

Fast

# FACTS

CANADIAN CENTRE FOR POLICY ALTERNATIVES – MANITOBA

there is an alternative.

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## Economics and the path to women's and racial equity and equality in Manitoba

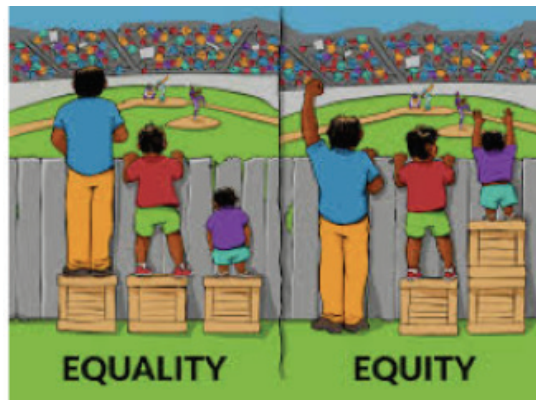
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Last Monday the Manitoba Minister responsible for the status of women, Rochelle Squires declared the third week in January “gender equality week”. However the new provincial government needs to carefully consider what steps are needed to achieve true equality for Manitoba women. The answer lies in starting with equity, targeted investments and supporting strong public services.

Squires announced a new tool for gender-based analysis for use in government as part of this announcement. A gender-based analysis should include race, class, disability, immigration status and sexual identity because it is difficult to disentangle all these elements from each other. For example, statistics show us that race affects income as much as gender. In Manitoba where 17percent of the population is Indigenous, it is particularly important to understand how the legacy of colonization has impacted Indigenous peoples and implement the TRC Calls to Action and the UN Declaration on the Rights of Indigenous People.

Addressing issues that leave some behind uses an equity approach. We are not all created equal, as this meme explains. It is the job of government to provide targeted supports to help those left behind due to economic and social circumstances beyond their control.

A key public policy equity tool to give women a leg up in the job market or to pursue education is access to affordable child care. Yet the new government froze funding



to already- approved and desperately needed child care centres while the wait list for spaces rose from 12,000 to 15,000 just in the past year. This lack of action will stagnate the Manitoba economy as parents (usually mothers) who wish to return to paid work cannot, and the government forgoes the tax revenues mothers would have paid had they been able to work. In addition to targeted supports, we need to consider government policy as it relates to equitable pay.

Part of the province's Women's Equality Week is to encourage women to be named to company boards or leadership positions to “improve access to pay equity”. While laudable, this only impacts a small proportion of women for whom these positions are available. To make an impact government should look at where pay equity is currently working for the largest number of women and racialized people – the

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public sector – and continue to support the public sector and unionized workers.

Unfortunately Minister Squires' cabinet colleagues are attacking labour, by taking away the ability to unionize workers and threatening to freeze and perhaps even roll back public sector wages. This will prove disastrous for gender and racial equality.

Research shows that the public sector goes further to correcting the wage gap than the private sector. *Narrowing the Gap: The Difference That Public Sector Wages Make* by the Canadian Centre for Policy Alternatives National office finds that university educated women in the private sector earn 27 percent less than men. In the public sector this wage gap shrinks to 18 percent. University educated visible minority workers take home 20 percent less than non-visible minorities in the private sector, compared to 12 percent less in the public sector. The pay gap still exists but it is markedly narrower in the public sector.

For every dollar earned by a university-educated non-Indigenous worker, a university educated Indigenous worker earns 86 cents in the public sector and 56 cents in the private sector. There's room to improve in the public sector but an Indigenous worker is much better off than in the private sector.

Why are there such stark differences in wage gap between public and private sector workers? The main reason is that a greater proportion of public sector workers are unionized (71 percent vs. 14 percent). Belonging to a union and having access to collective bargaining strongly correlates to reduction in wage inequality. Public sector workers are also subject to stringent pay equity legislation that reduces discrimination and inequality. Public sector workers have access to benefits such as paid parental leave, family leave and sick leave, which addresses the gender pay gap by addressing the double burden of unpaid care borne by female workers. The public sector has a higher concentration of all three factors – the result is not just higher wages, but a more equal system of pay.

Pay inequity between average workers and “the boss” is also more pronounced in the private sector. The top 100 Canadian CEOs earn 193 times more than the average Canadian worker.<sup>1</sup>

Despite the common complaint that public sector workers earn more, the private sector pays its top earners higher rates than the public sector: \$7,000 more for the most educated workers. It is workers on the lower end of the pay scale, many of whom are women and/or racialized, who earn more in the public sector than the private. More equitable pay for mid and lower range jobs means that women and racialized people choose the public sector where salaries are not left “to the magic of the marketplace”.

Currently Manitoba pay equity legislation applies to public sector only. To be “most improved” in terms of equity in Manitoba, the new provincial government could extend pay equity legislation, equal pay for work of equal value, to the private sector. This is in place for private sector workplaces in Ontario with more than 10 employees.

The current attack on labour in Manitoba will worsen the wage gap. The provincial government is hinting at a wage freeze for public sector workers while investing less in infrastructure spending, including child care centres. This will have a negative impact on Manitoba's economy due to less money spent in the local the economy. To achieve actual equality for women and racialized people, we need to remove regressive legislation that makes it difficult for workers to organize, extend pay equity legislation to the private sector, invest in the public sector and targeted benefits that actually level the playing field.

<sup>1</sup><https://www.policyalternatives.ca/newsroom/news-releases/ceo-pay-sets-new-record-study>

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