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FOCUS ON WOMEN AND THE CUTS

Legal Aid Denied: Women and the Cuts to Legal Services

In 2002, as part of massive cuts to public services, the British Columbia government dramatically cut legal aid coverage in BC.

See page 3

Rolling Back Pay Equity Gains

The BC government's actions to facilitate health care privatization have eliminated more than 30 years of pay equity gains for women in health support occupations.

See page 6

SPECIAL FEATURE

Reality Check: The BC Economy in 2004

Is the BC economy doing better or do people just feel that way?

See page 4

Women's Employment in BC Effects of Government Downsizing and Policy Changes

By Sylvia Fuller and
Lindsay Stephens

Since its election in 2001, the current provincial government has implemented deep cuts to public services and has made policy and regulatory changes in a wide range of areas. Key programs have been weakened or eliminated and the availability and generosity of social supports have been significantly reduced.

These changes have important implications for women's economic security and equality in BC. Because women make up the majority of both public sector workers and those who rely on public services, they are especially likely to be affected by cuts. Thus, recent policy changes may be outwardly gender-neutral, but their effects are not.

One crucial area that has been affected by a broad spectrum of policy changes is employment. Despite gains made in recent decades, women in BC face significant barriers to equitable employment, as they do in the rest of Canada. Government policy is important in this respect because it shapes the conditions under which women are employed, the broader social context in which paid work is carried out, as well as the types and quality of jobs available to women.

Job Losses in the Public Sector

Recent provincial cuts to public services and changes in employment policies and regulation disproportionately affect women and undermine their economic security. Job losses in the public sector affected women most because the majority of terminated positions were held by women, and because public sector cuts eliminate an important source of secure, equitably paid employment from the broader labour market.



In 2002, 71% of provincial public sector workers were female, and 19% of employed women in BC worked in the broad public sector. Spending cuts and privatization since 2001 have resulted in a total loss of approximately 20,447 public sector jobs (table next page). Nearly 75% of these (15,086) were held by women. The female-dominated sectors of health support services, education and the direct public service have been particularly hard hit. Many workers who retained their jobs have faced wage freezes and rollbacks, in several cases through contracts imposed unilaterally by the government.

Overall wages in the public sector are higher than in the private sector, and women in the public sector average \$23.65 per hour, compared to just \$15.11 per hour for women in the private sector. Importantly, however, this is not because the public sector *overpays* workers in general. Rather, it is because the public sector does not *underpay* women. The wages earned by men and women with similar characteristics working in similar jobs are not statistically different in the public sector. But women in the private sector are systematically paid less than their comparable male counterparts.

Continued on page 2

From the Editor

Recent public opinion polls show the BC electorate, in the year of a provincial election, to be as polarized as ever. A striking finding in these polls is a significant split between men and women on economic and social issues.

In this issue of BC Commentary, we get inside the gender gap by drawing on original CCPA research. Sylvia Fuller and Lindsay Stephens look at women's employment in BC and how provincial policy changes reinforce gender inequality. Alison Brewin comments on cuts to legal aid and their disproportionate impact on women. And Marjorie Griffin Cohen and Marcy Cohen demonstrate how government policy changes undermine decades of pay equity gains won at the bargaining table.

In the centerfold of this issue, I offer a reality check on the provincial economy and question whether it is as hot as the papers, and government ads, are saying.

A correction to the Fall 2004 issue: Data on post-secondary education were revised after publication, with some important changes to the interpretation of college data. The final numbers are available in the published paper, *Financing Higher Learning: Post-Secondary Education Funding in BC*, by John Malcolmson and Marc Lee. We regret the error.

As always, your comments are welcome.

Marc Lee
Editor

Spending cuts and privatization since 2001 have resulted in a total loss of approximately 20,447 public sector jobs. Nearly 75% of these (15,086) were held by women.

Continued from page 1

The fact that public sector workers tend to be more educated and have higher rates of unionization partially accounts for higher overall public sector wages. When these and other differences between public and private sector workers and jobs are accounted for, men's wages in the public and private sectors are nearly identical. For women, however, a significant public sector wage advantage of 15.3% remains, indicating that the public sector offers more equitable wages for women.

As a result, significant public sector job losses affect the overall degree of wage inequality between men and women in BC. Jobs in the broad public sector (direct provincial government employees and those employed by organizations funded and controlled by the province, such as hospitals and schools) have been cut by almost 10% since 2001. The estimated impact of a 10% job loss is a 2.6% increase in BC's overall gender wage gap.

Cuts to Public Services and Employment Supports

Provincial cutbacks and policy changes in areas such as child care and education have undermined key employment supports and educational opportunities required for women's equitable participation in the labour force.

Education and training are crucial paths to economic well-being. More educated workers earn higher wages generally, and the gender wage gap between men and women is also smaller among more educated workers. BC women with less than eight years of education earn only 63% of what men at the same educational level earn, whereas women with a Bachelors degree earn 85% of their male counterparts' income, and for women with graduate degrees earnings rise to 95% of men's.

Recent changes make access to post-secondary education especially problematic for students with

Public Sector Job Losses by Area and Sex

	Job Losses					
	Women		Men		Total	
	#	%	#	%	#	%
Public Service Agency Employees ¹	3,699	17.9	2,768	18.9	6,467	18.3
Liquor Distribution Board and BC Mental Health Employees ¹	255	8.5	142	6.6	397	7.8
Other BCGEU Members ²	519	3.3	0	0.0	615 [^]	2.7
BCTF Members ³	1,765	7.7	793	7.7	2,558	7.7
HEU Members ⁴	8,848.5	21.2	1,561.5	21.2	10,410	21.2
Total	15,086.5		5,264.5		20,447[^]	

Note: Sex breakdown of job losses for HEU and BCTF based on estimates of total sex composition of relevant union membership. There have also been some CUPE job losses in the education and community social services sectors, but the exact number is not available.

[^] Total includes 96 people of undetermined sex. There have been slight job gains for men among other BCGEU members.

Sources and timeframe for numbers: ¹ BC Public Service Agency employee data files, August 2001–May 2004; ² BCGEU, Feb 2001–Feb 2004; ³ BCTF, Sept. 2001–Sept. 2003 (figure represents full-time equivalent teachers); ⁴ HEU, 2001–Dec. 2004.

fewer financial resources. Non-repayable student grants were eliminated. The tuition freeze was lifted, resulting in dramatic tuition fee increases at BC's colleges and universities. These changes disproportionately impact women because their lower earnings make it harder to pay fees up front and to repay higher loan levels after graduation.

Women also perform the majority of unpaid "care work," such as child care and elder care. Provincial government cuts in these areas increase many women's work burden, which in turn affects their ability to participate in the labour market. Women who undertake unpaid care-giving are more likely than men to change their work patterns (work part-time, change jobs, reduce their hours, turn down career opportunities, etc.) in order to accommodate family responsibilities.

In April 2002, the provincial government cut \$24 million from the budget for child care and implemented a suite of changes that made child care less affordable for many lower income parents. The income threshold for subsidies was lowered, making it more difficult to qualify; the partial subsidy available to some families above the threshold was reduced in size; families whose subsidy was \$50 per month or less lost this support altogether; and the \$7 per day cap on before and after school programs was revoked.

As a result, the number of low-income children in the regulated child care system has dropped, and many centres in low-income neighbourhoods have been forced to close. The province has since reversed its cuts to the childcare subsidy; however, the damaging impacts on the availability of child care remain.

Just as women tend to be primarily responsible for child care, so too do they assume a disproportionate burden for the care of other dependent family members, such as the sick, disabled, and elderly. Recent health care restructuring in BC has reduced the availability of hospital and long-term care beds as well as home care services. This has shifted what was paid work (performed mainly by women) to unpaid care work by women in the home.

Changes to the *Employment Standards Act*

Changes to the *Employment Standards Act* made in 2002 have reduced legal protections for workers. These minimum standards are especially important for women because they are over-represented in low-paid and precarious jobs. Women make up the

majority of minimum wage and low-wage workers in BC. They are more likely to hold part-time and temporary jobs and to work in small, difficult to organize private sector workplaces that tend to pay low wages and where employment standards are especially important.

Changes to employment standards include:

- The minimum shift length was reduced from four to two hours.
- A \$6 per hour "training wage" was introduced for the first 500 hours of work (a cap which may be difficult for individual workers to enforce).
- Those who have not worked 15 of the last 30 calendar days before a statutory holiday are no longer entitled to these holidays.
- The introduction of "averaging agreements" allows employers to avoid limits on hours of work in any given day or week without having to pay overtime, provided hours in the overall period average 40 hours per week or less.
- Pregnancy leave must now be taken in consecutive weeks, making it difficult for women who experience complications early in pregnancy to schedule needed time off.
- Farm workers are now excluded altogether from regulations related to hours of work, overtime and statutory holiday pay. In BC, 61.5% of harvesting labourers are women, and 77.8% are immigrants. This change is especially disturbing in combination with the deregulation of child labour.

Monitoring and enforcement of the regulations that do remain has been weakened. Employers are no longer required to post employment standards rules in the workplace, and the time limit for making a complaint has been reduced from two years to six months. Complaints can no longer be made to the Director of Employment Standards, who was previously obligated to investigate. Workers must now use a complicated "self-help kit" that is only available in English. The Director is no longer required to investigate these complaints. These changes are especially problematic for vulnerable workers who are likely reluctant to confront their employer for obvious reasons.

Employment and Women's Economic Security

The current provincial government has emphasized the importance of employment as the only legitimate

Just as women tend to be primarily responsible for child care, so too do they assume a disproportionate burden for the care of other dependent family members, such as the sick, disabled, and elderly.

REALITY CHECK

By Marc Lee

Is the BC economy doing better or do people just feel that way?

A recent Ipsos-Reid poll found that over 70% of British Columbians think that the economy has improved—about double the rate just six months ago. But when asked about *their own economic situation*, there was essentially no change. Perhaps good PR has something to do with it. Tens of millions of taxpayer dollars have been hard at work pumping out a feel-good message about BC. Business groups have recently piled on with their own upbeat “You’re Hired” campaign. Then there is the unusual number of banner newspaper headlines trumpeting the resurgence of the BC economy.

Can the economy really be compared to a phoenix that has “risen from the ashes”? While the BC economy has definitely improved, and economic growth projections have been upgraded over the course of 2004, it is not exactly “red-hot” or “sizzling”, to quote two recent front-page headlines. The latest average private sector forecast is 3.4% real GDP growth in 2004 and 3.3% in 2005. These are respectable growth rates, but nothing extraordinary. In nine of the past twenty years, real GDP growth has been at this level or better.

Employment indicators are a mixed bag. Employment growth of 2.4% this year is middle-of-the-road by historical standards. The good news is that the unemployment rate has been falling, from 8.1% in 2003 to 7.2% in 2004. Gains in construction jobs have led the way, accounting

Shoppers help B.C. grow at a sizzle

B.C.'s surging economy

Forecasters are increasingly bullish on B.C.'s economy. Here's what we should watch for:

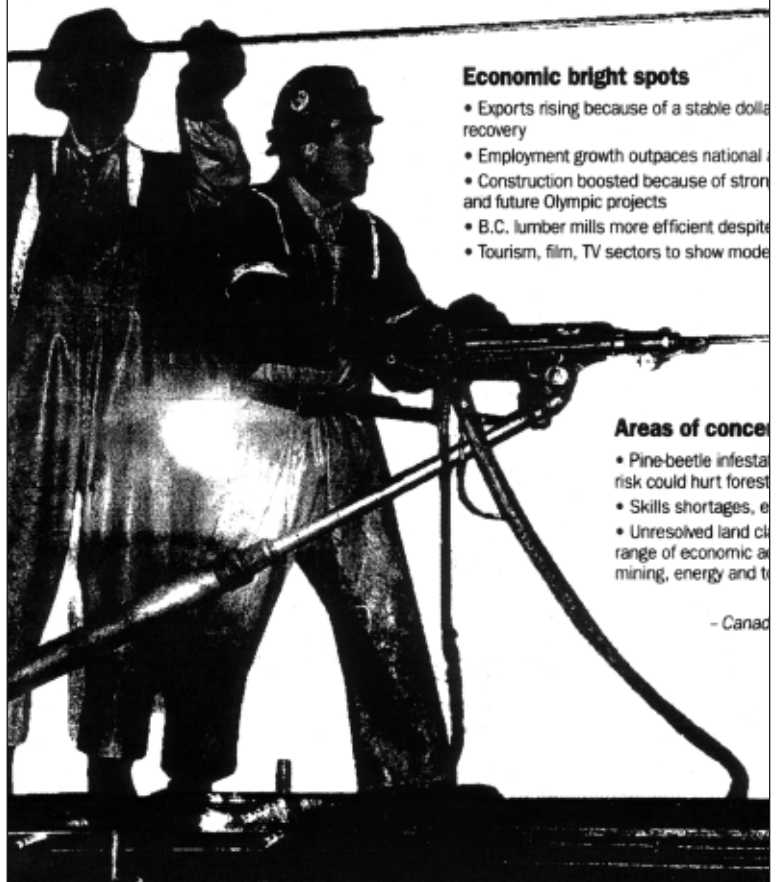
Economic bright spots

- Exports rising because of a stable dollar recovery
- Employment growth outpaces national
- Construction boosted because of strong and future Olympic projects
- B.C. lumber mills more efficient despite
- Tourism, film, TV sectors to show more

Areas of concern

- Pine-beetle infestation risk could hurt forest
- Skills shortages, e
- Unresolved land claim range of economic activity, mining, energy and t

- Canada



for 61% of job growth in 2004. In addition, strong export demand has led to employment gains outside the Lower Mainland, lowering unemployment rates in some regions—but Vancouver still accounted for 61% of total employment gains.

The BC Economy in 2004

B.C. economy gaining pace

Consumer spending was up seven per cent in March, second only to Alberta

Optimism, 15,000 new jobs turn B.C. economy red-hot

We haven't seen business better the province than we're seeing it right now': Jim Pattison

Province 'rises from the ashes'

B.C. to outperform the rest of Canada

On the downside, the employment rate (total employed divided by the population) has only nudged up slightly from 60.1% in 2003 to 60.7% in 2004. Average hourly wages grew weakly in 2003, and have actually declined in 2004 (and this does not account for inflation).

How much credit should Victoria get? BC is a small, open economy and the provincial government is but one player. A strong external environment has definitely worked to BC's advantage: low interest rates from the Bank of Canada that have spurred the real estate market and residential construction; a more stimulative federal fiscal policy, especially with regard to transfers to BC for health care and equalization; high world market prices for BC's resource exports; and, strong demand in external markets. All of these are beyond the control of Victoria.

Perhaps Victoria's biggest contribution has been optimism, which may be good for the economy if consumers and businesses feel confident enough to spend and invest. But outside of residential construction, new capital investment in machinery and equipment and new facilities—the harbinger of future productivity growth—has been weak. If today's optimism and yesterday's almost \$1 billion in corporate tax cuts do not translate into new investment, this is a major indictment of the government's program.

The provincial government is claiming that the economy is super and it is all because of them. But this is obviously a self-serving narrative. The previous government, the same story goes, drove the economy into the ground. Remember that the "rescue" has come at a high price: thousands of lost public sector jobs; reduced, eliminated or privatized services; and, painful measures imposed on the most vulnerable members of society. Were these sacrifices worth it?

Marc Lee is an economist with the CCPA-BC and the editor of BC Commentary. Thanks to Steve Carley for research support in writing this article.



Rolling Back Pay Equity Gains

The Case of Health Support Privatization

By Marjorie Griffin Cohen and Marcy Cohen

The BC government's actions to facilitate health care privatization have eliminated more than 30 years of pay equity gains for women in health support occupations.



The new wage rates are dramatically lower than even the lowest negotiated contract in the hospitality sector and are now the lowest wages for this type of work in the country.

Unlike most jurisdictions in Canada, pay equity is not the law in BC. Pay equity gains have instead been made at the bargaining table, as many individual trade unions, particularly those representing women in the public sector, specifically bargained for pay equity.

From the 1960s to 2001, pay equity gains won by women in hospital support work in BC were remarkable, but fair. During this period, a significant wage gap between female-dominated health support jobs and comparable male-dominated work was narrowed to between 11% and full parity.

This success appears to have attracted the provincial government's ire and encouraged it not only to reduce wages, but to reduce them to a point where they are the very lowest for this category of work in the country. The new rates for housekeeping (\$9.25 to \$11 an hour) are between 14 and 39% lower than anywhere else in Canada and 26% below the national average.

These new wages are so low that they place the purchasing power of health support workers at what it was in 1968. The wage for housekeeping in 1968 was equivalent to \$9.35 an hour in current dollars.

These very rapid changes in wages and working conditions are the result of unprecedented legislation (Bill 29) that gutted the employment and contracting protections of the existing collective agreement, as the government pursued its goal of shifting certain sectors of health care provision to the private sector.

Health support workers, who are lower down on the health care hierarchy, are the most vulnerable to worse working conditions through the change. Most of these workers are women, and a higher than average proportion are older or from visible minority or immigrant backgrounds.

The provincial government justified its actions in privatizing hospital support work by claiming that these workers were overpaid. While it is true that health support workers in BC achieved higher wages than elsewhere in Canada, these wages were in line with BC's higher general labour costs and higher costs of living. These wages were also comparable to those paid for similar work done by male workers in the direct public sector. But most significantly, these wages represented pay equity adjustments that reflected the value of the kind of work being performed.

Before privatization, wages for hospital housekeepers were slightly higher than those paid in the private hospitality sector. These modestly higher wages reflected the more challenging nature of hospital work. The new wage rates (at \$9.25 to \$11 an hour) are dramatically lower than even the lowest negotiated contract in the hospitality sector and are now the lowest wages for this type of work in the country.

Privatization in BC is happening at a time when concern about the spread of hospital-acquired infections is high. Other jurisdictions (such as Britain and Scotland) are bringing cleaning work back in-house because of cleanliness and infection control problems that resulted from a privatized workforce that was poorly trained, inadequately paid and had high turnover rates. Prior to privatization of health support work in BC, the availability of steady employment at reasonable wages with decent benefits created a stable workforce that contributed to overall patient care. This is no longer the case.

The privatization of health support work seriously undermines the economic security of a significant number of workers. Despite the fact that it is a predominantly older female workforce, these workers

Legal Aid Denied

Women and the Cuts to Legal Services in BC

By Alison Brewin

The idea that everyone is equal under the law is a fundamental principle that most Canadians take for granted. Our Constitution guarantees equal access to justice for men and women. But when it comes to legal services in BC, it seems the Constitution doesn't hold much weight.



In 2002, as part of massive cuts to public services, the provincial government dramatically cut legal aid coverage. The budget for the Legal Services Society (LSS) — which provides legal aid services to British Columbians — was slashed by almost 40% over three years. The vast majority of this came from funding for family and poverty law legal aid.

For women, the results have been devastating. Women's need for legal services is overwhelmingly in the areas of family or civil law — precisely where most of the cuts were made.

Without adequate legal representation, women are losing custody of their children, giving up valid legal rights to support, and being victimized through litigation harassment. They are spending endless days navigating a complex legal system — researching and preparing legal documents, appearing without a lawyer for highly charged divorce and custody cases, and agreeing to settlements that are not in their own or their children's interests.

Family law includes divorce and custody disputes that the courts deal with when marriages break down. Poverty law involves things like appealing decisions about welfare and Employment Insurance benefits and disputes with landlords (such as evictions).

Provincial funding for poverty law has been completely eliminated. Family law legal aid is now restricted to emergency situations — where someone is concerned for her safety or that of her children, or has reason to believe the spouse will leave the province with the children.

Using violence as a threshold for eligibility is wholly inappropriate given the complexities of domestic violence. Only access to adequate, quality legal representation based on need, not violence, will ensure that survivors of spousal abuse can free themselves from such situations.

Legal aid exists to ensure that people who cannot afford to pay for a lawyer aren't left to fend for themselves. In criminal law cases where there is a threat of jail our justice system has always emphasized the importance of a fair trial and provides legal aid to ensure that those charged with a criminal offence have access to a lawyer to defend them. Family law, however, is viewed by the courts as a dispute between private individuals. This view of family law as "private" has been used by governments across the country to justify inadequate funding for legal aid.

BC's Attorney General Geoff Plant makes no apologies for the cuts. Nor does he shy away from acknowledging his government's view that the courts should not be involved in family law matters. But this view of the law completely ignores his government's constitutional obligation to make sure policies do not undermine women's equality, and the key role government plays in the complex web of law that governs marriage breakdown. It also ignores the reality that is going on in our courtrooms.

The sad irony is that the province collects considerably more than it spends on legal aid. A provincial tax of 7.5% on legal services was created in 1992 specifically to fund legal aid. It currently provides approximately \$90 million to government coffers. This, in addition to \$9 million from the feds for criminal legal aid, far exceeds the current spending of \$55 million.

In the words of retired Madame Justice Claire L'Heureux-Dubé of the Supreme Court of Canada: "It is a matter of justice! Legal aid for women is not only a matter of equality as it is one of rights."

Alison Brewin is the Program Director at West Coast LEAF (Women's Legal Education and Action Fund) and author of Legal Aid Denied: Women and the Cuts to Legal Services in BC, co-published with the CCPA.

"After being denied Legal Aid in 2002, I represented myself twice in court. My ex-partner's lawyer was brutal towards me. I had practiced going to court and representing myself, but this did not matter because I cannot argue with a lawyer. I am not a lawyer. I am just a mother."

Quote from an affidavit collected by West Coast LEAF

route to economic well-being. It is unfortunate—and ironic—that this increased emphasis on labour market participation has been accompanied by policies that undermine women's employment prospects.

The importance of participation in paid labour for women's economic security is underlined by recent changes to income assistance policies in British Columbia that make it increasingly difficult to access state benefits as an alternative source of income. Because their overall income levels are substantially lower than men's, women are more likely to rely on income assistance, and are therefore more affected by changes in its provision.

Practically, the overarching goal has become to place welfare recipients in employment, regardless of whether the job provides decent work at a living wage. The Ministry of Human Resources has claimed that the primary goal of welfare reforms is to make British Columbians more 'independent'. However, even if policy changes force more welfare recipients into the paid labour force, this is no guarantee that the work they access will provide them with true independence, stable employment or economic security.

Achieving economic security through employment is predicated on good wages, job security, and having some control over the conditions of work. Because access to work that is secure and well-paid is still problematic for many women, a lessening of "dependence" on the state may in fact be replaced by continued hardship and/or increased economic dependence on family members.

Although the current provincial government's push to reduce sources of income outside employment is ostensibly gender-neutral, it fails to adequately account for family/household dynamics that create

particular employment barriers for women, or for labour market dynamics that result in lower wages for women as a group. Moreover, numerous of the policy changes enacted in the past few years will not only degrade the employment conditions for many women, but also magnify existing gender-based disparities in the labour force.

Sylvia Fuller is currently a Social Sciences and Humanities Research Council of Canada Postdoctoral Fellow at York University, and is a former Public Interest Researcher with the BC Office of the CCPA. Lindsay Stephens recently completed her Masters in Urban Planning and Social Policy at the University of Toronto, and worked as a research assistant at the CCPA. This article is based on the recent CCPA report, Women's Employment in BC: Effects of Government Downsizing and Employment Policy Changes 2001-2004. The full report can be downloaded from the CCPA webpage.

Continued from page 6
Rolling Back Pay Equity Gains

share many characteristics typically associated with primary male wage earners. More than 50% have one or more dependent children and one quarter support dependent adults. Many are either sole support parents or live with partners who do not have access to extended health and/or pension benefits.

The repercussions of privatizing this aspect of hospital work are likely to go well beyond the public sector. As women's wages in health and other public services are reduced, it is a signal to the private sector that they too can set aside arguments about the need for decent wages for women's work.

Marjorie Griffin Cohen is Professor of Political Science and Women's Studies at Simon Fraser University. She is a research associate and board member with the Canadian Centre for Policy Alternatives. Marcy Cohen has coordinated the research and health policy work of the Hospital Employees' Union for the past nine years. Marcy is also a research associate of the Canadian Centre for Policy Alternatives and Chair of its BC Board of Directors. This article draws on and updates findings from the CCPA publication, A Return to Wage Discrimination: Pay Equity Losses through the Privatization of Health Care.

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1400 – 207 West Hastings Street
Vancouver, BC V6B 1H7
tel: 604-801-5121
fax: 604-801-5122

www.policyalternatives.ca

Editor: Marc Lee
<marc@bcpolicyalternatives.org>

Production Manager: Shannon Daub
<shannon@bcpolicyalternatives.org>

Layout: Avi Goldberg
<avi@bcpolicyalternatives.org>