

The Trudeau government's pay equity bill is just a start^[1]

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EXCERPTS

When Prime Minister Justin Trudeau introduced Canada's first gender-parity cabinet and declared it a no-brainer — "Because it's 2015" — women across the country understandably hoped it was the beginning of a new era.

But it's taken three long years for even this feminist-leaning government to get around to introducing pay equity legislation aimed at closing the stubborn wage gap between men and women.

Women in Canada continue to earn 31 per cent less than men annually, a gap that has remained despite human rights laws and decades of efforts to eliminate it. As a result, women on average would have to work until they're 79 years old to retire with the same earnings men accumulate by 65.

Part of that wage gap persists because women are still concentrated in lower-paying sectors, forced to accept part-time hours when they want full-time work, less likely to be promoted to senior positions, take time off to have children, and still bear the brunt of the responsibility for raising them.

And some of the gap comes from persistent discrimination against "women's work," which results in women being paid less for work of equal value.

That's the gap the new legislation aims to tackle.

It requires federally regulated employers to identify job classes, evaluate work, compare compensation associated with jobs dominated by men and women respectively and examine their compensation practices to ensure women and men in the workplaces receive equal pay for work of equal value.

The legislation applies to federal public servants and political staff, as well as federally regulated sectors such as banking, shipping and telecommunications. That means it will only cover 1.2 million people, about 6 per cent of the workforce.

In its last budget, the government estimated pay equity could close the gender wage gap, based on full-time hourly wages, from 91.4 cents to 94.1 cents for federal employees and from 88.1 cents to 90.7 cents in the regulated private sector. That's not all that's needed but at least it's moving the bar in the right direction.

But even those improvements won't come quickly. The government is giving affected employers three years to establish pay-equity plans after the legislation comes into force — which won't be for a year after it receives Royal Assent. Even then, employers will have more years to actually close the identified gaps.

The Liberals promised pay equity years ago and renewed that promise in their last budget. But the timeline they rolled out with this week's legislation means it won't make a difference in women's lives until well after the next election.

There's no need for such a go-slow approach since this isn't a groundbreaking idea. Ontario introduced similar pay equity legislation as far back as 1987.

Thirty years under pay equity hasn't eliminated the wage gap for women in Ontario, so the Trudeau government is being careful not to oversell the effect its legislation will have. The truth is pay equity isn't a panacea for ending the wage gap; much more still needs to be done.

The impact the wage gap has on the economy — and in turn on government coffers from lost taxes — is huge and Ottawa has long known that. As far back as 2005, the Royal Bank estimated that if Canadian women had the same labour market opportunities as men, personal incomes would be \$168 billion higher each year.

Closing the gap and encouraging the full participation of women in the workforce requires a multifaceted approach.

The priority should be introducing a national child-care plan similar to the one Quebec introduced decades ago. Studies around the world, including those from government panels and royal commissions in Canada, show that accessible, affordable child care is the No. 1 way to

shrink the wage gap, not to mention get women back into the workforce, boost family incomes, improve early childhood skills for poor kids, and reduce child poverty.

Pay transparency, which the Trudeau government touched on in its last budget, helps, too. When the BBC was forced to publish the pay bands of its highest earners in the summer of 2017, for example, it showed that high-profile women were earning far less than men doing the same jobs.

That's why the Ontario government's decision to delay — and possibly change — pay transparency legislation, which was supposed to come into effect in January, is a step in the wrong direction. The legislation was passed under the previous Liberal government, and would require employers to disclose salary ranges in job postings and track wages by gender and diversity.

But instead of seeing that as a boon for women and the economy, the Ford government sees it as a “challenge” for businesses. That's backward thinking.

Governments have long known that closing the wage gap benefits women, families and the economy as a whole.

Trudeau's self-described feminist government, of all governments, should be doing more to close it. They should have taken steps in that direction because it's 2015. But 2018 is not too late.

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