

Introduction

Despite some progress in the area of pay equity in a few provinces a gender gap still exists between the wages women and men earn. Across Canada women make only 72.5% of what men earn for full-time year-round work. Even education fails to close this gap in any significant way with women with university degrees employed full time and full year earning 74% of wages paid to men with university degrees.¹ There are no occupations in which women's average earnings exceed men's not even in female-dominated areas such as clerical work and teaching.² In fact, according to the Canadian Research Institute for the Advancement of Women Canada has the fifth largest wage gap for full time male and female workers out of the world's 29 most developed nations. Of particular note is the situation of Aboriginal women, women of colour and racialized new immigrant women who suffer a wage gap with white men that is greater than the gap between white men and white women.

In New Brunswick, the gender earnings gap is 17.8% and occurs across all demographic and labour market characteristics. In dollar terms this means a woman makes 82 cents for every \$1.00 a man earns. A recent study conducted in New Brunswick indicates that close to 80% of the current wage gap in New Brunswick cannot be explained by many characteristics in the labour market, demographics and productivity, and is therefore likely a result of gender-based labour market discrimination.³

There is some good news. Several provinces including Manitoba, Quebec and Ontario are moving to introduce pay equity laws in order to deal with the problem of wage inequality. According to the National Association of Women and the Law (NAWL) Ontario and Quebec are the leaders in proactive pay equity legislation. It is important that New Brunswick join these provinces by passing legislation that eliminates the gender-based wage gap.

Pay Equity and Poverty

Women represented over 52% of the population in New Brunswick living in poverty in 2001.⁴ Pay inequity makes women and their families more vulnerable to poverty. This is especially true for women in minimum and low wage jobs where they make up the majority of the workforce. In New Brunswick, 60% of minimum wage workers are women. Minimum wage is no longer a living wage. Workers earning the provincial minimum wage are no longer able to afford adequate housing, food, clothing and other basic necessities. The wage gap exacerbates this inadequacy for women by creating not only a greater risk of poverty, but also the risk of living in a greater degree of poverty. The wage gap also compounds the drop of 25% in purchasing power of real wages felt primarily by low wage employees in the province. Wage discrimination particularly threatens female single parent families who already suffer high rates of poverty. Women who are the sole caregivers and wage earners in households with children are more likely to be employed in minimum or low wage jobs and live in poverty. (In Canada, 37% of lone mothers with paid work must raise their families on less than \$10/hour.)

This is the case provincially as well as nationally. Again, wage discrimination exacerbates an already tenuous situation for these women.

Pay inequity also has long-term financial ramifications. Lower earnings mean lower or restricted contributions to retirement savings that are crucial to the financial stability of senior women. This fact needs to be viewed in the context that 45.6% of Canadian senior women living alone are poor compared to 32.8% of senior men. The chances of living in poverty for senior women are significant and inequality in earnings increases that risk.

Poverty and Health

The effects of living in poverty are well documented. Children fail to develop intellectually, emotionally and physically at the rate of their peers, they suffer higher rates of stress and behavioural problems and they tend to have more health problems to name only a few consequences. Adults who are poor die younger than people who are not and have worse health over their lifetime. A recent study by the Canadian Institute for Health Information (March 2004) states poverty is the number one social determinant of health. More difficult to measure is the loss to society through social exclusion and individuals' inability of to reach their potential.

Human Rights, Poverty and Pay Equity

Poverty and pay equity are linked and can be approached the same way – as human rights issues. Under numerous international conventions such as the Covenant on Economic, Social and Cultural Rights, the Covenant of the Rights of the Child, Convention on the Elimination of All Forms of Discrimination against Women and the Equal Remuneration Convention, Canada is obligated to ensure the right to an adequate income and wage equity for all citizens. Adequate and secure income is a key component in meeting these human rights yet it is hindered by discriminatory wage practices. A pay equity law will not end poverty for all women but it would assist women in securing higher and more just wages. A pay equity law would also end the rights-violating wage discrimination that has kept women from wage parity for so many years. New Brunswick can show its commitment to human rights simply by passing and enforcing the pay equity legislation.

Benefit of Pay Equity

There are also compelling financial reasons to adopt pay equity legislation. A study conducted by Ather H. Akbari of the Department of Economics at Saint Mary's University shows a total gain to the public treasury of \$688 million. The chart below breaks down both the estimated revenue increase and savings of a pay equity law.

Public treasury effects of removal of gender-based wage discrimination in New Brunswick, 2003

Component of Public Treasury	Value (\$ million)
Tax increase (federal and provincial)	609.0
Savings in personal transfers	19.0
Savings in overall health care costs	60.0
Total benefit to provincial treasury	688.0

Taken from "The Gender Wage Gap in New Brunswick." Ather H. Akbari, Department of Economics, Saint Mary's University, NS, p. 4.

Recommendations

In order to end gender-based wage discrimination, actively promote human rights and decrease the risk of women entering or staying in poverty NAPO recommends the government of New Brunswick take the following action:

1. Implement and monitor a pay equity bill that is:

- proactive covering all private and public sector employers,
- inclusive of all full time, part time, casual or permanent employees,
- makes all employers responsible for the long term maintenance of pay equity,
- implemented by an independent organization, that involves employees in obtaining pay equity.

2. Ensure the bill includes provisions for ongoing evaluation to compel employer compliance and to ensure that wage discrimination does not recur.

¹ "Women and Poverty" CRIAW fact sheet 2002, www.criaw-icref.ca/indexFrame_e.htm

² Ibid.

³ "The Gender Wage Gap in New Brunswick". 2003 Ather H. Akbari, Department of Economics, Saint Mary's University, Halifax

⁴ Statistics Canada census 2001