

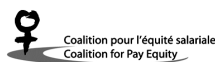
PAY EQUITY:

**PART OF THE SOLUTION TO THE PROBLEM OF
THE WAGE GAP**

**INDEPENDENT RECOMMENDATIONS
TO ATTAIN PAY EQUITY IN NEW BRUNSWICK**

Submitted to
The Honourable Minister of the Status of Women in New Brunswick
Margaret Ann Blaney

By
The Coalition for Pay Equity
The New Brunswick Federation of Labour



February 3, 2004

This report is endorsed by the following organizations:

- AAFNB - Association des aînées et aînés francophones du Nouveau-Brunswick
- ABPPUM - Association des bibliothécaires, professeurs et professeures de l'Université de Moncton
- Acadian Peninsula Labour Council
- AEUM - Association des employés de l'Université de Moncton
- AFMNB – Association francophone des municipalités du Nouveau-Brunswick
- Annabel Gay Women's Institute
- APAPUM – Association du personnel administratif et professionnel de l'Université de Moncton
- AUNBT SWC - Association of UNB Teachers Status of Women Committee
- BCTGM Union Local 406 - The Bakery, Confectionery, Tobacco Workers and Grain Millers International Union Local 406
- Canadian Union of Public Employees - New Brunswick
- Canadian Union of Public Employees local 2745 -3
- CEP - Communications, Energy and Paper workers Union of Canada
- Cercle de Bathurst, Dames d'Acadie
- Cercle de Bouctouche, Dames d'Acadie
- Cercle de Caraquet, Dames d'Acadie
- Cercle de Lamèque, Dames d'Acadie
- Cercle de Shippagan, Dames d'Acadie
- Coalition of Transition Houses
- Canadian Labour Congress
- CUPW Fundy-105 Women's Committee – Canadian Union of Postal Workers
- Edmundston & District Labour Council
- FANB - Fédération d'alphabétisation de Nouveau-Brunswick
- FAUST - Faculty Association of the University of St. Thomas
- Fédération des dames d'Acadie
- Homeless Women's Shelter Service Inc.
- Institut Féminin de Rivière du Portage
- Maison de passage Inc.
- Moncton & District Labour Council
- NB Voices of Women for Peace
- NBASW – New Brunswick Association of Social Workers
- NBNU – New Brunswick Nurses Union
- NBTF - New Brunswick Teachers' Federation
- New Brunswick Public Employees Association
- New Brunswick Federation of Labour
- Public Service Alliance of Canada
- Réseau des femmes francophones du Nouveau-Brunswick
- Restigouche District Labour Council
- SAANB – Société des Acadiens et Acadiennes du Nouveau-Brunswick
- Services à la famille Népisiguit inc.
- STU/UNB Women's Collective
- Student Alliance of New Brunswick
- Support for Single Parents
- The Common Front for Social Justice
- YWCA of Moncton

TABLE OF CONTENTS

Executive Summary and Recommendations	iv
Introduction	1
1. Pay Equity: a Fundamental Human Right	2
2. A Law on Pay Equity: an Essential Tool for the Elimination of Gender-based Wage Discrimination	4
3. Voluntary Measures: an Ineffective Tool for Employers and Employees to Eliminate Gender-based Wage Discrimination.....	6
4. Awareness and Information Campaign	7
5. Wage Discrimination: its Impact on Poverty, Health and Violence Against Women.....	8
6. Pay Equity: its Positive Economic Repercussions	10
7. Pay Equity is Financially Feasible.....	11
Recommendations	12
Appendix I - Defining the Terms.....	13

EXECUTIVE SUMMARY AND RECOMMENDATIONS

Pay equity can in fact address one of the three causes of the wage gap identified in the Final Report of the Wage Gap Roundtable: undervaluation of work traditionally or mostly performed by women. This was clearly recognized by the Roundtable.

The following report puts forward the necessity of breaking with the systemic discrimination engendered by pay inequity and proposes measures that will effectively end this discrimination for women in the paid labour force of New Brunswick.

In the opinion of the Coalition for Pay Equity, the New Brunswick Federation of Labour and the organizations that have endorsed the present report, the principle of "equal pay for work of equal value" is unquestionably ranked among basic human rights and it is incumbent on Canadian provincial and territorial governments to ensure that all its citizens are able to exercise that right.

Furthermore, in the opinion of the signatories of this report, only the adoption of a law that obliges all employers to implement a pay equity programme can bring about pay equity for all women in the paid labour force of this province. While the adoption of voluntary measures might at first sight appear to be appealing, more respectful of individual freedom and pedagogically more acceptable, it cannot guarantee that all women will be able to exercise their basic right to equal pay for work of equal value. Voluntary measures are also unfair to employers because of the lack of uniformity in their implementation: some employers will pay the price while others will not. As well, they can't guarantee that the pay equity process will not have to resume all over again when a generally applicable pay equity law will eventually have to be adopted. For all these reasons, employers risk being little inclined to implement voluntary measures.

The argument that privileges voluntary measures to the detriment of obligatory legislated measures is particularly dangerous when it comes to basic rights. Even if in the present situation nothing is preventing employers from ending pay inequity, discrimination persists. That is precisely because voluntary measures in the field of human rights have been proven to be ineffective time and time again, which is why over the last fifty years all liberal democracies have judged it necessary to adopt laws imposing the respect of human rights.

Wage discrimination has a direct impact on poverty, health and violence against women, as well as on the impoverishment and health of children. The under-remuneration of women results in enormous social and economic costs, especially in the areas of health and education. Pay equity legislation will reduce these costs by raising the wages of some women in the paid labour force who now live below the poverty line. The example of Quebec shows clearly that pay equity, while ensuring the respect of the rights of half of the population, does not bring about the closure of companies and economic ruin, since, on the average, wage adjustments paid by employers there amounted to 1.5% of a company's total payroll.

RECOMMENDATIONS ►

On the basis of the analysis provided in this report, the Coalition for Pay Equity and the New Brunswick Federation of Labour wish to submit the following recommendations to Minister Margaret Ann Blaney, to the attention of her government, for consideration in developing the Five-Year Action Plan as recommended by the Wage Gap Roundtable:

1. That the New Brunswick government assume its proper responsibilities concerning the enforcement of human rights and guarantee that the right to equal pay for work of equal value can be exercised by all of its citizens, by committing to adopt a law on pay equity for both the public and the private sectors in New Brunswick as soon as pay equity legislation has been drafted and consultation on this legislation completed.
2. That the government of New Brunswick very shortly begin drafting pay equity legislation that meets the following minimum requirements: a pro-active and inclusive law that makes provisions for the maintenance of pay equity and for the creation by the employer of a joint pay equity committee, and that creates an independent organization to implement and oversee the application of the law. The law will include a two-year preparation period, directed to both employers and employees, during which an education campaign would be conducted on the terms to be respected in implementing pay equity.
3. That, in the current context, an awareness and information campaign aimed at the general public be conducted as soon as possible on the subject of wage discrimination and that it contain a sufficiently developed component relating exclusively to pay equity.

INTRODUCTION

Created in July 2002 through a government initiative and in response to pressure exerted by the Coalition for Pay Equity through their lobbying efforts for pay equity legislation, the New Brunswick Roundtable on the Wage Gap sat until the fall of 2003. Its Final Report was made public on December 5, 2003.

The Final Report of the Roundtable begins by analysing the causes and effects of the wage gap in New Brunswick. On the one hand, three causes were identified as leading to the wage gap (paragraph 2.31): the under-evaluation of work performed by women, the family responsibilities that women continue to assume and the concentration of women in a limited number of traditionally female occupations (job clustering). On the other hand, the Report also clearly states that pay equity provides a solution to the problem of under-evaluation of women's work (paragraph 1.3).

However, the Wage Gap Roundtable refuses to propose the adoption of a law on pay equity. The Final Report of the Roundtable recommends instead that the wage gap be eliminated through voluntary measures implemented by public and private employers over an initial five-year period. Two members of the Roundtable, the Coalition for Pay Equity and the New Brunswick Federation of Labour, refused to support this recommendation and chose to submit independent recommendations.

The Coalition for Pay Equity and the New Brunswick Federation of Labour, backed by the organizations who are signatories of the present report, consider that the Lord government must recognize the expertise of these two organizations in the matters of working conditions and pay equity and must take the following recommendations into serious consideration in the development of the five-year Action Plan to eliminate the wage gap in New Brunswick.

1. PAY EQUITY: A FUNDAMENTAL HUMAN RIGHT

The right to equal pay for work of equal value, or pay equity, is an integral part of the principle of equality between men and women, recognised as a fundamental human right by a number of international agreements ratified by Canada. Nationally, pay equity is guaranteed by the *Canadian Charter of Rights and Freedoms*, which clearly prohibits any form of discrimination based on gender (art. 15) and, to emphasize the point, article 28 provides that the rights and freedoms to which the Charter refers "are equally guaranteed to people of both sexes." International agreements that proclaim the right to equal pay for work of equal value include:

- The Equal Remuneration Convention (no 100), passed by the International Labour Organization (ILO) in 1951 and ratified by Canada in 1972;
- The *Convention on the Elimination of All Forms of Discrimination Against Women*, adopted by the United Nations General Assembly in 1979 and ratified by Canada in 1981;
- The *Nairobi Forward-Looking Strategies for the Advancement of Women*, adopted by Canada at the Third United Nations Conference on Women, in 1985;
- The *Beijing Platform for Action* ratified by Canada in 1995;
- The *Copenhagen Declaration on Social Development and Programme of Action*, also ratified by Canada in 1995;
- The *Further actions and initiatives to implement the Beijing Declaration and Platform for Action*, ratified by Canada in 2000.

No doubt remains then that Canada has committed itself to implementing the principle of pay equity. Furthermore, it is also well established in domestic law that the Canadian provinces and territories cannot dissociate themselves from commitments made by Canada on the international scene. Consequently, New Brunswick also has a responsibility to ensure that the principle of "equal pay for work of equal value" be enforced and implemented. The importance of New Brunswick's responsibility in this matter is further emphasized by the fact that 90% of the province's work force is currently under provincial jurisdiction, the other 10% falling under federal jurisdiction. (HRDC, 2002)

In January 2003, the United Nations Committee on the Elimination of Discrimination against Women underlined the specific responsibility of

provincial and territorial governments to implement the principle of equal pay for work of equal value. In its Fifth Report on Canada published in January 2003, the United Nations Committee stated its concern "that the principle of equal pay for work of equal value [...] was not implemented, in practice, by all Canadian provincial and territorial governments (CEDAW/C/2003/I/CPR.3/Add.5/Rev.1, Par. 51)."

At the present time, citizens of New Brunswick are not universally guaranteed the enjoyment of their right to equal pay for work of equal value. First of all, a considerable degree of wage discrimination based on gender can be shown to exist in the province. This discrimination is visible in occupations traditionally or mostly performed by women where one predominantly finds very low wages. People whose occupations are among the ten where women are most numerous currently earn 59% of the income earned by people whose occupation is among the ten with a majority of men (Roundtable Report, paragraphs 2.14 to 2.17). The ten occupations where women are in the majority include secretary, daycare educator, teacher, clerk in a financial institution and office worker. The ten occupations where men are most numerous include carpenter, salesperson, automobile mechanic, janitorial worker and driver. In short, women of the first group only earn 59% of the revenue of the men of the second group.

Secondly, in New Brunswick, only a limited number of people have been able to exercise their right to equal pay for equal work. These are the employees covered by the 1989 Pay Equity Act, i.e. those employed by provincial government departments (Part I of the Public Service), those employed by the federal public service whose right to pay equity is guaranteed by the Canadian Human Rights Act (art. 11) as well as those who fall under the Canadian Labour Code because they work for a federal enterprise. Pay equity is not implemented in the public education system (Part II of the public sector), where salary adjustments were granted between 1995 and 1998, but without job evaluations. In the public health system (Part III of the public sector), pay equity is subject to collective bargaining. On August 11, 2003, the New Brunswick government publicly acknowledged that at the present time pay equity is non-existent in the hospital care system (CBC-TV, News, 11 August 2003). Pay equity does not exist either in crown corporations (Part IV of the Public Service). Finally, in the private sector, except in the case of a very few employers, employees do not have the benefit of pay equity.

As we can see, the large majority of New Brunswick citizens do not have the benefit of pay equity. Pay equity is a human right and the principle of "equal pay for work of equal value" should never be considered as a negotiable working condition. While this is entirely inadmissible in the

context of implementing human rights, it is nevertheless the case in the whole of New Brunswick's private sector and in sections II, III and IV of its public sector.

The right to equal pay for work of equal value is now being arbitrarily enjoyed by some citizens, while it is completely denied to others. It seems essential that this double standard be eliminated by the adoption of a law on pay equity that guarantees that all employees from both the private and the public sectors can exercise their right to equal pay for work of equal value. We would like to emphasize that the staggered adoption of a law on pay equity, first for the public sector and then for the private sector, would create two separate pay equity programs requiring separate, parallel administration. In addition to increasing costs unnecessarily, the existence of two pay equity programs would risk reinforcing the gap between the two sectors, would create a double standard and would undermine social cohesion in the province. For these reasons, a law on pay equity must apply to both the private and public sectors right from the start.

2. A LAW ON PAY EQUITY: AN ESSENTIAL TOOL FOR THE ELIMINATION OF GENDER-BASED WAGE DISCRIMINATION

The issue of gender-based wage discrimination is a complex one. While it cannot be completely resolved by simply passing a law on pay equity, it is of prime importance that such a law be part of the arsenal of tools and means developed to put an end to gender-based discrimination and to correct its ill effects. This is the conclusion reached very recently by the International Labour Organisation (ILO), based on major research conducted at the international level. In its Global Report for 2003, the ILO (whose Equal Remuneration Convention (no. 100) was ratified by Canada) noted that government "plays a key role in the elimination of discrimination" and that adopting a law represents "an indispensable first step" in eliminating gender-based discrimination (ILO, 2003, emphasis added).

A legislated solution provides an advantage in that within its framework, pay equity can be implemented according to a clear schedule and in the pursuit of specific objectives. It also ensures that all citizens, including women, can consistently exercise the right to an equal wage for work of equal value.

To guarantee that all men and women may fully exercise their right to pay equity, a law on pay equity should meet the following minimum criteria. It should be:

- **A pro-active law**, that is, a law under which employers are obligated to provide pay equity within their company and to show that they have complied with the requirements of the law. A law is said to be pro-active, rather than reactive, when implementation does not require the filing of complaints by employees.
- **An inclusive law**, that is, a law to which all employers must comply, thus enabling all full-time and part-time employees in both the private and the public sectors to exercise their right to equal pay for work of equal value.
- **A law that provides for the maintenance of pay equity**, that is, a law that makes employers clearly responsible for the long-term maintenance of pay equity.
- **A law that ensures that employees are involved in the efforts to attain pay equity**, by requiring the employer to create a joint committee for pay equity where employees, certified associations and the employer are represented. The committee for pay equity would be responsible for implementing and maintaining the pay equity program.
- **A law that would provide for a two-year preparation period during which an educational campaign on the means of pay equity implementation** (job evaluation and salary adjustments) would be directed at employers and employees. This preparation period would begin immediately after the adoption of pay equity legislation.
- **A law that is implemented by an independent organization**, that is, a law whose enforcement and implementation is facilitated and monitored by a Commission on Pay Equity especially created to do so. This Commission will be provided with sufficient financial and human resources and vested powers to fulfil its mandate.

At the present time, New Brunswick's Pay Equity Act, adopted in 1989, has ceased to be effective because it did not require the maintenance of pay equity. Wage adjustments paid in the early 1990s have not been reviewed since then, and the law does not require that they be reviewed. As well, because the New Brunswick Pay Equity Office was dismantled once its work ended in 1991, it is not possible to proceed now with a review of wage adjustments that were paid out about a dozen years ago.

Furthermore, the 1989 law was only applicable to people employed by government departments (part I of the Public Service).

3. VOLUNTARY MEASURES: AN INEFFECTIVE TOOL FOR EMPLOYERS AND EMPLOYEES TO ELIMINATE GENDER-BASED WAGE DISCRIMINATION

Voluntary measures have not proved effective in eliminating discrimination and ensuring compliance with human rights. This realisation has led most Western nations, over the last 50 years, to bring in legislation to prohibit discrimination and impose redress. There is nothing to support the notion that the issue of pay equity would prove an exception to the rule of the inefficiency of voluntary measures.

Much to the contrary, 85% of Quebec businesses that had undertaken or completed their pay equity process reported in October 2003 that they had done so because pay equity legislation required it. (Quebec Pay Equity Commission - PEC, Léger Marketing Survey, October 2003). In other words, despite the awareness campaign conducted by the PEC, these companies would not have created a pay equity program in the absence of a law on pay equity. The issue of the minimum wage also provides an excellent example of the need for governments to intervene in the economy and to legislate employers' compliance to minimum standards of remuneration.

Voluntary measures can also be quite detrimental to employers because a lack of uniformity will inevitably prevail in the application of the principle of "equal pay for work of equal value." This is particularly unfair to employers who wish to show good will on the issue of pay equity, while their competitors are not obligated to go to the expense of implementing pay equity programs. On top of that, employers that comply with voluntary measures may also find themselves penalized once a law on pay equity is adopted, by having to review or resume their work on pay equity to meet new requirements of the law. For companies and business people that rely heavily on long-term planning, implementing pay equity through voluntary measures is an unfavourable solution as compared to the adoption of a law on pay equity that will lay out the obligations and parameters they will be required to respect with greater certitude.

In brief, employers could be little inclined to implement voluntary measures since they will establish a double standard, bring about a disparity in the treatment of employers, maintain discrimination in certain companies and fail to guarantee that the process of pay equity will not

have to be completely resumed when a generally applicable law on pay equity will eventually have to be adopted.

4. AWARENESS AND INFORMATION CAMPAIGN

The under-evaluation of work traditionally or mostly performed by women results from and perpetuates gender-based discrimination. A direct outcome of this discrimination is the under-remuneration of jobs that are traditionally women's or where they are most numerous. The Final Report of the Roundtable points unequivocally to the under-evaluation of women's traditional occupations as one of the three main causes of the wage gap between men and women in New Brunswick (paragraph 2.31). The final report of the Roundtable goes even further, stating that pay equity is part of the solution to the wage gap (paragraph 1.3).

Consequently, it is particularly important that the action plan developed by the government to eliminate the wage gap also set objectives to educate and inform the general public about wage discrimination based on gender and the resulting pay inequity. A public awareness and information campaign would be a way of attaining this goal. Given that the Final Report of the Roundtable identifies pay equity as the solution to one of the three causes of the wage gap, it is essential that at least one third of such an awareness and information campaign be devoted to the issue of pay equity.

As to the content of the component of the awareness campaign that would address pay equity, its objective should be to educate employers and employees on how to carry out job evaluations and wage adjustments. The component should discuss the negative impact of under-remunerating work traditionally performed by women on the economy, on society and on individuals that work at jobs considered of little importance or value.

5. WAGE DISCRIMINATION: ITS IMPACT ON POVERTY, HEALTH AND VIOLENCE AGAINST WOMEN

As previously mentioned, gender-based wage discrimination is directly responsible for the under-remuneration of people whose job has traditionally been performed by women or where they are the most numerous. The under-remuneration of traditionally female jobs came to light in New Brunswick during the pay equity exercise that followed the passing of the province's Pay Equity Act in 1989. At that time, the Pay Equity Office concluded that female occupations were under-remunerated by 12¢ to \$5.38 an hour. The under-remuneration of female occupations within Part I of the Public Service averaged \$1.31 an hour.

In a report on its activities from 1989 to 1991, the New Brunswick Pay Equity Office stated that following the wage adjustments in compliance with the law on pay equity of 1989, the average hourly wage for women went up from 86¢ to 91¢ for every dollar earned by men, on average. The Pay Equity Office considered that the 5-cent reduction in the wage gap within Part I of the Public Service offered proof that an exercise in pay equity had contributed to the reduction of the overall wage gap. (New Brunswick Pay Equity Office, 1991).

The under-remuneration of female occupations mainly affects women, and poverty is most prevalent among them. Living accommodations, activities which support healthy living, food and access to appropriate medical care including medication when necessary, are determined by one's income.

Of workers in New Brunswick who receive minimum wage, 60% are women (Final report of the Wage Gap Roundtable, para. 3.12). It is also recognized that people who work full-time at the minimum wage live below the poverty line and the general level of poverty of people earning the minimum wage has increased. Over the last thirty years, their purchasing power has decreased by 25 % (CCCF, 2003 Report Card).

Minimum wage is not sufficient to guarantee a healthy living environment, the ability to purchase food, such as fresh fruit and vegetables, fish and chicken, which support health, or to be able to have medication when necessary. One family in seven is led by a single female parent and nearly half of these women live in poverty. In New Brunswick, women represent 52% of the population living under the poverty line (based on after-tax low income cut-offs, Stats. Can. 2001). This presents many problems which are extremely costly in the long term for the health of the population.

The working poor cannot often afford accommodation which is adequate. This means that the neighbourhood may be unsafe, the dwelling itself substandard and the size of the home not sufficient for the number living there. Substandard housing may be too cold and not ventilated so that mould and mildews flourish causing illness in adults and children alike.

The working poor, particularly families that are led by single mothers working for minimum wage, will have insufficient money to purchase healthy food choices. Much has been written upon the need for adequate nutrition and yet the choices that are advocated are particularly expensive. Families living on minimum wage earnings will be unable to buy adequate amounts of fresh fruit and vegetables. Their choices are likely to be starchy because this is cheaper. Choices for meat will be unlikely to include fish and chicken, meats low in fat because they cost so much. Poor nutrition impacts health dramatically and particularly the health of unborn children, infants and children. Birth anomalies have been linked to insufficient amounts of folic acid. Birth weight is impacted by insufficient nutrition. Vitamin supplements may be unavailable to pregnant women because they cannot afford them. Their peers on social assistance will be provided supplements but if a woman is working this is not available to her.

Children require a healthy diet to grow, develop and participate in school when they are old enough. It is a fact that poorly nourished children do not do as well at school which in time leads to classroom problems. The frustrated child, unable to keep up with his/her peers may begin to act out, be aggressive and will be unwelcome socially. Social and emotional well-being as well as academic success are negatively impacted. Children who experience difficulty with school and peer relations tend to have low self esteem and their future choices will be affected. They may choose to leave school believing themselves unable to succeed. The cycle is started again – low paying jobs, poverty, living in poverty, children being raised in poverty, crime, etc.

Finally, poverty has an indisputable impact on the empowerment and the financial independence of women. Several studies have confirmed the direct link between women's poverty and their ability to leave conditions of spousal or family violence (Health Canada, 1996).

On the economic front, the impact of poverty on people's health carries a heavy price tag (National Forum on Health, 1997). A study on that topic carried out by the Maritime Centre of Excellence for Women's Health concluded that strategic investments to reduce poverty among women

would also reduce the expenditures associated with running the hospital care system and treating illnesses (Colman 2002).

The under-remuneration of jobs that are traditionally women's or where they are most numerous has a direct repercussion on the poverty of women. It is well recognised that this poverty has a disastrous impact on the health of women, children and families and on the possibility for women and children to leave a violent family environment. Problems linked to poverty extend well beyond the impact on poor individuals since a poorly educated population in poor health does not make up a work force capable of responding to the ever increasing demands of the labour market and adapting to new technology. Such a population risks becoming too heavy a burden for public finances.

Adopting a law on pay equity will bring part of the solution to this poverty. A law on pay equity would eliminate the under-remuneration of traditionally female occupations, by reducing the poverty of women in these occupations and the impoverishment of their children. There is evidence that physical, emotional, social and mental disorders are currently on the rise among youth and children. Chronic illnesses could be prevented if people were not subjected to insufficient incomes, unhealthy food and inadequate accommodation. Huge costs are associated with the operation of health and education systems. Preventing illnesses and school-related problems can be seen as one way of keeping the cap on these expenses. Pay equity is one of the solutions that can be brought to these problems, by reducing poverty and thwarting its repercussions.

6. PAY EQUITY: ITS POSITIVE ECONOMIC REPERCUSSIONS

The under-remuneration of female occupations has a negative effect on the economy of our province. Not only does it increase the expenditures associated with the operation of the health care system but it also decreases the purchasing power of women and therefore, women's capacity to consume goods and services in this province. Its elimination would have a beneficial impact on the provincial economy. A law on pay equity would also fit in perfectly with New Brunswick's Plan for Prosperity, as it would give women "an equal chance to participate in the creation of prosperity."

As such, a law on pay equity constitutes an investment in people and would lead to the elimination of one of the important barriers to women's economic productivity. This point was underlined by the Coalition for Pay Equity during Pay Equity Day on November 27, 2003. The members of the

Coalition, supported by several of its partner organisations, took the opportunity to present the provincial government with a symbolic invoice for nearly 388 million dollars, for hours of work left unpaid in 2003 because of wage discrimination.

In addition, the number of qualified workers is diminishing in New Brunswick's work force and a law on pay equity would bring a positive orientation to solving this problem. By improving wage conditions for workers, a law on pay equity would help employers retain their workers and recruit new workers, while simultaneously encouraging young women to build a career in New Brunswick.

According to the New Brunswick entrepreneurs surveyed by participants at the Wage Gap Roundtable, pay equity brings measurable improvements in productivity and a reduction of expenses associated with turnover in personnel. These entrepreneurs noted that the adoption of non-sexist practices in the management of human resources represented a desirable modernization of business practices. All those surveyed stated that such changes increased the economic sustainability of their business by preparing them to face the shortage of workers that is predicted for New Brunswick in the next few years (Final Report of the Roundtable on the Wage Gap, paragraph 3.40).

The positive repercussions of the pay equity exercise on private businesses are corroborated by information provided by Quebec employers. In a survey conducted for Quebec's Pay Equity Commission by Léger Marketing, in September 2002, Quebec entrepreneurs mentioned the following beneficial effects of the law: a better knowledge of the work done by employees, job descriptions for their personnel and an update of their remuneration policies.

7. PAY EQUITY IS FINANCIALLY FEASIBLE

Contrary to the fear repeatedly expressed by New Brunswick employers and representatives from the business community, the cost of pay equity is far from exorbitant. The case of Quebec presents a telling example. Of the companies that had completed their pay equity exercise, 77% stated that wage adjustments paid to their employees represented less than 1.5% of the company's payroll. Furthermore, 59% of the companies that had completed their pay equity exercise had chosen not to spread out the payment of salary adjustments given that the adjustments were not exorbitant (Quebec Pay Equity Commission , Léger Marketing survey, October 2003).

RECOMMENDATIONS

On the basis of the analysis provided in this report, the Coalition for Pay Equity and the New Brunswick Federation of Labour wish to submit the following recommendations to Minister Margaret Ann Blaney, to the attention of her government, for consideration in developing the Five-Year Action Plan as recommended by the Wage Gap Roundtable:

1. That the New Brunswick government assume its proper responsibilities concerning the enforcement of human rights and guarantee that the right to equal pay for work of equal value can be exercised by all of its citizens, by committing to adopt a law on pay equity for both the public and the private sectors in New Brunswick as soon as pay equity legislation has been drafted and consultation on this legislation completed.
2. That the government of New Brunswick very shortly begin drafting pay equity legislation that meets the following minimum requirements: a pro-active and inclusive law that makes provisions for the maintenance of pay equity and for the creation by the employer of a joint pay equity committee, and that creates an independent organization to implement and oversee the application of the law. The law will include a two-year preparation period, directed to both employers and employees, during which an education campaign would be conducted on the terms to be respected in implementing pay equity.
3. That, in the current context, an awareness and information campaign aimed at the general public be conducted as soon as possible on the subject of wage discrimination and that it contain a sufficiently developed component relating exclusively to pay equity.

APPENDIX I - DEFINING THE TERMS

EMPLOYMENT EQUITY

Employment equity is a generic term that includes both employment access programs and pay equity programs. Employment access programs are intended to help members of four designated groups: women, Aboriginal peoples, visible minorities and persons with disabilities. Since job discrimination often begins in the employer's policies and hiring process, employment access programs work to eliminate all unfair and discriminatory practices when recruiting, hiring and promoting.

PAY EQUITY

Basically, pay equity means equal pay for work of equal or comparable value. A recognition of the value of jobs traditionally held by women underlies this definition .

In concrete terms, pay equity means that people doing different jobs can receive the same pay when the value of their work, calculated according to the criteria of responsibility, skills, working conditions and effort deployed, is equivalent.

For example, wage comparisons can be made between a female secretary and a male technician.

EQUAL PAY OR WAGE PARITY

Equal pay or wage parity is defined as equal pay for men and women doing the same job.

For example, a female technician's salary can be compared to a male technician's salary.