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News in Review

December 1999

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After a long struggle on the part of federal government employees the majority of them women to win back wages owing to them because of what they claimed were discriminatory practices, an assessment that was confirmed by the Canadian Human Rights Tribunal, the federal government of Canada finally settled in this landmark legal case. It offered to compensate these employees for \$3.6-billion, but other sources say the amount could be as much as \$4- or \$5-billion. Going back 15 years, this is a historic case of what some say is deliberate discrimination and what others say is systemic bias. Still others dispute the judgment and call this legal event the erroneous outcome of a badly drafted legislation designed to assure pay equity. As a case study of the complex issues of equity in the labour force, this News in Review story is also a point of departure for examining Canadian social history in terms of equity and gender bias.

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Introduction

Pay Equity: Work of Equal Value

In October of 1999, two landmark pay equity legal cases, both of which had been in litigation for years in Canada, were finally settled. In one of the cases, the Federal Court of Canada ruled that the Government of Canada had violated its own equal pay law, and therefore was legally obligated to pay 200 000 civil servants members of the Public Service Alliance of Canada (PSAC) retroactive wages dating back to 1985. The PSAC workers, most of them women, had originally filed their petition against the government in 1983. It took 16 years for the case to be resolved. Largely because of this lengthy delay, the total cost of the pay equity settlement eventually reached \$3.3-billion, the largest pay equity settlement in Canadian history. According to some estimates, especially those of critics of the settlement, the final payments could amount to between \$4- and \$5-billion. Meanwhile, in a similar case, Bell Canada was ordered to pay \$59-million to its female telephone operators after it was determined that they had not received equal pay for work of equal value. This case took only seven years to resolve. These legal decisions created a great deal of public debate, not only because of the size of the awards, but because of the nature of the cases themselves. The primary issue at heart in each case was pay equity. The concept, practice, and statutory responsibility represented by pay equity in Canada requires that men and women be paid the same wages for work of equal value. Under pay equity, jobs performed by workers are compared and assessed according to the level of skill, training,

experience, and responsibility required in the job. Because of historical gender discrepancies, the issue of pay equity has been of special importance in terms of similar jobs performed by male and female workers. In the Bell Canada case, for example, the court ruled that the work of female telephone operators was equal to that of male technicians who install phones for Bell. According to the principle of pay equity, the female operators should therefore have been receiving the same amount of money as the male technicians.

The principle and precedent of pay equity was legally affirmed in Canada in 1978 when it was included in the Canadian Human Rights Act. This federal law was passed to promote equal opportunity in Canada, and one of its effects has been to narrow the wage gap that existed, and continues to exist, between the wages of women and men. According to government calculations, on average women still earn 26 per cent less than men. Legislation promoting pay equity acknowledges that a major reason for this difference is that, historically, work done mostly by women has been undervalued and underpaid compared with work done mostly by men. Supporters of pay equity legislation argue that without such legislation many women would continue to be underpaid in society, and that for many of them, they and their children would continue to live at or near the poverty level. Critics of pay equity legislation argue, however, that the entire process of comparing female-dominated job categories with male-dominated job categories is too complex and expensive to be continued. For its part, the Canadian government says that it still supports the principle of equal pay for work of equal value but that it questions the current methods used to calculate financial compensation. The government has announced a review of the Canadian Human Rights legislation to determine whether it reflects current Canadian values. A fundamental question to be examined will be whether state-legislated pay equity is a current or an absolute value in Canadian society.

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Value Judgement

Pay Equity: Work of Equal Value

At the heart of the pay equity dispute is the concept of value. Determining the value of something requires defining its relative status at any one time in a society, or estimating its real or supposed worth. Its usefulness or social importance affects its value.

Pay equity proponents emphasize that work that has traditionally been done by women has been undervalued in our society for a number of reasons. According to Michelle Falardeau-Ramsay of the Canadian Human Rights Commission, for a long time jobs such as child-care work, secretarial, and reception were considered to be an extension of women's traditional roles in that they involved interpersonal skills, taking care of people, or providing support to others. Since these helping jobs were seen as intrinsic to women, they were consequently overlooked or financially compensated to a much lesser degree than tasks that are part of jobs held mainly by men, for instance, truck drivers, janitors, or gardeners.

Is work performed by day-care workers less important or useful than that performed by janitors? What is the relative status of two such jobs? What we know for certain is that day-care workers mainly women make less money than janitors mainly men.

Value Based on Need

In 1995, the federal government published a study entitled

Women in Canada: Socio-Economic Status and Other Contemporary Issues. In this study, the author stated that it is necessary to adopt a historical perspective to understand and explain gender inequality today. For example, when Canadian women moved into the paid work force during the Second World War, their work was considered to be necessary because many men had been sent overseas to fight the war. When these women worked in the munitions factories doing men's work they received very good wages. But when men returned from the war, women had to give up the men's jobs and return to their unsalaried jobs as homemakers. Married women who worked outside of the home at this time were often paid very little because their wages were seen as pin money. It was assumed that this so-called extra money would be used for special treats and luxuries, like fancy clothes or shoes, or maybe a family vacation. Women's wages were thus seen as an extra as opposed to a need.

The notion that women's wages have a secondary value in comparison to men's still persists today despite the significant changes in the composition of Canadian families. In 1961, 65 per cent of Canadian families had a male as the sole earner supporting a family with children. Thirty years later, that number had dropped to 10 per cent. This change is a result of an increase in dual-earner families, and an increase in divorce, which has resulted in a significant number of single-parent families.

Overviewing

Equity is a word and a concept that suggests fairness, justice, and impartiality. After watching this News in Review report, suggest how each of these three words is reflected or represented in the story. Identify specific events, facts, or statements.

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Committee Work

Pay Equity: Work of Equal Value

Watch this News in Review report a second time, then in small committees formulate answers to the questions below. When you have finished choose a spokesperson to summarize orally to the rest of the class the findings of the committee.

PART ONE: Factual Information

1. What information from the video helps you arrive at a general understanding and definition of value? What information is specifically related to the value of work?
2. Summarize how pay equity laws attempt to assess the value of work.
3. What are some of the problems associated with assessing the value of a person's work?

PART TWO: Principles and Practice

Despite the fact that the Federal Court ruled against the federal government in its dispute with workers in the Public Service Alliance of Canada, the federal government has stated that it continues to support the concept of equal pay for work of equal value. It does not disagree with the concept of pay equity. What the government does question is the method by which PSAC calculated the financial settlement for its workers.

1. Summarize the overall position of the federal government in terms of the Federal Court's ruling. Summarize also its financial position in the case.
2. Summarize the position of the members of the Public Service Alliance of Canada. How did they counter the financial position taken by the government?
3. Both of these bodies, the government and PSAC, are committed to protecting the rights and serving the needs of people. Summarize why and how they were so far apart on this issue.
4. In the collective opinion of your committee (you should try and reach a consensus on this), which position was most accurate and justified given historical and contemporary evidence and practices?
5. Why is the method of calculation of the value of a job so important to this story?

Follow-up Activity

Each committee will present its findings. As a class discuss similarities and differences in the findings. Finally, working individually, write a report in which you summarize the position of the class as a whole on this issue. Post your reports and compare them.

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The Public Debate

Pay Equity: Work of Equal Value

In 1997 the federal government offered the Public Service Alliance of Canada (PSAC) \$1.3-billion in an attempt to settle the ongoing pay equity dispute with the union. PSAC rejected the offer because it had calculated that its members were owed much more. From the beginning, it was obvious that this case was going to result in a large and significant expenditure on the part of the Canadian government, and as a result a vociferous debate occurred among Canadian taxpayers primarily through the media.

As you read the quotations and excerpts below, taken from print articles, determine how the authors try to convince readers of their point of view and to give the readers a particular and specific perspective. Note especially the language used. To what extent do the comments appeal to reason, to emotions, or to both? In an issue like this, what is the most appropriate way of presenting a point of view?

Who could be against pay equity? Everyone agrees that women deserve equal pay for equal work. Nothing could be simpler. Right? Wrong. A decade and a half after Ottawa legislated pay equity into the world, nothing could be more complicated. Those who dare to dig into the facts behind the headlines will soon discover that right and wrong are remarkably fuzzed, and that the law of unintended consequences reigns supreme. The only out-and-out winners in the pay-equity wars are the legions of

lawyers, consultants, judges and faceless appointees of tribunals and commissions, who have made a lucrative life s work of fighting and arbitrating these cases. Margaret Wente, columnist in The Globe and Mail, September 27, 1997

Why has the government been so ready to use its battalion of Justice Department lawyers to fight this case to fight a study in which it participated, to fight a group made up largely of women, most of whom are among the lowest-paid workers in the federal public service, to fight against the principle of equality between women and men? If it was because the government thought it could get away with avoiding its legal obligation to provide equal pay for equal value through lengthy delays, it couldn t have been more wrong. Daryl Bean and Nycole Turmel, Public Service Alliance of Canada, as quoted in The Globe and Mail, July 21, 1998

The federal government s \$3.6-billion pay equity settlement to select a few victims of discrimination (i.e., government employees) has been declared a major victory for women in the workforce. But under the veneer of victory, last week s settlement rings hollow. It does nothing to address real discrimination issues or to legitimately further the position of women in the workplace. Quite simply, it is little more than another erroneous attempt to force a distorted idea of gender equality on Canadians, under the guise of human rights. Susan Martinuk, Vancouver writer and broadcaster, writing in the National Post, November 1, 1999

Yesterday, one of the leaders of the institutionalized equality industry, the Canadian Human Rights Tribunal, slapped the government (read taxpayers) with a multi-billion-dollar bill \$2-billion? \$3-billion? \$4-billion? in a pay equity dispute that dates to 1984. That will mean a cost of as much as \$450 for a Canadian family of four to compensate fewer than 50 000 people. . . . Canadian taxpayers have almost no control over these kind of decisions. They are imposed by tribunals, influenced by effective lobby groups or negotiated privately without any chance for public approval or rejection. . . . Taxpayers, like it or not, pay. Jeffrey Simpson, columnist, The Globe and Mail, July 30, 1998

. . . Why does this decision cost so much? The substantial payout reflects the aggregate cost of delay. If the case had been resolved in 1990 when the Commission called for a negotiated settlement, the costs would not have accumulated so much. We should keep in mind who will benefit from the tribunal decision. The employees covered by this case are not fat cats. By and large they earn \$30,000 per year; and will not receive huge

amounts of money on an annual basis. Paying these employees the wages they are owed is a legal obligation and the right thing to do. Michelle Falardeau-Ramsay, chief commissioner of the Canadian Human Rights Commission, quoted in *The Toronto Star*, August 25, 1998

Do away with the ludicrous concept of equal pay for work of equal value. Make the process of comparing jobs and determining wage settlements more transparent and accountable. Eliminate subsection 6, which forbids employers from reducing wages in order to achieve pay equity. What goes up should also come down. Make it illegal for a union, such as the Public Service Alliance of Canada, to negotiate a wage settlement without including pay-equity considerations and then take the employer to the [Human Rights Commission] alleging pay-equity discrimination. From an editorial in *The Globe and Mail*, October 21, 1999, in response to federal Minister of Justice Anne McLellan's announcement that the government would review Canada's human rights legislation

Not paying the debt because it would cut into the surplus and rob us of tax cuts is a specious argument. First, as the *Globe's* Bruce Little pointed out in his column last Tuesday, the government has already set aside money to settle pay-equity debt. And, of course, a great deal of money will be returned to the government coffers directly through income taxes levied on the cash payments. . . . The most despicable argument has been that the clerks and secretaries should not be paid money owed because they are not the most needy among us, an argument made by the *Globe's* Margaret Wente in her October 21 column. To see the poorest in competition with the poor is shameful . . . That these arguments surfaced against a judgment in favour of very low-paid women only reinforces the need for strong legal protection of women's equality and human rights. If Jeffrey Simpson can argue on Sunday on the CBC's *Cross Country Checkup* against the payment of the debt owed to low-income women workers, and in his *Globe* column on Wednesday of the same week urge the government to give financial support to the National Hockey League, we can see how easily equality can be dismissed or traded away. Bonnie Diamond, executive director of the National Association of Women and the Law, writing in *The Globe and Mail*, November 1, 1999

The reality of all this is that instead of millions of workers getting a pay increase this year because of a tax cut, those workers can now kiss that pay increase goodbye because of a \$5-billion bungle by the government. Preston Manning, Leader of the

Reform Party and of the Official Opposition, with reference to the government's planned tax cuts, quoted in *The Toronto Star*, October 21, 1999.

Follow-up Discussion and Activity

1. Under the current pay equity law, employers cannot reduce the wages of higher paid employees to achieve pay equity. A number of critics have argued that this does not make sense. In their view, if some women have been underpaid for years, then it stands to reason that some men have been overpaid for their work. These critics say that allowing employers to reduce the wages of those in the higher-paid job categories, even a little, would decrease the overall costs in a pay equity settlement. What are the implications and possible ramifications of this point of view?

2. In the case of federal government employees, the pay equity issue involves primarily a discrepancy between wages of men and those of women. Some critics suggest that there would be no question in the public's mind that an inequity had occurred if one of the two main parties was a visible minority. Is this analogy accurate? Explain your answer carefully.

3. It is a normal tendency on the part of people to take a position for or against an issue. Suggest reasons why this might have occurred in this pay equity story. For what reasons might someone take a more neutral position? Is there in fact a neutral position that could be taken in this issue?

4. You are a student of Canadian Studies in the United States. Write a one-page background on this historic case for your colleagues. In your background, you will briefly summarize what has taken place and you will describe the reaction in Canada to the Federal Court's ruling. As a student, you are the detached observer and therefore neutral.

5. Write a letter to the editor in which you express an opinion on the pay equity story.

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Context, Time, and Perspective

Pay Equity: Work of Equal Value

The final amount that the Canadian Treasury Board will pay to approximately 200 000 mostly female workers in the Public Service Alliance of Canada is, according to the settlement, \$3.3-billion. Taking into consideration retroactive pay and interest, the final amount could actually reach \$4- or \$5-billion. To most people, this may seem like a staggering amount of money. Only a small portion of this payout is directly related to the wage adjustments ordered by the pay equity ruling. Most of the money in this settlement is the result of interest that has accrued on the wage adjustments and legal fees, costs that are the result the case dragging on for 16 years.

Review the key dates and events of this case as outlined below. Why did the case take so long to settle? What were the key areas of dispute between the parties? To what extent might it be a good thing that settlement of a case of this magnitude and importance happened over a relatively long period of time? Could it or should it have been settled earlier?

1978 The Canadian Human Rights Act is passed, making it illegal to pay women less than men for work of equal value.

1984 A pay equity grievance is filed with the Canadian Human Rights Commission by the Public Service Alliance of Canada (PSAC) against the Federal Treasury Board. The grievance stated that workers in the mainly female clerical group were

underpaid in comparison with male administration employees.

1985-1989 A joint study is conducted by the Treasury Board and PSAC. The study finds that the system of job classification and categorization among PSAC workers was skewed so that men more often than women were put into better-paid work groups.

1990 The Treasury Board tries to adjust the wages of government clerks and secretaries, but PSAC argues the adjustment is insufficient and files another complaint with the Canadian Human Rights Commission (CHRC), charging that the Treasury Board is trying to delay the pay-equity settlement.

1991 The CHRC decides the government does owe its female workers more money and appoints a tribunal to calculate the correct amount of money owed to the workers. The Treasury Board goes to court and makes two unsuccessful attempts to stop the hearings.

1996 The CHRC tribunal begins hearings. The hearings explore a number of issues including how fair wages should be set, whether adjustments should be paid retroactively and with interest, and whether workers involved should receive payment for damages. PSAC and the Treasury Board continued to meet sporadically to try to work out a settlement.

1997 The tribunal concludes hearings. In April, the Treasury Board offers PSAC \$858-million to settle the case, and then raises this amount to \$1.3-billion in the fall. The union rejects the offer, stating that it has calculated that the government owes the PSAC workers about \$2-billion. (This amount is subsequently increased to over \$3-billion to reflect interest accrual.) Talks between the Treasury Board and PSAC break off.

July 29, 1998 The CHRC tribunal rules that the 200 000 current and former members of PSAC, mostly women, are owed 13 years of back pay with interest.

August 27, 1998 The federal government appeals the ruling of the CHRC tribunal to the Federal Court of Canada.

May 31-June 11, 1999 The Federal Court hears the appeal.

October 19, 1999 The Federal Court dismisses Ottawa's appeal, upholding the tribunal's decision.

October 29, 1999 The government and PSAC agree to a

financial settlement of \$3.3-billion to \$3.6-billion; some sources say the amount could go to \$4- or \$5-billion. Cheques will be distributed to PSAC workers in four to six months. The reason the amount is not more specific is because the government and the union do not know exactly how many eligible claimants will come forward to receive their compensation. By October, Ottawa had tracked down only about 52 000 active employees and 21 000 retirees affected by the pay equity ruling. The other employees may have left the country, died, or are occupied in jobs where they are unaware the PSAC case has finally been settled. PSAC president Daryl Bean has predicted that as many as one quarter of the 200 000 eligible claimants will not come forward.

Follow-up Analysis

1. All social and political events happen within a context. How would you describe the context in which this legal dispute occurred? Did the context change over the 16 years? What impact might the previous decades have had on the context?
2. The passage of time is in itself a dynamic factor that affects social change. What, in your opinion, was the effect of time on the eventual outcome of this dispute?
3. Perspective allows us to look at a situation from a distance, to see in our minds the relative importance and significance of an event, and to assess the event in a larger context. What perspective do you think we can gain from this landmark legal case? Looking at the events over time, what can we see better because it is now in perspective?

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A Precedent and A Model?

Pay Equity: Work of Equal Value

The legal judgment at the heart of this news story applies to federal government employees only. In each province and territory, labour and employment laws apply to that region specifically because these issues are within the constitutional powers of the provinces and territories.

Only four provinces have enacted provincial pay equity legislation relating to workers not employed by the federal government or its agencies. Currently, provincial pay equity legislation exists in Ontario, Quebec, Nova Scotia, and British Columbia. Ontario's pay equity legislation is considered to be among the most comprehensive and generous in the world, although critics of Mike Harris's Progressive Conservative Party say that the numerous amendments this government has made to the legislation in the past few years weaken it.

Using the Ontario legislation as a point of departure and an example of provincial pay equity laws, review the issues relating to pay equity at the provincial and territorial levels. What are the strengths and weaknesses of the Ontario legislation?

A Product of Compromise

Ontario introduced the first provincial pay equity legislation in 1987. The Pay Equity Act was the result of a deal between the Liberal Party of David Peterson and the New Democratic Party of Bob Rae. Peterson's Liberal Party had been elected with only a

minority government in 1986, and the pay equity legislation was part of the price tag for Bob Rae to support the Liberals at Queen's Park. When the Pay Equity Act became law in 1987, it applied to all public sector and private sector employers with 10 or more employees, and gave employers until 1995 to make any pay equity adjustments that were required.

Proportional Pay Equity

This legislation used a system of proportional pay equity to determine whether wage adjustments were required.

Proportional pay equity involves comparing average wages between the sexes in comparable jobs within the same company. Adjustments are then made based on these averages. The main criticism of proportional pay equity is that in companies in which few men are employed there is no basis for direct job comparisons, and therefore hundreds of thousands of women working in low-wage female job areas are left out of the pay equity process.

The Proxy Method

By 1993, Canada was in the midst of a recession. The premier of Ontario at that time was Bob Rae, leader of the New Democratic Party. As a result of the recession, Rae's government extended the deadline by which employers had to make pay equity adjustments until 1998. Although this angered many people who were waiting for pay equity settlements, Rae argued that pay equity adjustments were simply going to place too much of a burden on employers during the recession. However, the NDP government did try to address the fact that thousands of women were excluded from pay equity legislation because there were not enough men in their places of employment to directly compare male and female wages. The government did this by introducing the proxy method, which required employers to compare female wages within their employ with male wages in comparable jobs in other agencies. The proxy method could only be used by publicly funded organizations, and there was no deadline given for organizations using this calculation method to complete their pay equity adjustments.

A Court Challenge

When Mike Harris's Progressive Conservative Party won power in Ontario in 1995, his government vowed to reduce the size of government and its agencies. The majority of this downsizing was to be done by Bill 26. This bill, known as an omnibus bill because of its broad scope, attempted to create three new acts, repeal two, and amend 44 others. One of the acts up for amendment was the Pay Equity Act. The main thrust of the changes to the Pay Equity Act was that the government wanted

to phase out the proxy method of calculating pay equity. This meant that organizations that did not employ many men would not have to make any pay equity adjustments because there would be no male comparison group with which women's wages could be compared.

The Bill 26 amendment was challenged by two members of the Service Employees International Union on behalf of about 5200 women in low-paying, female-dominated areas such as nursing homes, day-care centres, and social-service organizations. In September 1997, this section of Bill 26 was ruled unconstitutional by Mr. Justice Dennis O Leary of the Ontario Court's General Division on the grounds that the changes gave pay equity to some women but not to others. In his decision, the judge found that the proxy method was an appropriate way of addressing gender-based, systemic wage discrimination in the broader public sector and he was critical of the government for making the lowest-paid women bear the brunt of its cost-cutting agenda.

After a month of studying the decision, the Ontario government decided not to appeal the court's ruling. Women's Issues Minister Dianne Cunningham said that the money owed to the women was a fair payment, although the government still felt that the proxy method was particularly cumbersome and not workable because it requires employers to develop elaborate formulas to arrive at pay equity-wage rates. At the time of the September 1997 ruling, it was estimated that each of the approximately 100 000 employees affected by the decision would receive an increase of \$220 a year. As of November 1999, the Ontario provincial government employees had not yet received the money owed to them.

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Revisiting The Wage Gap

Pay Equity: Work of Equal Value

The primary reason behind pay equity legislation in Canada is the wage gap between men and women. According to Statistics Canada, currently in Canada, a woman in a full-time job earns 72 cents for every dollar a man earns. Every couple of years that gap decreases by a cent. Lately, however, a larger debate has developed over whether or not a wage gap based on gender actually exists or ever existed at all.

The Case Against Pay Equity Legislation

Critics argue that the 72-cent gender gap is largely a myth. They state that the wage gap fluctuates depending on which female wages are used as a basis of comparison. For example, if the wages of single men and women in their early 20s with a university degree are compared, there is virtually no wage gap. These workers earn the same wages. The key factor in wage parity for men and women of this age is education. If the two have an equal education they earn equal wages. And if education is unequal, then wage differences develop.

In the case of older workers, the area where the largest wage gap exists, women have much less education than their male counterparts. This is because when these women were younger, societal values and attitudes were such that they did not have the same educational or job opportunities, and consequently work experience, as men. As a result they as a group remained in lower paying jobs remunerated on the basis of education and

experience a Catch-22 situation but not, according to critics, discrimination and that is why their wages have never been as high as those of men.

In addition to education and age, the third factor critics believe accounts for the wage gap is the number of hours worked. In 1993, on average women worked five fewer hours per week than men at their paid jobs. These five hours alone allegedly account for half of the earnings gap.

Critics of pay equity legislation argue therefore that the wage gap that exists between men and women does not exist because women suffer from gender discrimination in the workplace. They believe the wage gap is a result of educational level, age, and the number of hours worked. According to these critics, if the wage gap is not a result of discrimination but of other social factors, then pay equity legislation is not required, and indeed is an unnecessary expense to employers and government.

The Case For Pay Equity Legislation

Supporters of pay equity legislation argue that the wage gap that exists between men and women is indeed the result of discrimination. In 1995, Statistics Canada reported that 90 per cent of the wage gap between men and women can't be explained. According to this report, only 12 per cent of the wage gap that exists between men and women can be accounted for by differences such as work experience, education, or demographic characteristics.

Pat Armstrong, a social scientist at York University, says that pay equity is necessary because there is evidence that work-force segregation exists. For example, of 200 occupational categories (for example, secretarial, day-care, nursing), women dominate 37 of them, accounting for 68 per cent of the female work force. In contrast, 90 per cent of actual job categories (for example, principal of a school, director of marketing, manager) are dominated by men. So the major reason for the wage gap is the segregation of the labour force, not women and men paid different wages for doing the same job. The proxy method of pay equity is therefore very important because it allows for comparisons across these male and female dominated job categories.

David Rayside, a political scientist at the University of Toronto, believes that the wage gap exists because of the different gender expectations that are imposed on men and women. Men and women are socially conditioned and also made more constrained by expectations of who it is that looks after children

and looks after domestic stuff. Rayside also believes that social factors tend to give undue weight to the types of work that men have traditionally done, whether or not that is deserved. In manufacturing, I think the kinds of jobs that are common in the automobile industry or steel industry, which involve dealing with complex machinery, are often paid a relatively high wage, whereas jobs that don't involve that kind of complex machinery, often are not. It may be that jobs involving complex machinery are sometimes harder, requiring more skill than jobs that don't but not always. And I think often there is a kind of pay bonus that partly reflects the fact that it's men who do the former and more often women who do the latter.

The Value of Housework

While pay equity does force employers to reconsider the value of work women perform for wages, it cannot force the rest of society to reconsider the value of unpaid work that women perform in the home. Women, on average, continue to spend more hours on housework and child care than men. One group, Mothers are Women, believes that Canada's gross domestic product should be expanded to include unpaid work. The group believes this would raise the status of housewives as well as allow them to contribute to the Canada Pension Plan. The federal government's own calculations put the value of unpaid housework at around \$300-billion a year. If time spent on household tasks was translated into paid work, there would be 13 million additional jobs in the Canadian labour market.

Analysis

1. How would paying women and men for domestic work in the home change the status of that work? What arguments might be made in favour of such a dramatic social change? What arguments might be made against the idea?

2. Government intervention in the functioning of a society is a key issue today at a time when some political philosophies are emphasizing the downsizing of government and reducing government control. How does this relate to the pay equity situation?

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10th

News in Review

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Discussion, Research, and Essay Questions

Pay Equity: Work of Equal Value

1. Throughout Canadian history, numerous financial settlements have been made to redress errors of the past. Japanese Canadians were compensated for their internment, forced relocation, and the seizure of their property during the Second World War. The surviving Dionne quintuplets were compensated for being taken out of the custody of their parents and put on public display in the 1950s. And Canadians who contracted hepatitis C through improperly screened blood transfusions in the 1980s are awaiting compensation. Conduct additional research on one of these cases and prepare a short report for your class. What similarities exist between the compensation cases? What were the reasons for the financial settlements? How were the financial settlements calculated? In what ways are the cases similar or different?

2. One aspect of pay equity that disturbs some Canadians is that disputes are settled by the Canadian Human Rights Tribunal, an agency of the Canadian Human Rights Commission. Some people feel that the tribunal has too much power. After all, they argue, the members are not elected by the Canadian public, nor are they appointed to their positions by elected politicians. These critics would be more comfortable if pay equity settlements were calculated by a formula established by the government following democratic principles and procedures. Prepare a response to this criticism, after considering the definition of democracy and the concept of balance of power.

3. Although the Canadian government continues to state that it supports the concept of pay equity, an editorial in *The Toronto Star* points out that a pattern of resistance has developed in major pay equity disputes. This means that the parties involved tend to agree that an injustice has been done, that the wages of men and women need to be equalized, but that long delays occur before an actual financial settlement is calculated. The Canadian Human Rights Commission itself called on the government to clarify the law and remove the ambiguity that has fuelled costly court and tribunal cases. How could the law be amended to address this problem?

4. The proxy method of calculating pay equity has been criticized as a system that compares apples with oranges. This means that it is difficult, or some would say unreasonable, to compare a female-dominated job from one organization with a male-dominated job in another organization, comparing female social service workers with male groundskeepers, for example. But supporters of pay equity argue that this is the main point of the legislation: that women in traditionally female-dominated job classes are inherently underpaid for the work they do. If the proxy method were withdrawn, pay equity would only apply to women and men who worked in similar jobs within the same place of employment. As a result, female job ghettos like day-care work and social services would have no way of receiving higher wages. Prepare a report that argues either for or against the proxy method of calculating pay equity.

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