



Working Women's Information Service

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EQUAL PAY - A LONG WAY FROM REALITY

One of the most significant features of the Australian workforce over the past fifteen years has been the increase in the number of women it includes. In August 1966 1,497,000 women were recorded as workforce participants. By August 1980 this figure had risen to 2,459,000, an increase of 64.26 per cent. (1)

During the same period the number of males in the workforce rose from 3,404,600 to 4,180,000 - an increase of only 22.78 per cent. Women accounted for 55 per cent of the total increase in the workforce during this period. The significance of this figure is highlighted when we remember that in 1966 women formed only 30.5 per cent of the total workforce but by 1980 they accounted for 37 per cent.

Thus the expansion of industry in Australia over the last fifteen years has been largely dependant on the increased number of women entering the workforce. Married women have accounted for by far the largest part of this increase and without their participation the economy could not have expanded to the extent that it has. The frequent attacks against married women are therefore ill-founded and unjustified. Rather than being pilloried as scapegoats for unemployment, married women should be applauded for their entry into the workforce for this has provided a stimulus in certain areas which has helped to maintain the economy at its current level.

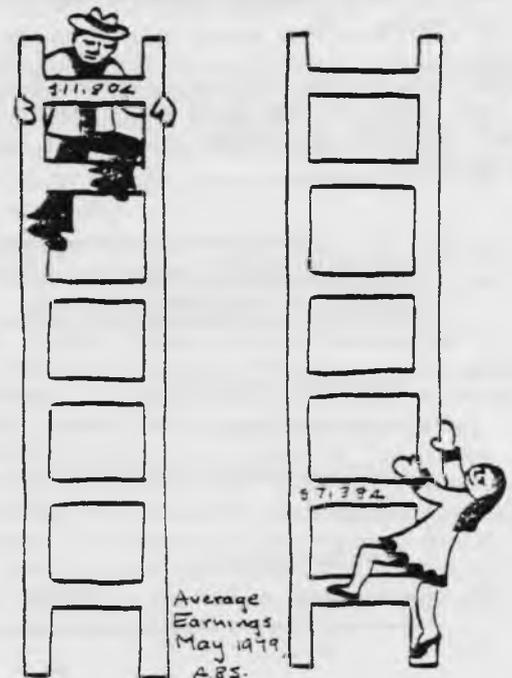
Owen Covick of Flinders University has credited the employment of women with significant influence over what he sees as an economic recovery which emerged last year. He claimed that:

"The Australian economy is currently looking in better shape than it has at any time since the slide of 1974 ...women workers have played a key role in this development." (2)

It seems certain that the increased participation of women in the workforce will become a permanent feature of the economy but, despite their overall contribution to any expansion the economy has undergone, women are still grossly discriminated against in employment. This is reflected in the most basic way by the fact that they earn considerably less than men.

UNEQUAL PAY

In 1972 the Australian Conciliation and Arbitration Commission adopted the principle of 'equal pay for work of equal value' and in 1974 it granted women the minimum wage and discarded the 'family wage' concept which had kept women's wages low since it was first instituted in 1912. Yet in May 1979 average weekly earnings for women (\$142) were only 63 per cent of the average for men (\$227).



One reason for this discrepancy is the large number of women who work part-time. In August 1979 35.3 per cent of working women were part-time workers compared to only 5.2 per cent of men. However, even if we exclude part-time workers and consider only the average weekly earnings of full-time non-managerial workers, we find that the discrepancy is still very large.

In May 1979 full-time male workers received average weekly earnings of \$235 but women received only \$189.40 - that is 80 per cent of the wages paid to men.(4) When we recall that women were receiving 75 per cent of the basic rate for males just prior to equal pay legislation we realize that the gain for women in terms of pay rates has been marginal.



DUAL LABOUR MARKET

The above figures do not tell the whole story for they do not include the managerial class and they do not take account of the structure of the workforce itself. Women tend to be confined to low-paid jobs which have come to be regarded as women's work and few are found at managerial level. In Australia a dual labour market operates. Economists have described the situation in the following terms:

"The primary market is one of stable employment, high levels of skill and wages and good prospects for individual advancement. The secondary market is one of relatively low skills, high labour turnover and low wages."(5)

The duality can also be differentiated by sex: that is, men hold the jobs in the first category and women hold those in the second.

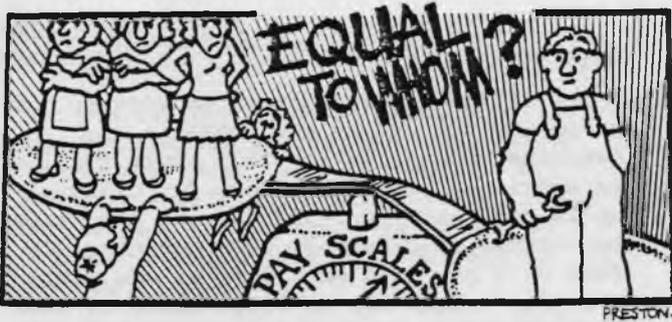
"Women have always been disproportionately represented in the labour force in women's jobs which require low levels of skill, offer below-average prospects for advancement and offer few opportunities to cross over into the better male jobs."(6)

Women work in a very narrow and rigidly confined group of occupations and the enormous increase of women into the workforce over the last fifteen years has hardly changed their concentration in these jobs at all.

In 1980 32.4 per cent of all employed women worked in the clerical area. Over 51 per cent worked either in the clerical field or in the professional/technical area. If we include the service, sport and recreation category we embrace 68 per cent of the female workforce. Another 13 per cent are in sales and 10 per cent in manufacturing. Thus 91 per cent of employed women work in only five occupational groups.

*Average weekly earnings of full-time non-managerial employees in major occupational groups. May, 1979.(7)

| | <u>Women</u> | <u>Men</u> | <u>Persons</u> |
|----------------------------|--------------|------------|----------------|
| Clerical workers | 185.50 | 231.70 | 208.60 |
| Prof/Technical | 237.70 | 275.10 | 256.40 |
| Service/Sport/Recreational | 173.80 | 233.70 | 203.75 |
| Sales | 169.20 | 221.90 | 195.55 |
| Manufacturing | 160.70 | 228.50 | 194.60 |
| Transport | 187.60 | 237.80 | 212.70 |



The table shows that the average weekly earnings of men and women combined in all of these occupations except for professional and technical are less than the overall average for men which is \$227.00.

It also shows that women receive considerably less than men even within each occupational grouping - thus wage discrimination against women is not just a result of the narrow and badly paid range of occupations open to them but it also exists within these occupational groupings themselves.

WAGE DISCRIMINATION WITHIN OCCUPATIONAL GROUPS

Clerical workers

This can be shown more clearly by breaking down these groups into their minor categories and comparing the hours worked and the number of men and women employed in these areas.

In May 1980 there were 316,400 men employed in the clerical grouping, of whom 38,000 were classified as book-keepers and cashiers and the remainder as general clerical. In the same group were 740,100 women of whom 117,700 were bookkeepers and cashiers, 190,200 were typists and stenographers and 432,000 worked in general clerical jobs.

The average earnings for males were \$231.70 per week for the whole clerical area and for women \$185.50. The male rate for bookkeepers and cashiers was \$215.00. For women the bookkeeping and cashier rate was \$181.30, the typist and stenographic rate was \$184.10 and the rate for other clerical workers was \$186.50. Two of these categories - that of bookkeeping/cashier and general clerical work - are the same for men and women and the work involved must necessarily be 'work of equal value'. Yet the pay rates show a difference of roughly 30 per cent. (8)

Exactly how the 'value' of work is determined has never been clearly defined but skill is usually taken into account. However in the clerical area we find that the two categories which require training and skill, namely bookkeeping/cashiers and steno/typists, are paid less than the third category for which no particular training is required and no skill needed other than to 'learn the ropes' which is required in any occupation. Typists receive a low wage and yet typing is a highly skilled occupation. The most outstanding feature of this occupation is that it is performed almost entirely by women and it would seem that this alone is the reason for its low average rate of pay.

Service, sport and recreation

The same patterns are reflected in all other occupational categories and are noticeable in the manufacturing and the service, sport and recreation sectors. 228,200 men and 380,900 women are employed in the latter group but within their areas of employment vary considerably. For women the largest category is 161,000 who work as housekeepers, cooks, maids, etc. - an area which employs only 35,000 men. Female housekeepers receive \$173.80 per week but men employed as housekeepers receive \$218.20. (9)

The largest male group is classified as fire brigade, police and other protective workers and includes very few women. Male protective workers receive an average of \$286.30 per week and the women are so insignificant that their average rate is not given. (10)

Two things become clear when we look at these figures. First, women dominate the lowest paid occupational groups and, second, within these groups themselves males receive a higher average remuneration than women. In fact the difference between male and female earnings is understated because no account is taken of the large number of women who only work part-time and because the figures exclude managerial employees. Inclusion of the former would lower the average for women and inclusion of the latter would raise the average for men.

Managerial Sector

Among full-time managerial and executive employees in the private sector in May 1979 there were 216,300 males and only 17,500 females. Only 8 per cent of this group were women although women made up 37 per cent of the total workforce. The public sector reflects the same trends. Women are so insignificant in this group of employees that the ABS does not provide figures for their pay rates. However we can estimate the difference by comparing the rates for males with those for persons which clearly show that within this group the majority of women receive lower wages.

The largest number of women in any one pay bracket is 2,600 women in the lowest bracket, that is less than \$200.00 per week. The largest number of men in any one bracket is the 24,000 men who receive \$280-300 per week. Women form 30 per cent of the lowest bracket, 6 per cent of the middle bracket of \$280-300 and only 1 per cent of the highest bracket of \$500 and over.

Part-time Wages

In August 1980 the three occupations which showed the lowest number of hours worked were those with the highest female participation, namely clerical, service, etc. and sales. This reflects the incidence of part-time work in these occupations and when we examine the differences between the sexes it becomes clear that it is women who are mostly working in these jobs. On average males worked 40.2 hours whilst women worked 29.9 hours and the shorter hours were not limited to married women. 'Other females' (which covers women who have never married, are divorced or widowed), worked an average of 32.4 hours which suggests that part-time work is not a comfortable arrangement for married women, as is often suggested, but rather a category of employment reserved for women. It is unfortunate that part-time hourly rates are not included in the average hourly rates calculated by the ABS for they tend to be lower than full-time rates and thus the hourly rates given for women are somewhat inflated.

OVERTIME

One of the large differences between the take-home pay of men and women is the overtime worked. In May 1979 women received an average of \$6.95 per hour for overtime while men received \$8.33. At the same time men worked considerably more overtime. In fact 80.4 per cent of all women who worked overtime worked six to eight hours or less whereas 43 per cent of men who worked overtime worked for more than eight hours. On average men worked 7.6 hours overtime while women worked only 4.7.(12)

OVERTIME PAYMENTS

Not only do men receive more overtime payments than women but they also receive more in over award payments. In May 1979 full-time, non-managerial males received an average of \$25.50 per week in other payments (which include attendance and good-time-keeping bonuses, profit-sharing and any other form of over award payment), whilst women averaged \$14.50 per week.

Even in industries which employ mostly women such as the textile, clothing and foot-wear industries, employ 34,908 men and 68,142 women, the over award payments of the males over 21 (\$24.20) are more than twice those received by women (\$11.70).(14)

Within these industries the absence rates of males who are manual non-tradesmen are 4.1 per cent and for women in the same category 5 per cent.(15) It does not follow that good attendance bonuses could possibly account for the differences. In fact the differences are probably accounted for by the fact that men and women have different jobs and that men's jobs are more likely to receive bonuses.

This practice of offering bonuses to men and not to women is long-lived. Even in the Second World War when female labour was greatly sought after and when wages were pegged, the Clothing Trades Union noted that male employees were contented because their actual wages increased with over award payments whereas women received no such benefits and were extremely dissatisfied with their pay rates. This situation which led to enormous industrial strife was never improved.



HIGH PROPORTION OF YOUNG WOMEN IN WORKFORCE

The average pay rates of women are further decreased by the fact that there is a comparatively large percentage of the female workforce which is very young. 14.9 per cent of women in the workforce are under 19 while only 9.8 per cent of males are so young.

The average weekly earnings among full-time males under twenty-one is \$134.40 and for young women \$123.50. This is quite astounding for a society which claims to be committed to equal pay for equal work. The young all enter the workforce without experience and the different sort of work available to males and females and the different rates of pay which accompany them.

CONCLUSION

Until women and men actually receive equal pay they will not achieve full equality in society. Women will always be assumed to be 'secondary' income earners to men who have a greater earning potential. This means that women will continue to be dependent on men as their prime supporters and whilst women earn less than their husbands, tax incentives can be offered which will dissuade them from working.

We have shown that there are several specific factors which manifest inequality in pay rates but underlying them all is a general discrimination against women which prevents them from receiving financial parity with men.

The one single factor which overrides and crosses through all other factors is the duality of the workforce and the fact that in practice it is drawn on sex lines and operates as a rigidly segregated entity. Until that segregation is broken women will continue to receive pay rates which are lower than those received by their male counterparts.

References

- (1) All figures are taken or calculated from A.B.S. figures. The Labour Force, August 1980. Cat.No.62030 and The Labour Force 1978, including revised Estimates from August 1966.Cat.No.62040, unless otherwise stated.
- (2) "The Australian Labour Market, December 1980" in Australian Bulletin of Labour Vol.7. No.1. December 1980
- (3) "Earnings and Hours of Employee Distribution and Composition, Australia" May 1979, A.B.S. Cat.No.63060.
- (4). Ibid.
- (5) "The Relevance of Segmented Labour Market Theories" The Australian Experience of the Achievement of Equal Pay for Women". R.C. Gregory & R.C. Donca presented to the Economic Society of Australia and New Zealand at Macquarie University, August/Sept. 1978. (p.2.)
- (6) Ibid. (p.3)
- (7) Op.Cit. A.B.S. Cat.No.64060.
- (8) Ibid.
- (9) Ibid.
- (10) Ibid.
- (11) Ibid.
- (12) Ibid.
- (13) Ibid.
- (14) "Survey of Absence Rates" Work and People, Winter 1977, Vol. 3, No.2. These figures are from 1976 but they are the most recent available and there is no reason to expect any great change to have taken place.
- (15) Op.Cit A.B.S. Cat. No. 63060.