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“How Can A National Minimum Wage Contribute To Narrowing The Gender Pay Gap And Moving Us Closer To Gender Equality?”

By Nina Benjamin

Over the past year much has been said and written about the role of a National Minimum Wage in the context of unemployment, poverty and inequality. Up till now the NMW discussions have largely been silent on the issue of gender inequality. This paper adds to the present discussion by raising the question “How can the NMW contribute to narrowing the gender pay gap and moving us closer to gender equality?”

Women workers in South Africa earn on average 38% less than men according to the World Economic Forum’s 2014 Global Gender Gap Report. The report ranks South Africa 83 out of 142 countries. In a country where wide ranging legislation is in place to protect workers against any form of direct discrimination, this is an alarming statistic. The most recent Amendment to the Employment Equity Act which came into effect on 1 August 2014 seeks to ensure that all female employees have the right to demand the same pay as male employees performing work which is the same, similar or of equal value yet even with equality legislation in place the gender pay gap persists.

There are clearly forms of indirect discrimination¹ that cannot be addressed through legislation alone. There is for example the perception that certain kinds of work are “women’s work” for example care-work and the skills and competencies associated with this kind of work are often undervalued. There is also work which is predominantly done by women and the pay scales for this kind of work such as pre-school teaching tends to be lower than work done in predominantly male sectors. Women are also generally responsible for the bulk of unpaid reproductive work which means that their employment is discontinuous, disadvantaging them in respect of access to career opportunities.

To achieve equal pay requires equality legislation, policies and programmes aimed at combatting discriminatory practices and gender-based stereotypes about the value of women’s work, publically funded services for supporting care work and a wage that enables both men and women to take care of their families. A minimum wage could provide women workers who find themselves in the low paid, undervalued jobs with increased protection and in turn decrease the gender gap with men who are more likely to be located in higher paid sectors like manufacturing and mining. Importantly a minimum wage could strengthen our struggle for gender equality.

1. “Indirect discrimination” is discrimination not written into laws or policies but rather the more invisible norms shaped by institutions like the family, church, school

SOUTH AFRICA'S GENDER PAY GAP AND WOMEN WORKERS IN LOW PAID FORMS OF EMPLOYMENT

Mainstream economics assumes that there is a principle of equal pay for equivalent work but in practice the ILO claims that women globally earn 77% of what men earn. The ILO's Equal Remuneration Convention, No. 100 passed in 1951 acts as a standard for framing national labour legislation to enforce equal remuneration. South Africa ratified Convention 100 on 30 March 2000 and in compliance with the Convention and in recognition of the principle of "equal pay for work of equal value", on 1 June 2015 a draft Code of Good Practice was issued by the Department of Labour. The code (Department of Labour, 2015) has the following objectives:

- *Provide practical guidance to employers and employees on how to apply the principle of equal pay/ remuneration for work of equal value' in their workplaces.*
- *To promote the implementation of pay/ remuneration equity in the workplace by employers, including the State, employees and trade unions through human resources policies, practices and job evaluation processes.*
- *Aims to encourage employers to manage their pay/ remuneration policies, practices and proper consultation processes within a sound governance framework in order to drive and maximise on the principle of equal pay/ remuneration for work of equal value that is fair, free from unfair discrimination and consistently applied.*

Women in the South African workplace are confronted with a range of discriminatory practices, behaviours, attitudes and policies. First-hand accounts from women participating in the LRS coordinated International Trade Union Confederation led Labour Rights for Women Campaign² speak of wide scale discrimination, harassment and abuse (LRW Annual Reports, 2013 and 2014). For many working women there is a consistent under and devaluing of the skills and competencies they bring to the workplace so that pay scales for jobs requiring similar skills, qualifications or experience are often lower when jobs are predominantly done by women. It is almost as if employers see that job as being of "less value" and in turn less pay-worthy and this then becomes the "standard" for the job. For example pre-school teachers, the vast majority of whom are women, play an invaluable role in the development of a child yet they have relatively limited access to career progression and are poorly paid even in relation to educators at other levels. This form of discrimination extends to wage negotiations, where not only are women seldom involved in negotiation processes but women in the more non-standard, low paid, low skilled jobs are largely unorganised and are therefore not included in collective bargaining processes (ibid).

Unpaid care work like caring for the sick and the elderly, bringing up children and housework are considered women's work. Domestic work is not equally shared between men and women and as a result women work longer hours when compared to men juggling their unpaid reproductive roles with paid employment and, as a result, have higher rates of absenteeism and interruptions in employment as compared to men, often to take care of children, parents, siblings and other members of extended families. These breaks in employment to carry out unpaid reproductive work has an effect on job security, career progression, work experience and long term benefits like UIF and pension funds where women who have not been able to work continuously are negatively affected by the rules governing entitlement and the level and duration of payments. All of this creates a perception that women have a weaker attachment to the labour market and that, particularly young women in their childbearing years, are unreliable and unsuitable for long term employment.

2. Labour Rights for Women Campaign, (LRW) Campaign - set up in June 2012 by the Gender Coordinators of the four national labour federations in South Africa- NACTU, COSATU, FEDUSA and CONSAWU.

"Women's reproductive work is a tax on their labour that they have to pay before undertaking income generating or expenditure saving activities. Since men do not have to trade their economic activities against domestic responsibilities the reproductive tax distorts how labour is allocated in the household" (Kabeer, 2003).

Wage structures are therefore not "gender neutral" and women entering the labour market are likely to face many of the challenges described above. An increasing number of women workers concentrated in low-skilled occupations and precarious forms of employment³ are more likely to earn low pay⁴, low pay being a key indicator of precarious work. With low levels of unionisation workers in precarious sectors are also more vulnerable to coercion and intimidation from employers because of the insecurity of their positions. In the South African context many women in precarious work not only earn very low wages but are also sole providers for children and other family members. Many women find themselves in precarious forms of work and in turn precarious work is dependent on women who have had few opportunities for skills development or furthering their education, are often sole breadwinners and are unlikely to be unionised – all of these acting as factors to widen the existing gender pay gap.

HOW CAN A MINIMUM WAGE CONTRIBUTE TO CLOSING THE GENDER PAY GAP

Can a National Minimum Wage play a role in reducing women's vulnerability to low pay in precarious forms of employment and reduce the gender pay gap?

In a paper prepared for the ILO Conference: *'Regulating for Decent Work*, July 2009, Jill Rubery and Damian Grimshaw explore the relationship between the size of the gender wage gap in a country in relation to the level of the statutory minimum wage and the strength of collective bargaining coverage in that country. Their findings reveal that countries with a statutory minimum wage at a relatively high level for example Australia has a gender pay gap of 2% and countries with strong collective bargaining coverage for example France has a gap of 9%. In both cases the gender pay gap is relatively low when compared to countries with neither a national minimum wage nor strong collective bargaining coverage, for example, a country like Japan with a gender gap of 27%⁵.

Rubery and Grimshaw's analysis of how the implementation of a NMW can be an instrument for moving towards gender equity provides us with a number of pointers that are useful when framing our own response to the relevance of a NMW for gender equity in the South African context.

Discrimination in the workplace is often highest amongst low paid workers in precarious forms of employment. A NMW will cover the majority of these workers regardless of sector. Women workers in all forms of employment will have a single figure to negotiate around. A single, nationally legislated figure will be important in raising consciousness amongst women workers who might have limited exposure to the intricacies of labour legislation, trade union organising and collective bargaining processes.

3. In 2014 about one million South African women were employed as domestic workers, 1.3 million in low-skilled occupations, and 2.6 million in semi-skilled occupations. Stats SA, in South Africa Survey 2014/2015, Institute of Race Relations.

4. "Women dominate lower earnings categories – a finding borne out on the basis of multiple data sources including household survey data and tax data – far in excess of their share of total employment, and mean and median wages are lower. The evidence suggests that at least part of this relates to women's involvement in domestic work, with three-quarters of domestic workers in 2007 classified as low-paid compared to 61% of those in the informal sector and 25% of those in the formal sector." The report on the Status of Women in South African Economy – pg. 78

5. Jill Rubery and Damian Grimshaw, *'Regulating for Decent Work*, July 2009, Paper prepared for ILO Conference

A NMW reduces wage dispersion and in turn a less dispersed wage, particularly amongst the lowest paid workers should allow for an upward variation⁶ and reduce the gender wage gap.

For many women workers who are sole breadwinners, low wages keep both themselves and their families in poverty. One way of alleviating the effects of these poverty wages is for workers to work longer hours to increase income for subsistence. Setting a NMW that meets the basic needs of women workers who are sole breadwinners could go a long way in alleviating the increasing burden women experience in trying to keep themselves and their families out of poverty.

THE MINIMUM WAGE DEBATE AND GENDER EQUALITY

Pervasive and cutting through all other forms of inequality, gender inequality is constructed directly through the policies that perpetuate gendered stereotypes and power relations or through policies which are “gender blind”⁷ as well as through the more invisible and unwritten norms and cultures that shape our everyday lives. Individuals in turn internalise these direct and indirect forms and codes of gender inequality and this is then reflected in their consciousness, behaviour and in their access to resources⁸ (Gender at Work Framework).

Proponents for a NMW argue that it provides a national floor below which no wage can fall (Cottle, 2015). This will ensure that we move towards more equal wage structures and workers earn enough to meet their basic needs. A focus on the NMW’s role in closing the gender gap does not as yet appear very prominently in the Department of Labour’s Investigation into a National Minimum Wage.⁹ While there is recognition that women form the majority of low paid workers who would benefit from a NMW, discussions on what a NMW figure would be, what should be taken into account when setting this figure and how enforcement and compliance will be ensured, seem to be “gender blind”.

The National Minimum Wage as a policy would cover both women and men from low income and marginalised households. For a NMW to be a path for addressing gender inequality it would need to be clear that while both men and women face poverty, men and women are not affected in the same way and working towards addressing inequality would need to take the different needs of women and men into account. If the NMW is to work towards gender equality it would need to address both the practical and strategic needs of women.

“Practical gender needs are the needs that women identify in their socially accepted roles in society. Practical needs do not challenge the gender division of labour or women’s subordinate position in society, although rising out of them. Practical gender needs are a response to immediate perceived necessity, identified within a specific context. They are practical in nature and are often concerned with inadequacies in living conditions such as water provision, health care and employment.

Strategic gender needs are the needs women identify because of their subordinate position to men in their society. Strategic gender needs vary according to specific

6. An upward variation is not automatic for workers in all low paid sectors and this will depend on how the NMW is negotiated

7. Gender-blindness refers to a failure to identify or acknowledge difference on the basis of sex. Policies incorporate biases in favour of existing gender relations and therefore tend to exclude women and are often explicitly male biased.

8. Informed by the Gender at Work Framework, an analysis of the role of social institutions or rules—both formal and informal—in maintaining and reproducing women’s unequal position in society

9. In 2014 the Department of Labour set up an investigation with the purpose of examining how a national minimum wage may be implemented in South Africa and to determine its likely impact on the wage structure, inequality, employment and on the standard of living of workers. Once the investigation has been completed, the department envisages a process of consultation with stakeholders and, possibly, further research to better understand particular issues relating to the minimum wage.

contexts. They relate to gender division of labour, power and control and may include such issues as legal rights, domestic violence, equal wages and women's control over their bodies. Meeting strategic gender needs helps women to achieve greater equality. It also changes existing roles and therefore challenges women's subordinate position" (Gender Links).

Addressing both practical and strategic needs would need what Naila Kabeer refers to as a gender redistributive policy, a policy that aims to create supportive conditions for women to empower themselves (Kabeer in March, Smyth & Mukhopadhyay, 1999). Would a NMW be set at a figure high enough for the many women who are single breadwinners to be able to afford appropriate childcare, or is the state considering taking more responsibility for providing childcare – both these are examples of measures that could support women who want to play a more active role in the labour market.

In August 2014 LRS facilitated a 2 day workshop, titled "A worker's dialogue on the National Minimum Wage". In a session focussing on the gendered dimensions of a national minimum wage, one of the participants summed up the views of many of the women present at the workshop:

"There ought to be equality in the work place and in the home. Women are care givers and they have to be providers too. As women and mothers we want good schools for our children and proper childcare ...what this NMW would mean to a woman is to be able to take better care of her family as many nights we go to sleep hungry" (LRS Workshop, 2015).

Creating conditions that will ensure women are able to monitor and enforce compliance is a key challenge for the NMW. *"No minimum wage will be attained without women's rights – Compliance can only happen if women workers feel empowered and informed and able to ensure compliance. We have the experience of domestic workers and the difficulty of ensuring compliance with the sectoral determination as an example. Many of the women workers that the NMW cover are not unionised and this poses challenges for compliance. All of this is linked to the internal gender dynamics within trade unions. We cannot advocate for a NMW that promotes gender equality without also advocating for union processes and union culture to change" (ibid).*

CONCLUDING THOUGHTS

What we can conclude is that *"a NMW that will take care of the poorest of the poor, the majority of whom are black, low skilled women, responsible for keeping themselves and their families out of poverty!"* is what is required (ibid). In many of the articles discussing the NMW policy fleeting reference is made to the role the NMW can play in lifting black women out of poverty. So who is this invisible mass of black women who could be lifted out of poverty through the implementation of a NMW? How involved are they in deciding what level the NMW should be fixed at, and what processes are in place to ensure that women feel empowered and supported to report breaches in compliance?

The same women who are forced to accept low wages and long hours while carrying out more and more unpaid reproductive labour as the state cuts public spending, is being "lifted out of poverty", a concept which sounds more like a favour than being paid for all their many hours of productive and reproductive labour. Neither the GDP nor public budgets show the value of this reproductive labour. This lack of visibility of women's contribution to the economy perpetuates women's marginalisation from the economy and entrenches gender inequality.

"There is a very simple equation operating here: if you are invisible as a producer in a nation's economy, you are invisible in the distribution of benefits (unless they label you a welfare 'problem' or 'burden'" (Waring, 2003).

So perhaps the NMW discussion needs to be turned on its head and we need to be looking at how a NMW can ensure that women's contribution to the economy is recognised.

Fixing the NMW is at the moment a highly contested discussion. Should it be close to the poverty line? Should it be a percentage of the national average wage? Should it be a percentage of the median wage? The question is who is involved in these discussions? How are the women who are to be "lifted out of poverty" to be involved, or do they remain passive, invisible recipients? What if the national discussion is framed around "how can a national minimum wage act as a basic, minimum cover for the contribution that women make to the economy"? In this way women will feel free and empowered to speak about how they see themselves contributing to the economy through the different kinds of labour that they are carrying out. Placing a value on reproductive labour will go a long way in women being recognised as equal and important contributors to society, which in turn will increase women's sense of self-worth and agency in closing the gender wage gap and taking the lead in dealing with issues like the level of the NMW and measures to ensure compliance.

"If the production boundary were extended to include production of personal and domestic services by members of households for their own final consumption, all persons engaged in such activities would become self-employed, making unemployment virtually impossible by definition. Rather than justifying leaving most of the work done by most women out of the equation, this statement surely demonstrates that the current definition of unemployment is inappropriate" (ibid).

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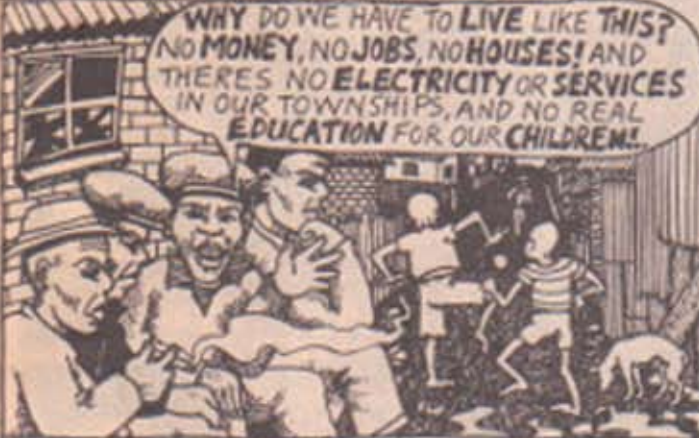
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...AND EVEN THOSE OF US WITH JOBS SUFFER—WE WORK HARD, BUT WE STILL DON'T EVEN GET PAID ENOUGH TO LIVE LIKE HUMAN BEINGS! BUT WHAT CAN WE DO?!



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