124</td>
</tr>
<tr>
<td>1993</td>
<td>62%</td>
<td>72%</td>
<td>22,761</td>
<td>36,917</td>
</tr>
<tr>
<td>1994</td>
<td>64%</td>
<td>70%</td>
<td>23,671</td>
<td>37,052</td>
</tr>
</tbody>
</table>


In 1994, men working full-time, full-year in N.B. earned an average of $37,052, compared with women's $23,671. **Table 2** shows the average earnings of full-time, full-year workers for all the provinces. N.B. women have the lowest average earnings in the country, while men's are higher than in several other provinces. The pay gap is narrowest in PEI, mostly due to PEI men's low earnings. **Table 3** shows women's 1994 average wages as a percentage of men's by province.
TABLE 2
The Pay Gap: Average Full-Time, Full-Year Earnings by Sex, Canada and Provinces, 1994

<table>
<thead>
<tr>
<th>Province</th>
<th>Canada</th>
<th>Nfld</th>
<th>PEI</th>
<th>N.S.</th>
<th>N.B.</th>
<th>Que.</th>
<th>Ont.</th>
<th>Manitoba</th>
<th>Sask.</th>
<th>Alberta</th>
<th>B.C.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women</td>
<td>28,423</td>
<td>31,184</td>
<td>26,213</td>
<td>26,734</td>
<td>30,482</td>
<td>34,682</td>
<td>27,071</td>
<td>29,788</td>
<td>42,830</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>25,131</td>
<td>24,143</td>
<td>26,213</td>
<td>28,201</td>
<td>30,000</td>
<td>34,317</td>
<td>25,278</td>
<td>24,046</td>
<td>38,315</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

According to these figures, the financial position of women is bad overall and particularly bad in N.B. It is worth taking a closer look at the N.B. workforce characteristics to see if there are identifiable factors that contribute to this province's wider pay gap and slow pace of change.

New Brunswick Labour Force

Women constitute 51% of the population of New Brunswick and 46% of its labour force. If only full-time full-year workers are considered, women are 41% of the full-time labour force in N.B. (107,000 women and 154,000 men). 53% of N.B. women are in the labour force and 66%
of men. The comparable Canadian figures are 57% of women and 73% of men. 74% of women in the N.B. labour force work full-time, compared to 72% of Canadian women. (75)

Table 4 shows a general profile of the N.B. population. Women are under-represented among the unemployed and over-represented in the category of persons not in the workforce. This second category is problematic as it does not address the reasons for non-participation. If N.B. follows national trends, there may be number of "hidden unemployed" in the non-participating category. Canada's "real" unemployment rate, counting labour force dropouts, has been estimated at 18.7%. (15)

Table 4

<table>
<thead>
<tr>
<th>New Brunswick Population, aged 15 and over, 1996</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ N.B. Women □ N.B. Men</td>
</tr>
<tr>
<td>Population 51%</td>
</tr>
<tr>
<td>Employed Population 46%</td>
</tr>
<tr>
<td>Unemployed Population 42%</td>
</tr>
<tr>
<td>Pop. Not in Workforce 59%</td>
</tr>
</tbody>
</table>

STATISTICS CANADA. LABOUR FORCE ANNUAL AVERAGES 1995.

Women's unemployment rate in New Brunswick is 10.5%; men's is 12.3%. The corresponding national rates are 9.2% and 9.8%. (75)

In N.B., 24% of women (and 19% of men) work for a level of government, compared to the Canadian average of 18% for women and 14% for men.

Age, Marital Status, Education

As in the rest of the country, the pay gap is not the same for all N.B. women. The pay gap is smallest between young single men and women with high levels of education. The pay gap is widest between married men and married women, especially among the group with only some secondary education. Married men's average earnings are considerably higher than single men's and women's in all categories.
Table 5 shows total income from all sources (including employment earnings) by age and gender for N.B. The N.B. picture reflects the national trends. Young men and women have similar, low, incomes. For the age groups over 25, the gap widens steadily, climbing to a difference of approximately $18,000 by age 60, and diminishing in the post-retirement years, but never completely closing. Obviously a factor in the smaller income gap for the younger age groups is that both sexes are earning lower wages at the onset of their labour force participation.

It is significant that women's average income remains virtually static between the ages 25-54.

<table>
<thead>
<tr>
<th>TABLE 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Income from all Sources, by Age and Sex, N.B. 1994</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>UNDER 25</th>
<th>25-34</th>
<th>35-44</th>
<th>45-54</th>
<th>55-59</th>
<th>60-64</th>
<th>65+</th>
</tr>
</thead>
<tbody>
<tr>
<td>WOMEN</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MEN</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

STATISTICS CANADA. SURVEY OF CONSUMER FINANCES. UNPUBLISHED DATA.

Table 6 shows employment earnings by sex and marital status for men and women in N.B. and Canada. Women's earnings are similar in all categories, although divorced women fare slightly better. Married men's earnings are higher than any other group. The low earnings of single men are probably linked to age.

<table>
<thead>
<tr>
<th>TABLE 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Full-time Full-year Earnings by Sex and Marital Status, N.B. and Canada, 1990</td>
</tr>
</tbody>
</table>
Human capital theory points to education as one of the factors that may influence the pay gap. However, the average income (from all sources) of N.B. women with a university degree is about the same as men with a secondary school diploma or some post-secondary education.

See Table 7. Tables 8a and 8b show that N.B. women, like Canadian women, are better educated than men at all but the university degree level, where they are quickly catching up. Currently women make up more than half of students graduating with a bachelor’s or first degree.

### TABLE 7
Average Income by Level of Education and Sex, N.B. 1994

<table>
<thead>
<tr>
<th>Sex</th>
<th>High School /Some Post-Secondary</th>
<th>University Degree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women</td>
<td>$14,862</td>
<td>$26,495</td>
</tr>
<tr>
<td>Men</td>
<td>$25,358</td>
<td>$45,236</td>
</tr>
</tbody>
</table>

Highest Level of Schooling by Sex, Population 15 Years and over, N.B., 1951-71-91

[Chart showing highest level of schooling by sex and year (1951, 1971, 1991) for both men and women. The chart indicates the distribution of educational attainment for each group, categorized as 'Less than gr 9', 'Gr 9-13', 'Some Post-Sec.', and 'University'.]

STATISTICS CANADA, EDUCATIONAL ATTAINMENT AND SCHOOL ATTENDANCE, 93-328.
A survey of 1994 graduates of N.B. Community Colleges shows an overall employment rate of 77% for women and 67% for men; however, women's full-time employment rate was only 73% as opposed to men's 86%. Slightly over half of the graduates were employed in areas directly related to their training. (42)

Industry and Occupation

Compared to Canadian women, N.B. women are under-represented in the province’s goods-producing industries, and they tend to be even more concentrated in the lower-paying service industries. In Canada, the goods-producing industries (agriculture, fisheries, mining, manufacturing, construction, etc) employ 14% of women and 38% of men. In N.B., the disparity is even greater: the goods-producing industries employ 10% of women and 39% of men. (75)

N.B.’s economy has been undergoing changes which has brought about growth in the service sector. N.B. women are heavily represented in these new jobs. Jobs in the service industries are not always poorly paid - there is wide variation by sector and employer. However,
the call centre industry in N.B. has created jobs that are estimated to be 70% dominated by women with starting full-time salary about $17,000. Anecdotal evidence suggests that the working conditions of these jobs are often poor. 5

Meanwhile, forestry and mining industries, which are particularly male-dominated in N.B., have been booming in N.B. over the last few years. These are often relatively well-paying jobs, almost exclusively held by men.

Forty-one percent of N.B.’s economy is rooted in the primary, resource-based sector. In some of these industries the work is seasonal or dependent on larger economic cycles, and in many cases women may be particularly affected. The fisheries industry, for example, is composed of fishing, where the work is dominated by men (only 10% of commercial licenses are held by women), and processing, where there is a heavier concentration of women workers. Only a small percentage of fish packaging and processing plants in the province are unionized. Within the industry then, women are primarily non-unionized and dependent on other market-driven forces. It is difficult to measure, but it is generally acknowledged that there is a large hidden contribution by women within the industry in management aspects of the businesses, such as bookkeeping. In 1990 in N.B., there were only 40 women (and 40 men) working full-time full-year in fish canning, curing and packing: the total number of all women working (seasonal or full-time full-year) in that occupational category was 3,725 (and 1,370 men). Women who worked full-time in that occupational category earned 81% of what men earned, up from 67% in 1985 because men’s earnings shrunk by half between 1985 and 1990.

N.B. has a segregated labour force: Table 10 illustrates that N.B. women are in very different occupations than men. N.B. women are found in similar occupations as Canadian women, except that N.B. women are less present in primary and sales occupations and more present in service occupations than Canadian women generally. Forty-four per cent of N.B. women are concentrated in 10 occupations, as opposed to 27% of N.B. men. (35) In comparison, 39% of Canadian women are concentrated in 10 occupations, as opposed to 24% of men. (70) 35% of N.B. women (25% of N.B. men and 37% of Canadian women) are in “managerial and other professional” occupations, (administrators, teachers, social workers, nurses, scientists, artists, etc.)

Table 11 lists the top 10 occupations for women and men and shows that women in N.B. are in very different occupational patterns from men, but similar to women in the rest of the

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5 Research is currently being conducted into the call centre industry and its effects on N.B.’s economy from the perspective of women. The research, yet unpublished is being carried out by Professors Ruth Buchanan, UNB Law, and Joan MacFarland, Economics, St.Thomas University.
country. Notably absent from the list of N.B. women's occupations is the category of manager and administrator, which appears in each of the other lists. This graph also provides the numbers employed in each occupation. Although higher education is correlated with higher employment and earnings levels, many of the men's occupations shown here do not require high education levels. **Tables 12 and 13** show average earnings of N.B. women and men by major occupational categories, compared with women and men in other Atlantic provinces.

Women in N.B. do not earn as much as other women in many groups, particularly in the higher-paying ones. N.B. women do fare as well as other women in a few occupations, such as Natural Sciences and Engineering, Farming, and Material Handling, but there are few women in these occupations. N.B. men's earnings are slightly more in line with those of men in the other Atlantic provinces, particularly in the primary industries that are male-dominated and heavily unionized.

Women's membership in unions is another factor. In 1992, the national rate of unionization for women was 31% and for men, 38%. (79) In N.B. in 1992, women's unionization rate was 29%, compared with men's 43%. A higher proportion of N.B. men are unionized than Canadian men, but N.B. women are less unionized than Canadian women. Union membership has been shown to have a positive effect on the pay gap. If N.B. women were unionized in equal numbers to men, it would contribute to reducing the pay gap. The industries where men are predominant are more highly unionized than the industries where women are predominant. The highest rates of unionization in N.B. are found in the Primary, Manufacturing, Construction and Transportation industries, as well as Educational Services and Public Administration. The lowest rates of unionization are found in the Food and Beverages, Trade, Finance, and Service industries.

| TABLE 9 |
| Employment by Industry and Sex, N.B. and Canada, 1995 |
### TABLE 10

**Employment by Occupation and Sex, N.B. and Canada, Annual Averages 1995**

<table>
<thead>
<tr>
<th>Occupation</th>
<th>N.B. Women</th>
<th>Cda Women</th>
<th>N.B. Men</th>
<th>Cda Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managerial/Professional</td>
<td>35</td>
<td>37</td>
<td>26.2</td>
<td>26.2</td>
</tr>
<tr>
<td>Clerical</td>
<td>8</td>
<td>10</td>
<td>8.8</td>
<td>8.8</td>
</tr>
<tr>
<td>Sales</td>
<td>23</td>
<td>23</td>
<td>23.6</td>
<td>23.6</td>
</tr>
<tr>
<td>Service</td>
<td>17</td>
<td>45</td>
<td>17.1</td>
<td>45.5</td>
</tr>
<tr>
<td>Primary Occupations</td>
<td>2</td>
<td>4</td>
<td>2.1</td>
<td>4.1</td>
</tr>
<tr>
<td>Processing, Machining, Fabricatg</td>
<td>5</td>
<td>10</td>
<td>5.2</td>
<td>10.0</td>
</tr>
<tr>
<td>Construction</td>
<td>0.3</td>
<td>0.5</td>
<td>0.3</td>
<td>0.5</td>
</tr>
<tr>
<td>Transport equipmt oper.</td>
<td>0.9</td>
<td>1.7</td>
<td>0.9</td>
<td>1.7</td>
</tr>
<tr>
<td>Material Handlg/crafts</td>
<td>1.7</td>
<td>3.0</td>
<td>1.7</td>
<td>3.0</td>
</tr>
</tbody>
</table>

**LABOUR FORCE ANNUAL AVERAGES 1995**
**TABLE 11**
Average Full-Time Full-Year Earnings of 10 Most Common Occupations, by Sex, N.B. & Canada

<table>
<thead>
<tr>
<th>1st</th>
<th>2nd</th>
<th>3rd</th>
<th>4th</th>
<th>5th</th>
<th>6th</th>
<th>7th</th>
<th>8th</th>
<th>9th</th>
<th>10th</th>
</tr>
</thead>
<tbody>
<tr>
<td>WOMEN N.B.</td>
<td>MEN N.B.</td>
<td>WOMEN Cda</td>
<td>MEN Cda</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$80</td>
<td>$70</td>
<td>$60</td>
<td>$50</td>
<td>$40</td>
<td>$30</td>
<td>$20</td>
<td>$10</td>
<td>$0</td>
<td></td>
</tr>
</tbody>
</table>

Women
1. Secretary - 6565
2. Bookkeeper/Accounting Clerk - 3635
3. Nurse - 3440
4. Elementary, Kindergarten Teacher - 2950
5. Sales Clerk - 2675
6. Cashier & Teller - 2320
7. General Office Clerk - 2275
8. Secondary School Teacher - 1445
9. Sales/Advertising Mgr. - 1335
10. Janitor/Cleaner - 1325

Men
1. Truck Driver - 4020
2. Sales Clerk - 3900
3. Sales & Advertising Mgr. - 3385
4. Motor Vehicle Mechanic/Repairer - 2985
5. Armed Forces (excl. CO's) - 2830
6. Janitor/Cleaner - 1835
7. Sales Supervisor - 1775
8. Manager & Admin. - 1775
9. Financial Officer - 1745
10. Secondary School Teacher - 1640

Women
1. Secretary - 260,630
2. Bookkeeper/Acc. Clerk-189,195
3. Sales Clerk - 114,105
4. Nurse - 111,315
5. Element./Kinder. Teach.-107,750
6. General Office Clerk - 101,085
7. Cashier/Teller - 78,505
8. Financial Officer - 77,250
9. Manager & Admin. - 76,510

Men
1. Sales Clerk - 184,285
2. Truck Driver - 150,020
5. Manager & Admin. - 108,550
6. General Mgr &Senior Off. - 104,645
7. Financial Officer - 98,255
8. Systems Analyst/Prog. - 79,420
9. Janitor/Cleaner - 76,080
10. Secondary School Teacher - 61,065

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The Pay Gap - Causes, Consequences and Actions

New Brunswick Advisory Council on the Status of Women

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### TABLE 12 - PART 1 OF 2
Average Earnings of Women Working Full-time Full-year, by Occupational Groups, Atlantic Provinces, 1990 (in thousands)

<table>
<thead>
<tr>
<th>Occupation/Ground</th>
<th>N.B.</th>
<th>N.S.</th>
<th>P.E.I.</th>
<th>Nfld</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mgmt &amp; Adm.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nat. Sci./Eng.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Soc. Sci.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Teaching/related</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medicine/Health</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Artistic/Liter/Rec.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clerical</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Farming/Hortic</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fishing/Trapp</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The Pay Gap - Causes, Consequences and Actions

New Brunswick Advisory Council on the Status of Women

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TABLE 13 - PART 2 OF 2

STATISTICS CANADA. EMPLOYMENT INCOME BY OCCUPATION. 93-332.
A survey of N.B. Community College graduates suggests that current job training may be perpetuating patterns already found in the general labour force. (Table 14)

<table>
<thead>
<tr>
<th>Female Grad’s Top Ten:</th>
<th>Male Grad’s Top Ten:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1- Early Childhood Educator</td>
<td>1- Motor Vehicle Mechanic</td>
</tr>
<tr>
<td>2- Community Service Worker</td>
<td>2- Machinist and Tooling</td>
</tr>
<tr>
<td>3- RNA</td>
<td>3- Tech Drafting</td>
</tr>
<tr>
<td>4- Customer Service Clerk</td>
<td>4- Programmer</td>
</tr>
<tr>
<td>5- Accounting Clerk</td>
<td>5- Cook</td>
</tr>
<tr>
<td>6- Secretaries</td>
<td>6- Elect. Service Tech.</td>
</tr>
<tr>
<td>7- Bookkeeper</td>
<td>7- Welder</td>
</tr>
<tr>
<td>8- General Office Clerk</td>
<td>8- Nurse Aide/Orderly</td>
</tr>
<tr>
<td>9- Visiting Homemaker</td>
<td>9- Heavy-Duty Eq. Mechanic</td>
</tr>
<tr>
<td>10- Nurse Aide/Orderly</td>
<td>10- Customer Service Clerk.</td>
</tr>
</tbody>
</table>
Conclusions

The difference in the pay gap between N.B. women and Canadian women is recent and bears watching but the **real** pay gap, between women and men in all provinces, remains the major issue. N.B. women share with women everywhere the reality of earning about one-third less than men. The workforce characteristics of N.B. women are very similar to Canadian women and no major anomaly underlies the current rank of N.B. as the province with the widest pay gap. Part of the explanation may be attributable to N.B. women’s low representation in certain high-paying primary and goods-producing industries and to N.B. men’s higher unionization rate than the Canadian average.

The causes of the male-female pay gap include the traditional and continuing devaluation of women’s work at home, the resulting occupational segregation and devaluation of women’s work in the labour force, traditional hierarchical family structure and unequal sexual division of labour and intentional and unintentional, or direct and systemic, discrimination in the labour force.

The consequences of the pay gap are similar in N.B. as in the rest of the country. More women, especially lone mothers and elderly women, live in poverty than men. Of N.B. children in lone-parent families headed by women, 63% live in households with incomes below the National Council of Welfare poverty line. Furthermore, 75% of women in N.B. have total incomes below $20,000. (35)

Barriers faced by women in the labour force are compounded for women who belong to visible minorities. Discrimination and differences in demographics particularly affect the aboriginal community in N.B. As of June 1991, the unemployment rate of native people was 33%. More women “of aboriginal origin” than non-aboriginal women are in the labour force: 57% of these aboriginal women are in the labour force. According to the 1991 Census, the average employment income of N.B. aboriginal women who worked full time full-year was $19,007, 68% of what aboriginal men earned, but almost $4,000 less than non-aboriginal women’s average earnings of $23,671. Sixty percent of the aboriginal population is under age 25, and the birth rate is the highest of any group in Canada. Also, aboriginal women tend to have children at an early age and are over-represented in the group of poor lone mothers. (65)
Actions to Close The Pay Gap

Awareness of the pay gap and attempts to address it through public policy and legislation are not recent developments. Indeed their history is disturbingly long. The Treaty of Versailles, which ended World War I, stated with startlingly contemporary language that "men and women should receive equal remuneration for work of equal value." In 1951, the International Labour Organization adopted a Convention containing procedures for implementation of equal remuneration. (64, 24-25) Although the Canadian government expressed theoretical approval, many years would pass before it was enshrined in legislation.6

The following are some of the major events of this century in the fight for equal pay:

1907 The National Council on Women of Canada passes a motion calling for equal wages for equal work.

1915 The Canadian Trades and Labour Congress passes a similar motion.

1919 The Treaty of Versailles includes in its standards for labourers that "men and women should receive equal remuneration for work of equal value." This is included in a series of principles applying to wage earners which were deemed to be "of special and urgent importance." (Part XIII, Section 2, Article 427)

1920 The New Brunswick government abolishes the legislation which set a lower rate of pay for female teachers.

1951 Convention 100 of the International Labour Organization is passed, containing four procedures by which equal remuneration can be implemented.

1951 Ontario enacts the first Canadian law calling for equal pay for equal work.

1952 Saskatchewan enacts similar legislation.

1957 Alberta enacts similar legislation.

1965 New Brunswick government adopts legislation making the minimum wage the same for men and women.

1967 New Brunswick government ends its policy of not employing married women as permanent employees.

1976 Canada endorses the UN International Covenant on Economic Social and Cultural Rights. Article 7 refers to equal pay for equal work and work of equal value.

1976 Quebec includes equal pay for work of equal value in its human rights legislation.

1977 The Federal government includes a similar provision in its human rights act applying to government and federally regulated companies.
1978 Section 11 of the Canadian Human Rights Act states that it is a discriminatory practice for an employer to establish or maintain differences in pay between male and female employees.

1980 The Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) is ratified by Canada. Article 11.1-3 contains provisions relating to discrimination against women in employment.

1985 Canada endorses the Nairobi Forward-Looking Strategies for the Advancement of Women (FLS 69)

1986 The Canadian Labour Congress issues a comprehensive statement calling for pay equity. (27, 1-4.)

1986 Manitoba becomes the first province to implement proactive pay equity legislation, requiring initiatives by employers in the public sector, rather than employees.

1987 Ontario becomes the first province to introduce legislation applying to the private sector.

1989 New Brunswick government adopts legislation for equal pay for work of equal value for Part 1 of the public service only.

1990 Prince Edward Island becomes the latest province to enact pay equity legislation in the public sector.

1994 New Brunswick government signs a pay equity agreement for Part 2 of the public service.

1995 Ottawa agrees to a record settlement of $75 million for 1700 health care workers in the federal public service who had complained beginning in 1979 of discriminatory pay levels.

1996 The new Conservative Government in Ontario makes massive cuts in funding for pay equity settlements in the public sector, and passes an Omnibus Bill, which radically restructures the most far-reaching pay equity legislation in Canada. Effective January 1997, the proxy method of comparison to determine if pay equity exists at an employer's workplace will be cut. The Job Quotas Repeal Act, designed to repeal the Employment Equity Act, is being challenged in the courts. (26, January 1996.) The Ontario government proposes a non-legislated Equal Opportunity Plan, presumably to compensate for the Employment Equity Act. These voluntary initiatives stress the "merit principle" in hiring.

1996 A committee appointed by the minister responsible for women's issues in Quebec is preparing proposals to extend existing pay equity legislation to the private sector. The changes would apply to those employing at least 10 people.

6 The evolution of policy surrounding equal pay for work of equal value is linked to the development of trade unions and the general structure of capitalism. For a detailed discussion see Just Give Us the Money. Chapter 1.
Efforts to close the pay gap in Canada have fallen into two broad categories: pay equity legislation and employment equity programs which may or may not be legislated.

The earliest pay equity laws demanded "equal pay for equal work." Ontario was the first to enact such legislation in 1951, followed by Saskatchewan. British Columbia passed its Equal Pay Act in 1953, New Brunswick had the Female Employees Equal Remuneration Act in 1961. These laws had a particularly limited application since men and women seldom did the same work, particularly in the 1950's and 1960's. It is also interesting that such statutes took a rather regressive step away from the broader concept of "equal pay for work of equal value" embraced by the Treaty of Versailles and the ILO's Convention 100. Although adjustments were later made to the terminology in these acts, the concept of equal value would not reappear until 1975, in Quebec's Charter of Rights and Freedoms, and in 1977 in the Canadian Human Rights Act. Only in the mid-1980's did the other provinces begin to follow suit. The enforcement of these early laws required complaints from individual workers or agents acting on their behalf. Beginning with Manitoba in 1985, the provinces began to enact proactive legislation, placing the onus on employers to correct inequities in their workplace, rather than leaving the responsibility with the employee to complain about specific instances of discrimination and endure the often hostile process of investigation. Most importantly, proactive legislation acknowledged pay inequity as a systemic, rather than an aberrant or individual problem. The complaint-based model is

ill-equipped to uncover patterns of under valuation that are pervasive but for the most part unintentional. It contains no real incentive for employers and unions to identify and close earnings gaps, and in the last resort it relies on extremely laborious and contentious methods for its enforcement. (14, 81)

Another feature of the proactive model of legislation is that it recognizes the role of unions as representatives of employees and, in some cases, may even require the involvement of unions in the resolution of equal pay adjustments. Complaint-based legislation contains no requirement for union involvement, although most successful complaints have been brought by unions. (27, 3-1.)

Currently, the federal government, Quebec and the Yukon have equal pay for work of equal value legislation enforced on a complaint basis. Most Canadian workers fall under the jurisdiction of their province's labour standards and provincial human rights acts. Those who work in federal, international or inter-provincial industries or companies are covered by federal
legislation. Manitoba, Ontario, Nova Scotia, New Brunswick, and Prince Edward Island have proactive pay equity laws. Newfoundland has a non-legislated pay equity initiative. Almost all apply only to public sector workers. All of the existing proactive laws require that a neutral job-evaluation system be used and that wages be adjusted, where necessary, to reflect the comparative value of the job. All of the evaluation models determine value by a composite of the skill, effort, responsibility and conditions involved in performing a job.

Although there has been extensive legislative recognition of the problem of unequal pay, as mentioned, almost all laws to date have applied only to public sector and broader public sector workers. The exception to this was Ontario, whose law, enacted under the former NDP government, extended to private businesses employing more than 10 employees, and made provision for a "proxy system" whereby job comparison could be made between women workers doing similar work at different workplaces if no comparable workers could be found in the original workplace. In spite of some complexities of enforcement, Ontario’s law was the most far-reaching. Since the election of the Conservative government, however, cuts have been made to funds directed to pay equity settlements in the public sector, and the December 1995 Omnibus Bill dismantled the proxy system. Quebec is now in the process of developing legislation to apply to private sector businesses with more than 10 employees.

The success of EPWEV legislation has been limited due mainly to its narrow application to public sector employees and the complexity of the system of job evaluation. As the Canadian Human Rights Commission comments in their 1994 Annual Report:

That {pay equity} should still be an issue, seventeen years after the enactment of the Canadian Human Rights Act, bears witness to some unusually persistent problems of definition, to the less than impressive progress of employers in making the promise a reality, and to the sheer complexities of resolving complaints. (14, 77)

It is also important to remember that such legislation has never purported to close the entire pay gap, but only the portion that is caused by occupational segregation and other measurable factors. Since this portion of the gap has never been conclusively determined, it is difficult to evaluate the success or failure of the efforts to correct it. Also, as Susan Genge describes in her synopsis of the results of pay equity legislation, there has never been a formal or uniform mechanism for gathering and interpreting data. (27, 4-1) Where results can be evaluated, there has been wide variation. Prince Edward Island, the latest province to enact pay equity in 1990, has had the greatest success, narrowing the pay gap for public sector workers by

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7 For a detailed history of EPFEW and EPWEV legislation, see Women’s Research Centre’sJust Give Us the Money. See also Alexander and Cornish. For more recent overviews of legislation and their results, see Genge, Hughes, and
50%. PEI's law refers specifically to "systemic discrimination" and states that "it is a discriminatory practice for an employer to establish or maintain differences in wages between employees in male-dominated classes and employees in female-dominated classes who are performing work of equal value. (Section 2.3) Their law also allows greater bargaining power for unions, and a provision whereby unions may complain about failure to maintain pay equity. Ontario and PEI's laws provide improved protection for employees who make complaints. (27, 3.7 - 3.9)

When it was passed in 1989, New Brunswick's Pay Equity Act applied only to Part 1 of the provincial public service (departmental employees). At that time, according to the N.B. Women's Directorate, female employees were earning 80 cents for every dollar earned by male employees. A program was phased in between 1989 and 1991, which resulted in some reduction of the gap for 96% (3,960 of 4,142) of the Part 1 employees working in traditionally female-dominant jobs covered by the Act. 8 Increases averaged $1.31 per hour and ranged from 12 cents to $5.38 per hour. Implementation in 1994 with Part 2 employees (school district employees) produced similar increases. According to the N.B. Pay Equity Steering Committee's 1991 report,

The data was [sic] weighted and it was determined that women earned 86 cents for every dollar a man earned. After pay equity adjustments, women will be earning 91 cents for every dollar men earn in comparable job classes. This five cent closure of the wage gap represents that portion attributable to gender-based discrimination and is evidence the wage gap has been reduced. (43)

The committee does not elaborate how they reached the conclusion that the portion of the gap reflecting discrimination was five percentage points. Since the Pay Equity Bureau no longer exists, it is difficult to ascertain whether the 91 cents to the dollar figure has been maintained. Currently, in the broader public sector in New Brunswick, women earn 87% of what men earn. (35)9

Pay equity laws attempt to address the existing problem of unequal remuneration for work of equal value. More long term and far-reaching are the effects of employment equity, which developed from the idea of affirmative action. The federal Employment Equity Act was proclaimed in 1986 in the wake of the Royal Commission Report, Equality in Employment.
Employment equity broadens the concept of equity and also addresses the under-representation of aboriginal peoples, visible minorities and disabled persons in the workforce. Human Resources Development Canada and the Canadian Human Rights Commission administer the Employment Equity Act. In its 1994 Annual Report, the CHRC states that progress has been made but that there is wide variation by industrial sector. Women's representation under the Act has varied from a low of 21% in transportation to a high of 76% in banking. The pay gap for women covered by the Act is only three percentage points narrower than the overall gap. Also discouraging is the Commission's report that there is still evidence of backlash against the principle of employment equity, even in the face of the fact that

... able-bodied white males, who represent 45% of the general labour force, received 55% of hires into permanent full-time positions with employers coming under the Employment Equity Act. Far from falling behind, able-bodied white males appear to be getting more than a proportionate share of hiring; such data hardly convey a convincing portrait of reverse discrimination. (14, 70)

Ultimately, the results of employment equity will take longer to assess, given the slower rate of change inherent in times of "downsizing" and layoffs. The general climate of economic restraint has also affected the progress of pay equity. When workers are grateful for any job they are less likely to demand higher wages.

In 1994, the Canadian Advisory Council on the Status of Women published Work in Progress in preparation for the Beijing World Conference on Women, reviewing Canada’s actions and progress relative to the Charter of Rights and Freedoms and Canada’s obligations contained in the international covenants. The report finds that, although some inroads have been made, progress has been sporadic and slow, and in some cases, the situation of women has actually deteriorated. Canada’s ranking in the 1995 United Nations report, mentioned earlier, shows that progress in key women’s issues is relatively slow in Canada.
A Fair Share for Women

A Pay Equity Plan for New Brunswick Women

The pay gap is a cause as well as a symptom of factors in society. Efforts to correct it must be aimed at both the symptomatic problem and the underlying or systemic problems.

A. Measures to Consider in a Pay Equity Strategy

1. Improve the Status of Women In Traditionally Female Occupations
   • Adopt a minimum wage level that is indexed and is adjusted according to some objective standard, (e.g. poverty line).
   • Implement equal pay for work of equal value programs (pay equity) through legislation, contract compliance, tax incentives, etc.
   • Implement Employment Equity programs through improved and extended legislation, contract compliance, tax incentives, etc.
   • Implement measures to ensure equitable treatment by financial institutions of women in business, including employee awareness programs to make services more woman-friendly.
   • Promote equalization of entry-level salaries and adoption of flat rate increases as opposed to proportionate wage increases.
   • Ensure equal treatment for part-time workers, i.e. pro-rated wages and benefits.

2. Increase the Number of Women In Non-traditional Areas

Short-term Measures:
   • Implement Employment Equity programs through improved and extended legislation, contract compliance, tax incentives, etc.
   • Implement “Fair Share for Women” measures in conjunction with public expenditure projects such as road-building, or economic development efforts such as recent natural resource sector development efforts, in order to ensure that women get a fair share of jobs in these sectors.
   • Implement programs to expose girls and women to non-traditional occupations and to information on average salary by occupation, etc.
• Foster the growth of a more diversified female labour force in the public sector by encouraging women into non-traditional jobs and into training for management level jobs. Develop promotional material and job application forms which encourage women to consider non-traditional job categories.

**Long-term Measures:**

• Implement education/curriculum equity programs targeting students, teachers, guidance counselors, administrators and parents, including:
  - programs and courses for young people to increase understanding of issues of equality in the workplace and in society.
  - mandatory courses in gender-sensitivity for B.Ed. students, with greater emphasis for those specializing in guidance counseling.
  - career/occupational counseling at a younger age, e.g. make girls aware of economic possibility through employment - which jobs pay well.
  - encouragement of girls to study sciences, math, computer science, and other technological fields including media and communications.
  - courses for children, particularly girls, to promote financial and business knowledge.
• Adopt educational performance targets which include equality in girls’ and boys’ (and women’s and men’s) performance and participation: equality in the results.
• Adopt employment and training programs that have as one of their goals labour force equality between women and men. (See *Training for Results* brief):
  - programs to promote employment of women in resource, manufacturing and construction industries, and in management and other non-traditional occupations;
  - public monies spent on training must improve equity for women.

**3. Improve The Overall Status Of Women In Society**

• Increase women’s representation in positions of influence:
  - require audit of recruitment and appointment processes to identify those practices which fail to include qualified women.
  - adopt programs to systematically identify and recruit potential female candidates.
• Adopt Equity Analysis in all government programs, including macroeconomic changes (economic policies, budgets) to ensure that they do not adversely affect women.
• Increase programs to make workplaces and policies more parent-friendly. e.g., on-site day care, extended parental leave, more affordable child and elder care.
• Promote equitable sharing of unpaid work in the home. Promote awareness of relationship between equity at home and equity in the labour force.
B. Measures to Consider in Implementing a Pay Equity Strategy

- Involve Ministers in defining a government strategy for pay equity.
- Involve employers in defining actions for a business strategy for greater pay equity: focus groups, joint statements, etc.
- Involve women and women’s groups in increasing awareness of solutions and promoting a strategy for pay equity: information meetings, joint statements, joint meetings with officials, etc. Involve women’s groups in implementing outreach programs with small businesses and educational programs in schools re equity.
- Involve education and business sectors in programs to promote equity and fairness between boys and girls.
- Develop a media campaign to increase awareness of
  - social and economic costs of the pay gap
  - relationship between equity at home and in the labour force
  - pay equity solutions.
WORKS CONSULTED


Statistics Canada Publications

65. Aboriginal Data. Cat. 94-325.
66. Dynamics of Labour and Income. Cat. 75-201E. 1994
69. Educational Attainment and School Attendance. Cat. 93-328
77. Perspectives on Labour and Income. 75-001-XPE. Spring 1996.
78. Survey of Labour and Income Dynamics. Cat. 75-201E.