



CLOSING THE GENDER PAY GAP IN ONTARIO: SECURING JUSTICE FOR WOMEN'S WORK

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On January 1, 2008, Ontario's *Pay Equity Act* turned 20 years old. While the *Act* helped reduce the gender gap from 38% in 1985, women, on average, still earn 29% less than men. The Equal Pay Coalition has launched its 20th Anniversary Campaign to mobilize employers and governments to carry out their responsibilities to close this gender pay gap and end the widespread pay discrimination women continue to face. We owe it to our daughters, mothers and grandmothers to revitalize and strengthen pay equity enforcement. We need to deliver pay justice to the current generation of working women and guarantee it for future generations.

Ontario women receive less for their work regardless of where they work, the size of their workplace or the precariousness of their work. The most vulnerable women – aboriginal woman, women of colour, racialized or immigrant women, and non-unionized women workers – face an even greater wage gap than the gap between white men and women. While the overall pay gap in 2006 is 29%, according to Statistics Canada, racial minority women earn 36% less than men and Aboriginal women earn 54% less. Women with disabilities earn significantly less than women and men without disabilities. Women outnumber men in nine of the ten lowest-paying occupations in Canada.

Discriminatory pay affects women throughout their lives beginning with their first jobs and continuing into retirement. Young women graduating from high school earn 27% less than male high school graduates. Young women graduating from university earn 16% less than male graduates but this pay gap widens as their careers progress. The pay gap continues into retirement with 42% of elderly women being poor. The median income of retired women is almost half that of older men. Over a lifetime, these pay gaps add up to enormous financial losses with Working Women in the US estimating the total for each woman to be between \$700,000 and \$2 million depending on education level.

Gender-based pay inequities also contribute to higher poverty levels with women and their children much more likely to be working at minimum wages and living in poverty than men. For poor women, their labour is their greatest asset. The longer the government waits to increase the minimum wage - the more the government contributes to women's poverty and the pay gap.

As well, failing to enforce pay equity harms businesses and governments. The World Economic Forum's 2007 Global Gender Gap Report recognizes the key role these

“remuneration gaps” play in impairing economies from realizing their full potential. A province that allows women to be channeled into low paid, undervalued work when the economy needs their skills and their purchases will not be able to compete successfully in the global economy.

Despite the global commitment of Canada and other world governments to equal pay for work of equal value as an ILO core labour standard, women are repeatedly faced with the argument that redressing their inequality is too costly and therefore does not make good business sense or good governmental policy. With employers and governments relying on the involuntary contributions of women’s unpaid or underpaid labour to sustain their operations and economies, the equality debt owed to women continues to increase with no planning for how it is to be paid back or redressed. For every year of inaction the cost of redress is higher, the damage inflicted by the discrimination is deeper and the systemic benefits of equality fail to materialize.

Ontario’s persistent wage gap shows that many women never received the benefit of Ontario’s *Pay Equity Act* and that others lost the gains they initially made for reasons including: employer non-compliance, economic restructuring and inadequate government funding of pay equity adjustments and of the Pay Equity Commission and Hearings Tribunal. Since the early 1990’s the Government has reduced the budget of the Pay Equity Commission and Hearings Tribunal by half and eliminated funding for a Pay Equity Legal Clinic denying many women access to pay equity justice. Many employers failed to comply with the *Act* and other women fell outside the *Act* or its effective enforcement. Many employers have also not taken the necessary steps required by the *Human Rights Code* or collective agreement anti-discrimination provisions to remove the barriers facing women in gaining access to the higher paid occupations dominated by men. Employment equity as well as pay equity measures are needed to address the full gender pay gap

Approximately 100,000 women working in predominantly female public sector workplaces such as child centres and small community agencies are also being forced to work at discriminatory wages because as of 2006 the government stopped paying the designated pay equity monies to close their identified pay gaps. This money was paid as a result of the settlement of 2003 *CUPE et al.* Charter challenge. Based on the Government’s own figures, \$78.1 million is owing for 2006 and 2007, a further \$77.6 million is owed in 2008 and about \$1.32 billion from 2008-2011.

Over the last 4 months, approximately 5,000 Ontarians from all regions of the Province have joined the Coalition’s Campaign by signing postcards and an online petition calling for Government action. Unions have warned that they will vigilantly enforce women’s pay equity rights where effective actions are not taken. The Coalition, with its member organizations representing over 1 million Ontarians is seeking meetings with the Minister of Labour, Minister of Finance and Minister Responsible for Women’s Issues to discuss the Government’s 20th Anniversary enforcement plans including three key requests: 1) increasing the minimum wage to \$10 per hour retroactive to January 1, 2008 as a pay equity downpayment; 2) full public funding of public sector pay equity adjustments; and 3) full funding of the Pay Equity Commission, the Hearings Tribunal and legal support services for those claiming pay equity violations.

The Coalition's current campaign will continue throughout 2008 including on February 14, 2008 to mark February 18 Family Day and the importance of pay equity to families, on March 8, 2008 for International Women's Day and in workplaces throughout the year. Pay equity is back on the public agenda and employers and governments who fail to work to close the pay gaps will be held accountable.

For further information: www.equalpaycoalition.org