

# NZCTU Future of Work for Women

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## Overview

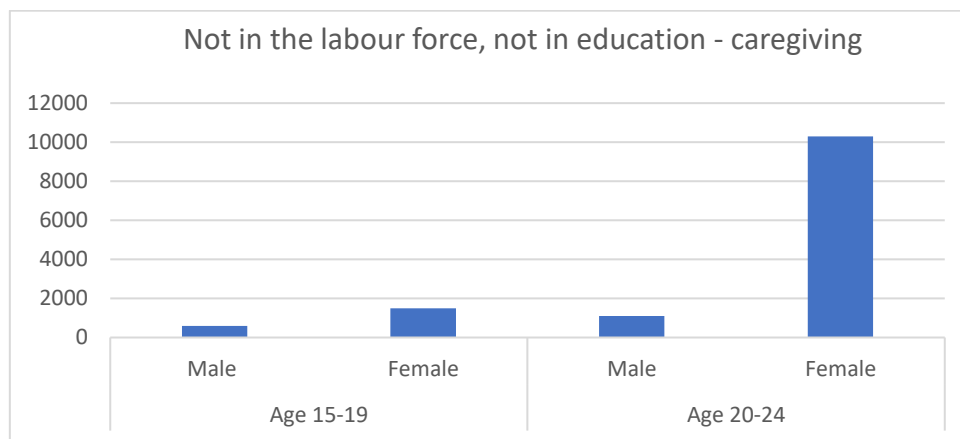
The NZCTU supports all women in Aotearoa to be enabled to fulfil their potential at work. We believe that a future of work that meets the needs of women, and of women and children, is also work that met everyone’s needs better. With that in mind, we encourage the Future of Work Forum to ensure their policy solutions truly work for all New Zealanders.

The gender pay gap is a significant and longstanding concern. It’s now been longer than 50 years since the introduction of the Equal Pay Act. It’s therefore imperative that initiatives are delivered to reduce the pay gap in a meaningful timeframe. There is much good work already being undertaken in this area by the government. An example here would be Kia Toipoto – a set of actions to help close gender and ethnic pay gaps in the public service.

The outcomes of this Forum must ensure mechanisms consider the ethnic pay gap experienced by Māori, Pacific and ethnic workers as well as any discrepancies in employment opportunities, outcomes and needs, and be designed in such a way that they will specifically address this. For example, at the current rates of reduction, it will take 120 years to close the Pacific gender pay gap, therefore a targeted approach to address the underlying causes of this gap is vital.

The ethnic pay gap is not only created through direct remuneration. Ethnic gaps also exist in the unemployment rates. Māori (6.9%) and Pacific (6.1%) are more than twice as likely to be unemployed than Pakeha (2.6%). This is also true for underutilisation – with Māori and Pacific rates being much higher than Pakeha.

Additional to pay gaps in average hourly earnings, women also work much longer hours when we factor in unpaid work in the care economy. We can see from HLFS data (May 2022), depicted in the graph below, that this pattern starts at an early age and continues throughout life. Unpaid care-work places further barriers to entry, progression, and participation for women in the labour market. Therefore, we need solutions that recognise and address this.



There is a lack of current, robust statistics on unpaid work in Aotearoa. Data from Statistics NZ [Time Use Survey 2009/10](#) showed that in New Zealand, women on average work slightly shorter work days than men (6hrs 49mins a day for women and 8hrs 20mins for men). According to the survey 19% of men reported spending on an average diary day 1hr 24mins on childcare—in comparison, 31% of women reported spending on an average diary day 2hrs 37mins on childcare. According to the [Ministry for Women](#) nearly 70 percent of women’s work is unpaid, while around 40 percent of men’s work is unpaid.

Pay transparency is improved by collective bargaining and the creation of collective agreements. Collective agreements tend to have pay scales which are known to all employees. [Studies into pay equity](#) found that the pay transparency implicit in collective bargaining has a positive effect on pay equity (OECD 2021; Jane Pillinger and Nora Wintour 2019).

The NZCTU believes that providing more affordable and accessible high-quality, publicly provided early childhood education (ECE), gender equitable paid parental leave (PPL) and introducing pay transparency legislation combined will help to increase women’s participation in the workforce, reduce wage scarring on re-entry to the workforce, and contribute to breaking down the gender stereotypes that contribute to gender and ethnic pay gaps and employment outcomes.

Finally, the NZCTU believes that work should be a means of helping people to lead lives of decency and fulfilment. The ILO has a “human-centred work approach” which seeks “to achieve a future of work that provides decent and sustainable work opportunities for all”. Therefore, ECE and PPL policies should be designed in such a way that they allow for flexibility to fit human needs, both for women in the ECE workforce and women and their families in the wider labour market. This is about ensuring labour is not just seen as an economic commodity, but rather a mutually beneficial relationship.

Many of the challenges for women in the workplace today and into the future will require overlapping solutions that target multiple challenges. For example:

**Challenges:**

- Reducing barriers to women’s employment and participation.
- Breaking down gender stereotypes that create barriers to women’s employment and contribute to the pay gap.
- Eliminating the gender and ethnic pay gaps.
- Recognition of *all* work of value in the economy including unpaid labour such as caring responsibilities.
- Reducing the extent of New Zealand’s highly gender-segregated workforce.

**Proposed Policies:**

- Pay transparency and pay gap reporting.
- De-coupling PPL so that both parents, including fathers, have equal leave entitlements to mothers (for example, to be more in line with countries like Iceland where fathers take 45% of the leave available).
- Increasing access and affordability to high-quality public early childhood education.
- Ratify the ILO Convention 190 on preventing violence in the workplace.
- Active labour market programmes targeted to female-dominated sectors and/or designed to help encourage desegregation of the workforce.
- Measuring the impact of unpaid work and the care economy on workers.
- Increasing the prevalence of secure, high-wage, good work, particularly in industries and occupations where female, Māori and Pacific workers are clustered.

## **Problem definitions and data:**

**Childcare – Early Childhood Education (ECE) and Paid Parental Leave (PPL):**

Provided below is a summary of the key problems and information to back up why increasing access to high-quality, public ECE and providing gender equitable Paid Parental Leave will help solve the challenges outlined in this paper.

- One study by [Princeton University](#) economist, Henrik Kleven, shows that motherhood accounts for up to 80% of the gender pay gap and that women with no children have earnings comparable with men’s salaries (Kleven, Landais and Sogaard, 2019).
- Currently, fewer than 1% of New Zealand men take paid parental leave and 4% take unpaid leave. However, in countries such as Sweden, Iceland, Norway, and Germany, which have more gender-equal PPL schemes, fathers account for 40-45% of the total benefit usage. *This highlights the progress these countries have made towards normalising gender equality and breaking down those stereotypes that contribute to the pay gaps.*
- Therefore, increasing access to reasonably priced, high-quality, ECE combined with decoupling PPL could contribute to reducing the gender pay gap significantly.

- Improved access to high-quality, publicly provided ECE has the potential to provide families with early intervention and high-quality wrap-around services including health services and parenting support programmes. Just like programmes such as [Sure Start](#) did in the UK.
- A recent paper by [Motu Economics](#) made the case that pay gaps in New Zealand amount to \$17.6 billion dollars a year (Maré, 2022). This is made up of \$7.6 billion gender pay gap and a \$10 billion ethnic pay gap. There are therefore significant fiscal and economic benefits to closing this gap.

### **Pay Transparency and Labour Market Segregation:**

Provided below is a summary of the key problems and information to back up why pay transparency legislation, reducing workforce segregation and ratifying ILO C190 will help solve the challenges outlined in this paper.

- In New Zealand, half of all women and men work in occupations where 70% or more of workers are of the same gender. Additionally, almost 50% of women are employed in three sectors: healthcare and social assistance (18.6%); education and training (12.3%); retail, trade, and accommodation (16.9%).
- According to the [Ministry for Women](#), occupational segregation is estimated to account for around 30% of the current gender pay gap.
- There is a body of research that says the prevalence of gender segregation across workplaces explains 15%–20% of the gender wage gap (Blau 1977; Groshen 1991; Petersen and Morgan 1995; Card, Cardoso, and Klein 2016).
- The Women’s Employment Action plan reiterates this when saying women tend to be clustered in sectors that are historically (and continue to be) female-dominated. Discrimination and the prevalent undervaluing of women’s work, leads to labour in these sectors being undervalued and underpaid.
- A [Swedish study](#) found that highly segregated workplaces increase the risk of the minority gender leaving a job as a result of sexual harassment. Women who self-report harassment are more likely to switch to new workplaces with more female colleagues and lower pay. The research suggests that harassment at work deters both women and men from applying for jobs in workplaces where they are the gender minority, potentially keeping women away from some of the highest-paying employers in the labour market (Folke and Rickne, 2022).
- A [Canadian study](#) found that mandatory pay gap reporting helps to close unexplained pay gaps by 20-40% (Baker, Halberstam, Kroft, Mas and Messacar, 2019).
- Publicly available pay gap reporting either at a workplace or at a workforce level helps reduce pay gaps (along with strategic advocacy) as it encourages individual workplaces to close their pay gaps. Knowledge of where gaps exist also empowers unions and can inform collective bargaining or pay equity claims.
- The current gender pay gaps demonstrate that gap is felt unevenly across ethnicities. The largest and most persistent (mean) pay gaps appear between Māori (23%) and Pacific (24%) women in comparison to Pakeha men. For Māori women, this gap is higher today, than it was in 2020.
- Mean Pay gaps for Māori and Pacific women increased following Covid-19 by 2.3% and 1.8% respectively (Pakeha women’s pay gap increased a small 0.4%). This suggests that Māori and Pacific employment outcomes were disproportionately negatively impacted because of the pandemic.

- According to the 2018 Census, Pacific women are clustered in: health care and social assistance (15.7%), education and training (10.3%), manufacturing (9.7%), retail trade (9.7%), accommodation and food services (9.2%), and administrative and support services (8.8%).
- According to the 2018 Census, Māori women are clustered in: health care and social assistance (15.5%), education and training (13.4%), retail trade (10.4%), accommodation and food services (10.2%), and manufacturing (7.2%).

## **NZCTUs policy recommendations**

### **Early Childhood Education (ECE):**

Set a goal of progressively extending the provision of high-quality, publicly provided ECE services to be free to all children (for example, progressively extended over 10 years). The provision would be in the form of networks of not-for-profit centres, which would also create more coherent structures for providing training and professional learning. In the process, we need to shape the future of early childhood education to ensure:

- Every child can access quality public provision of community-based, locally responsive, and culturally sustaining early childhood education services.
- The Government's commitment to the mana, hauora, and wellbeing of children is a reality.
- There is a commitment to quality teaching and learning through a 100% qualified, fairly remunerated, and fairly treated workforce.
- The rights of children are centre stage, and the whakamana of tamariki is celebrated in the presence of teachers, kaiako and whanau.
- Prioritisation of public funding for public services meeting quality criteria.
- Acknowledgement of rangatiratanga for Kohanga Reo and Pacific language services alongside the provision of additional resources to enable these services to grow.
- Explore the [Victorian Government's](#) approach to commissioning additional high-quality public ECE services as new school builds and school re-builds take place.

### **Paid Parental Leave (PPL):**

- De-coupling paid parental leave so that each partner's leave is independent.
- Provide Kiwisaver contributions and annual leave support to parents who are taking PPL.
- Our preliminary thinking is that paid leave provisions should be based on the Icelandic model where parents are entitled to 39 weeks of parental leave. Of that time, 13 weeks are reserved separately for each parent. The remaining 13 weeks can be split as parents choose.
- Adapting NZIIS (NZ Income Insurance) to include parental leave when it is introduced. Paid leave payments would be paid out at 80% of a worker's ordinary pay.

### **Pay Transparency:**

For equal pay and pay equity, the NZCTU recommends:

1. Introducing pay transparency legislation that requires employers to collect data and report on workforce pay and gender and ethnic pay gaps to identify pay differences and discrimination. This may include:
  - Using the Public Sector Act to require public sector agencies to publish pay gap data.

- Introducing legislation that would give workers (and unions) the right to request information about what people in similar roles are earning.
  - Establishing an independent agency that monitors reporting on gender and ethnic pay gaps.
  - Look into including reporting on the gender and ethnic make-up of senior or management positions to provide greater context to the reporting.
  - We recommend mandatory pay gap reporting apply to enterprises with 50 or more employees. This would be a starting point, with the expectation that smaller enterprises be included as the data and reporting becomes standardised.
2. Amend the Employment Relations Act 2000 to prohibit pay gag clauses.
  3. Amend the Fair-Trading Act 1986 to require job advertisements to include pay rates, excluding ACC and superannuation contributions from employers.
  4. Introduce legislation that would give workers (and unions) the right to request information about what people in similar roles are earning. Pay transparency mechanisms should be designed in a manner that empowers workers through their unions to take collective action to remedy gaps. Pay transparency should not be something which is done 'to' workers, but which workers can actively take part in.
  5. Standardise the pay gap measurement to request both mean AND median hourly earnings rather than only the median hourly earnings. The NZCTU believes the mean is the more appropriate and valuable metric to use for the purpose of gender and ethnic gaps because the median can hide the larger proportion of men than women at the very top of the pay scale and in higher-paid leadership roles. If we're seriously looking at equal pay and opportunities for men and women, with an equal number of women in senior positions to men, then a metric that accounts for that is preferable. For example, currently, the median pay gap for men and women is 9.2%, while the mean pay gap is 10.3%.
  6. Pay Transparency mechanisms should recognise that take-home pay is just one-way women and people of colour are financially disadvantaged at work. Other work conditions and remuneration, such as Kiwisaver, bonus schemes, and leave entitlements can have a material impact on the financial wellbeing of workers and should also be considered.

## Additional recommendations

The NZCTU would encourage the Government to address other significant contributors to the gender pay gap, labour market segregation, inequities, discrimination and employment opportunities and outcomes for women. As noted above, occupational segregation is a key driver of the gender pay gap and therefore is another important challenge to address.

*The additional, but complementary, areas the NZCTU would like the Forum and Government to act on are:*

1. **Commit New Zealand to ratify [ILO Convention 190](#) on preventing violence in the workplace.** Governments that ratify C190 will be required to put in place the necessary laws and policy measures to prevent and address violence and harassment in the world of work. ILO C190 applies to violence and harassment in the world of work occurring in the course of, linked with or arising out of work.

2. **Delivering pay parity and pay equity commitments.** Especially in healthcare, social assistance; education and training; retail, trade, and accommodation. Ensure that pay parity and pay equity are delivered in the private sector.
3. **Speed-up the closure of ethnic pay gaps.** Mechanisms to close this gap should focus on the creation of secure employment, alongside high-wage and good jobs, particularly in sectors where Māori and Pacific women are clustered. Alongside this, implementing Fair Pay Agreements and contracting reforms will be essential to the delivery of this goal.
4. **Ensuring that the Cyclone Rebuild Programme reduces the pay gap for women.** The cyclone rebuild programme will involve the creation of hundreds of new roles in construction, development, engineering, and other areas. These have historically been male-dominated occupations. Training opportunities should be made available for women to access these roles, and contractors working on government-funded programmes should be required to take part in any training as part of the contract. Care should also be taken to ensure that the rebuilding investment continues in the social economy, as well as in the physical rebuild.
5. **Exploring the role that a shorter working week can play.** Some companies in New Zealand are exploring the role that a shorter working week could play in improving productivity and worker wellbeing. The government could follow the progress of the current trial, with a possible pilot in a section of the public sector if the results are positive.
6. **Measuring the impact of unpaid leave and caring responsibilities.** Work that is not measured is not valued. It has been 35 years since Marilyn Waring first wrote about not measuring unpaid work, and yet we still do not systematically calculate the value of care provided by families, nor the role of 'domestic' work. We know this falls on women, and so adds to the disadvantages women face in both entering and progressing in the labour market. StatsNZ could provide a standardised measure of this work as part of its regular reporting cycle. We would recommend that data made available are broken down by clear age categories and ethnic groups. It should also specify an average work week (Monday-Friday) as opposed to an average weekend/day-off day. The last time StatsNZ looked into unpaid work was the [Time Use Survey 2009/10](#).
7. **A renewed commitment to developing and delivering active labour market programmes** targeted to reduce gender-based occupational segregation in Aotearoa New Zealand and enhance women's employment outcomes.
  - Currently, there are eight Industry Transformation Plans (ITPs), which are a key mechanism for implementing the government's industrial policy. The ITPs, however, are largely in male-dominated industries and as a result, female workers in New Zealand are falling through the gaps in the government's industrial policy.
  - Below is a list of the eight current ITPs, alongside each ITP is StatsNZ data on the gender makeup of each industry (note: StatsNZ industry categories are not necessarily a direct comparison – instead we have chosen the closest fit):
    - Advanced Manufacturing – (According to StatsNZ the manufacturing industry is 68% male)
    - Agritech
    - Fisheries
    - Food and Beverage



- Forestry and Wood Processing – (According to StatsNZ the Agriculture, Forestry and Fishing industry is 64% male)\*
- Construction – (84% male)
- Digital Technologies – (According to StatsNZ the Information, Media and Technology industry is 60% male)
- Tourism – (According to StatsNZ the Retail Trade and Accommodation industry is 45% male)

\* *Agritech, Fisheries, Food and Beverage, Forestry and Wood Processing are primary industries and are therefore covered by the StatsNZ category of 'Agriculture, Forestry and Fishing'.*

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