

Prue Hyman: Equal pay - the case for action now

The answer to the long-ignored question of women's wages must not be fudged.



Women workers will expect the unions to go back to the courts if they do not get a satisfactory outcome.
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A splendid New Year's resolution for the Government and employers would be to respond positively to unions' and women's groups' longstanding call to value properly the demands of female-dominated jobs by significantly upping the levels of pay.

Two tripartite working groups (employers, unions and government) are under way. The first is charged with recommending principles to the Government that provide practical guidance to employers and employees in implementing pay equity, including how jobs can be valued. It is to deliver an outcome by the end of March.

The second working party involves aged care negotiations in the health sector and arises from the successful union case in the Employment Court and Court of Appeal (*Kristine Bartlett v Terranova*). This working party needs to acknowledge the severe underpayment of care work demonstrated by the Human Rights Commission's report *Caring Counts*.

Caring work is a glaring example of undervaluation of female-dominated work, with 35,000 workers in residential aged care, more than 90 per cent female.

Pay equity is more clearly expressed as equal pay for work of equal value, a broader concept than equal pay for equal work. It requires that work assessed as needing similar overall levels of skill, responsibility, service, effort and working conditions should be paid equally.

Worldwide there is ample evidence that female-dominated work has been undervalued by decision makers, the market, and in bargaining situations. Skill definition and assessment are partly socially constructed, with skills involved in many female-dominated jobs undervalued or ignored.

Gender-neutral assessment systems have been devised to remedy this undervaluation and negate over-simple market determination arguments.

This is a worldwide issue with a vast literature and history internationally and in New Zealand. Sadly, substantial political resistance is encountered worldwide in remedying the situation.

Fear of increased costs and prices are part of this resistance. But modern labour theory and many examples show how increased wages reduce turnover and increase productivity, reducing the impact of higher wages.

Nor should the exploitation of women be allowed to continue. Market forces and ability to pay are not a defence. On the affordability concerns about a pay increase, Employment Court Chief Judge Graeme Colgan pointed out that similar arguments were made against the abolition of slavery.

In particular, the caring sector faces the need for major expansion both in home and residential care with an ageing population. Only paying a decent wage can ensure that this expansion can be met.

It is not a defence against equal pay claims to find a few men in a female-dominated occupation who are paid as little as the (undervalued) women. The Appeal Court decision is clear that the act allows comparisons beyond the workplace or employer to appropriate, mainly male occupations.

It is now clearly established by the courts that the 1972 Equal Pay Act does cover equal pay for work of equal value, though this has never been properly implemented.

And the principle is also mandated by ILO Convention 100 and by the UN Convention for the Elimination of Discrimination against Women, both of which New Zealand has ratified.

The Council of Trade Unions and the unions involved have put forward to the first working party robust principles to implement equal pay for work of equal value as provided for by Section 9 of the 1972 Equal Pay Act, but never properly carried out.

The Coalition for Equal Value, Equal Pay (Cevep) is a group of experts in this field and has sent draft principles to the working party.

We are concerned that financial and ideological resistance from the Government and employers may lead to the watering down of these principles. In the caring sector, the Government will need to come up with greater funding for the rest homes involved.

Employers and the Government each put the responsibility on to the other, with women the losers. The employers' organisation, the Aged Care Association, has publicly accepted their care workers deserve a pay increase. However, it claims there is no fat in the system even where reported profits are high and any increase must be matched by more government funding.

Meantime, Health Minister Jonathan Coleman refused to take any responsibility, arguing providers must decide how they allocate their money.

In addition, the working party is enjoined to develop principles that are "consistent with New Zealand's existing employment framework, legislation, roles and institutions and are supportive of a well-functioning labour market".

It is difficult to see how this can be totally realised when legislation that weakened the power of unions has been among the factors holding back equal pay for work of equal value.

Cevep does not fully trust the Government and the employers to act fairly on the working party instituted mainly because of fear the courts would award more than the Government wants to pay. The unions are rightly contributing actively to the working parties. But they cannot publicly express their doubts, whereas Cevep can.

Women workers will expect the unions to go back to the courts if they do not get a satisfactory outcome with good principles and much increased pay for carers. Efficiency and equity demands this.

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