

HIGHLIGHTS FROM THE GOVERNMENT OF ONTARIO'S 'GREEN PAPER ON PAY EQUITY'

On November 19, 1985 Ian Scott, Ontario Attorney-General and Minister Responsible for Women's Issues, introduced in the legislature a 'Green Paper on Pay Equity.' "We are committed to implementing pay equity," Mr. Scott told the legislature. "Only the methods by which it will be achieved are open for debate and discussion and, finally, decision."


The following are highlights from the Green Paper.



Honourable Ian Scott, O.C.
Attorney General and
Minister Responsible
for Women's Issues

Highlights

Green Paper on Pay Equity



... Pay equity is a system which bases wages on the value of the work performed regardless of the gender of the person doing the job. The definition of pay equity chosen for the Green Paper is that, excluding non gender-related factors which influence pay, work performed by women which is equivalent in value to that performed by men in the same establishment is to be paid the same. The possibilities covered by the "non gender-related factors" include seniority, performance rating systems and labour market conditions.

The fact that men and women do different work (occupation segregation) and the consequent undervaluation of women's work is well documented, and the need for corrective action is clear. . .

There are a number of factors which contribute to the wage gap. These include difference in hours worked, level or rate of unionization, type of education, labour force experience, occupational segregation and discrimination. In 1982, full-time women workers earned on average 62% of what men earned. The wage gap is therefore 38%.

Pay equity is designed to address the problems of occupational segregation (that is, the fact that men and women do different kinds of work) and the historical undervaluation of women's work. A pay equity policy will not close the entire wage gap. Just as there are a number of reasons for the wage gap, a number of remedies are required. Other policies, including employment equity, training and access to affordable child care, are being used and should continue to be used to work towards the elimination of those segments of the wage gap not addressed by pay equity. . .

To ensure the effectiveness of the pay equity initiative, the Government is calling for input from a wide variety of sources. The purpose of the consultation process is to have those who will be affected by pay equity provide the Government with feedback and guidance on a number of issues that must be resolved in order to create fair and workable pay equity legislation.

The Government has chosen several premises it believes should form the basis for pay equity in Ontario. These are:

- The purpose of pay equity is to address gender-based pay discrimination only and not general issues of wage levels.
- Only female employees or employees in female-predominated occupations will be eligible for pay adjustments under proposed pay equity legislation.
- Pay equity will not require jobs to have identical value, but a range of values will be permitted.
- Equal value comparisons will be limited to a given employer's establishment. In other words, comparisons will not be made between wages paid by one employer and those paid by another.
- The legislation will not be retroactive and therefore no retroactive adjustments would be required.
- Wage reductions will not be permitted.

Therefore, if a female-predominated job is deemed to be equal in value to a male-predominated job and the pay rate for the latter is higher, it would not be possible to reduce the pay of those in the male-predominated group.

. . . While public discussion and careful examination of the concept is essential, it cannot be overlooked that the need to redress the historical injustice of pay inequity is not at issue. Ontario must achieve the goal of providing women with pay equity, and move toward a society where men and women are treated equally in the workplace. . .

Public consultation on a pay equity policy will consider many of the issues raised in this Green Paper, and undoubtedly more questions will evolve during this process. Some of the key questions raised by the Green Paper which must be addressed in the public consultation process follow:

1. What is an appropriate definition of employer establishment? Should this definition be based on geographic, functional, corporate, or a combination of these and other factors?
2. How can flexibility for changing employment patterns be built into a meaningful definition for gender predominance?
3. How can gender-bias be identified and removed from job evaluation and wage setting practices?
4. What are the terms "equal pay" and "equal value" to mean in practice?
5. Which "allowable exceptions" should be permitted?
6. How should pay adjustments be determined and implemented under a pay equity policy?
7. Which of the outlined pay equity implementation models is appropriate? Are there other possibilities?
8. Should all employers, without exception, be included in the implementation of pay equity? If so, should large and small employers be treated in exactly the same way?
9. Should there be a phase-in period for a pay equity policy?
10. Could an existing agency be made responsible for the administration of pay equity, or would a new specifically-designed agency be more appropriate?
11. What would be the most appropriate role for the collective bargaining process in achieving pay equity?

Copies of the Green Paper and information on the consultation process are available from:

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