

# COMMENTARY

## Pay equity, the "free" market and state intervention

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*A number of publications opposing pay equity published by the Business Round Table, the Employers' Federation and the Centre for Independent Studies between 1988 and 1990 have opposed pay equity. The ideas in these publications are shared by many neo-classical economists who advocate the operation of a "free" labour market with minimal intervention by the State or unions. These arguments are currently being used to justify the repeal of pay equity legislation. This article provides an empirical evaluation of claims that a deregulated labour market will be to the advantage of women workers and that pay equity policies benefit only the most skilled women in paid work. It demonstrates that state intervention in the labour market and the unionisation of women in employment are associated with reductions in the earnings gap between women and men.*

### 1. Introduction

A National Government has just been elected which is committed to the repeal of New Zealand's pay equity legislation. In this context it is vital that advocates of pay equity critically evaluate the arguments which have been advanced against it by the proponents of a "free" market in labour. This paper examines the view that pay equity disrupts the operation of the "free" market, has disemployment effects and cannot deliver equality for women in workplaces. Penelope Brook, among others, has recently argued that, while pay equity policies benefit those women with skills and qualifications, it works against the interests of those who are most vulnerable in the workforce (Brook, 1990). Our interest is in an empirical evaluation of these claims.

The findings of empirical research show that women's earnings are closer to those of men in countries in which there is some measure of state intervention in the labour market and where a high proportion of women are members of nationally and regionally organised unions. We demonstrate that less skilled women with relatively low pay have benefited from pay equity policies in other countries and that these moves do not inevitably have disemployment effects. Issues surrounding job evaluation schemes used in pay equity assessments are reviewed. The paper concludes that pay equity is only one of a number of policies necessary for employment equity for women and that it should be examined in relation to a range of other strategies.

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## 2. Pay equity the "free market" and state intervention

Women in New Zealand earn on average 81 percent of male hourly ordinary time earnings (Research Advisory Group, 1990, p.85). This is largely the outcome of their concentration in a narrow range of occupations which have traditionally been dominated by women workers (Research Advisory Group, 1990, pp.87-92). These occupations have often been associated with lower rates of pay than jobs in which men are concentrated. Arguments for pay equity are based on the view that these lower rates of pay are a consequence of a history of gender discrimination in the labour market (Treiman and Hartmann, 1981; Wilson, 1988; Kim, 1989). Women in the past experienced this discrimination both when they were doing the same jobs as men and when they did different jobs using traditionally "female" skills.

The trend to pay women less has been partly based on the assumption that men are "breadwinners" and women are the economic dependents of their male partners (Novitz, 1987; Iverson, 1987). It is also an outcome of the systematic perception of "women's jobs" as less valuable, leading to a lower assessment of their economic worth and consequently lower pay. As Remick argues:

Virtually all women's work suffers from the cultural perceptions that its main purpose is to help, not to do, and that there need to be men around to tell women what to do. These beliefs lead naturally to an assumption that women's work deserves little compensation (Remick, 1984, p.97)

Equal pay has been directed at paying women the same as men for doing the same jobs. On the other hand, pay equity aims at increasing the rates of pay for women and men in female dominated jobs which demand similar levels of skill, responsibility, effort and working conditions as higher paid jobs predominantly done by men. Comparison of occupations usually also involves attention to differences in pay which could be the outcome of differences in recruitment and retention of staff (Research Advisory Group, 1990, pp.137-138; Employment Equity Act, 1990, p.29).

New Zealand pay equity legislation involves the State making pay equity "assessments" using a job evaluation system to compare a "female" occupation with two "male" occupations<sup>1</sup> (Employment Equity Act, 1990, pp.20-31). Unions and employers can use the assessments when negotiating awards and agreements (Employment Equity Act, 1990, pp.31-32). There is provision for final offer arbitration through the Arbitration Commission if, after 60 days of making the claim, it has not been settled (Employment Equity Act, 1990, p.32). Contrary to the claims made in Penelope Brook's monograph and by the National Party, New Zealand's current pay equity legislation allows for consideration of supply and demand or "market" factors (Employment Equity Act, 1990, p.29), and is to be achieved principally through union and employer negotiation, rather than wage fixing by the State as is the case in Australia.

The arguments against pay equity rest on the view that in a "free" unregulated labour market there will be no discrimination on the basis of gender, age, race, religion or sexual orientation. "Supply and demand" and the "productivity" of workers will determine wage levels, not gender ideology (Brook, 1990, p.5). Accordingly, if women have been paid less it is largely a function of supply and demand factors, their lower "productivity"<sup>2</sup> their

1 A "female" job (in the New Zealand context) refers to an occupation in which women are 60% or more of the workers. An equivalent definition is used to identify "male" occupations (Employment Equity Act, 1990, p.4).

2 Productivity is a highly problematic concept. It may reflect the "productivity" of the employment organisation or the potential abilities of the worker, measured according to "human capital" factors such as education and years on the job. It is never clearly defined by Brook and it is therefore difficult to assess her claims about women's lower "productivity". Advocates of comparable worth argue that the "productivity components

involvement in childrearing and their lower educational and vocational qualifications (Brook, 1990, pp.6-9).

Similarly, the discussion of income differentials between women and men draws heavily on "human capital" factors as explanatory variables (Polachek, 1984, pp.34-53). Married women's lower earnings are explained by their domestic commitments which require them to be employed intermittently, part-time and/or enter less "demanding" jobs. Brook asserts that single women without these commitments earn 91 percent of men's earnings. However, the source she cites provides no empirical evidence to support this statistic.<sup>3</sup> She further asserts that since employers (ideally) cannot afford to discriminate on the basis of factors not relevant to "productivity, inequalities in outcome for women and men in the labour market cannot be attributed to employer discrimination" (Brook, p.9).

According to this analysis, if women have experienced discrimination, this is the outcome of government regulation and trade union action. It follows that women need less government regulation and less trade union interference in relations between women workers and employers. The alternative proposed is reliance on the "gender blind" features of pure free enterprise to deliver "fairness" in employment for women. These arguments are the ideas underpinning the directions in labour market policy being pursued by the National Government. As Brook herself stresses, debates about pay equity policies centre around whether the free market can provide the basis for "a fairer more prosperous society" (Brook, 1990, p.2), or whether government regulation is necessary to produce more equal outcomes.

However, not all advocates of the free market oppose government regulation in response to historically based discrimination against women earners. Barbara Bergmann, an economist who considers that "prices and wages are best determined in a free, competitive market by supply and demand" (Bergmann, 1985, p.71), also argues that this market has not in the past always displayed the "freedom of competition" that are supposed to be its ideal features. As a result, she concludes that "wage revisions designed to reduce the wage gap between the sexes are reasonable and desirable if they bring us closer to the more efficient and fairer structure that would be established by the free market itself in the absence of discrimination" (Bergmann, 1985, p.72). Recently she has elaborated on these views arguing that "... the conventional arguments that economists bring to bear against comparable worth are based on overly simple ideas about how the market works" (Bergmann, 1989, p.68).

International evidence suggests that the "free market" is not inherently "fair" to women. The wage gap between women and men's earnings is highest in those countries in which capitalist enterprise has most freedom to operate without government intervention. Since the United States is closer to the ideal of a free market and is characterised by less government intervention in the labour market, women ought to be better off there than in New Zealand. However, women in the USA earn 70 percent of men's median weekly earnings, while New Zealand women earn 77 percent of men's average weekly ordinary time earnings<sup>4</sup>.

of the job should be separated from the comparison of jobs with respect to job content and working conditions.

3 The 91 percent figure is derived from a journalistic account of pay equity issues in T. Sowell (1987).

4 This comparison of ratios of male and female earnings involves comparing the differences in median weekly "usual" earnings in the United States in 1988 with differences in the average or mean earnings of women and men in New Zealand in the same year obtained through the Quarterly Employment Survey conducted by the Department of Labour in 1988. We are cautious about comparing ratios generated by comparison of medians and means. However, a difference as large as 7 percent between the USA and New Zealand cannot be attributed to differences in the types of statistical measures used. (US Department of the

Moreover, women's increased access to positions of responsibility in large organizations in the public and private sectors in the United States has occurred in response to affirmative action policies pursued by the Federal Government (Rosenbaum, 1985). The obvious interpretation of this information is that government intervention in the labour market leads to a reduction of the wage gap and improvements in women's access to occupations that were previously all male preserves. Women therefore need more rather than less state intervention in the labour market.

State and union intervention in the past often did have discriminatory effects on women (Iverson, 1987). It is surprising that at a times when unions and the State become more committed to rectifying discrimination, employers and those who advocate their interests resist legislation which gives effect to a new set of more liberal sentiments with respect to women's access to earnings and employment opportunities. Besides, if capitalism and gender discrimination were indeed incompatible as neo-classical economists often argue, employers would have resisted the actions of the Arbitration Court in the 1920s and 1930s which set female minimum wages at a lower rate than those for men. They would also not object to legislation which requires them to do what Brooks suggests they would normally do anyway.

Clearly, as Alice Kessler-Harris has suggested, the market "is not independent of the values and customs of those who participate in it" (Kessler-Harris, 1988, p.239). Many wage theorists recognise that a variety of "exterior" factors determine wages as well as demand and supply factors (Dunlop, 1979, p.66). For some time there has also been recognition of the fact that workers use comparisons with other occupations to assess whether they are getting a "square deal" (Kessler-Harris, 1988, p.241). Pay equity assessments in the New Zealand context could enable women workers to get access to information about the gap between their earnings and those in other occupations which are similar with respect to levels of skill, effort, responsibility and working conditions.

### 3. The empowerment of women through "freedom of contract"?

Brook argues that a major source of inequitable treatment of workers is the Labour Relations Act 1987. She considers that it undermines the "freedom" of workers to negotiate their own contracts with employers and to choose the forms of worker association they prefer (Brook, 1990, pp.23-25). These arguments are also currently being made by the Minister of Labour who favours the "flexibility" of individual contracts of employment.

The concerns raised by Brook about the way male trade unionists have focussed on the interests of male workers are not complemented by critical reflections on predominantly male employers. She exhibits a blind faith in the generosity of employers, who are portrayed as waiting to enter into individual contracts of work with women which will accommodate many women's needs for flexibility in hours of work and result in their increased access to male dominated occupations and positions of responsibility. In a high unemployment economy it is difficult to be convinced that most workers will be "empowered" by being able to enter into individual contracts with their employers. It is also difficult to believe that "freedom of contract" which entails voluntary unionism will, through competition in a free marketplace, "penalize exploitative or discriminatory treatment" (Brook, 1990, p.24).

#### 4. Unions and discrimination against women

Brook argues that the discrimination women experience as workers is often a consequence of union rules relating to hours of work and occupational licensing which limit their access to certain jobs and their opportunities to work the hours which fit with their family responsibilities. Her argument that pay equity will not remove the problems associated with negotiating flexible hours of work and access to "male" occupations is not, however, inconsistent with the pursuit of pay equity.

What pay equity may deliver is improved rates of pay for women in occupations in which they are numerically dominant. Other strategies are necessary with respect to access to jobs and hours of paid work. Pay equity, as Evans and Nelson have argued, cannot be expected "to solve problems it was never designed to address" (Evans and Nelson, 1989, p.184).

Echoing other "human capital" theorists, Brook attributes women's unequal position in the labour market to the choices they make to reduce their involvement in paid work when they have young children. She implies that, while trade unions may penalise women for making those choices, the operation of the free market will ensure that this does not occur.

While attitudes and interests are seen as important factors influencing the operation of New Zealand unions, employers are constructed in this monograph as the neutral agents of an ideally non-discriminatory free market. Discrimination is theoretically inefficient in a free enterprise economy, therefore we are asked to believe that it will not occur if employers are left to their own devices to negotiate freely with the women they employ.

It is surprising that the largely ununionised female workforce in the United States do not therefore enjoy higher rates of pay relative to men<sup>5</sup>. The wage gap between women and men is much less in Sweden and Australia where there are high levels of state intervention in the labour market and high levels of unionisation among women workers (OECD, 1985). Since women's earnings relative to men's are highest in countries where unionisation is high and there is more rather than less state intervention, the potential for the "free" unregulated labour market to employment equity for women must be challenged. Further empirical evidence to support this challenge is elaborated below.

#### 5. An empirical evaluation of the "free" market and "fairness" for women

A recent study of wage rates for women in Australia, Britain and the USA confirms that women benefit from a labour market in which there is some measure of state intervention and in which they have a good chance of being unionised. Gregory, Anstie, Daly and Ho provide a 2 decade (1964 -1984) analysis of relative earnings of women and men in these three societies (Gregory *et al.*, 1989). While their work monitors the effect of the implementation of equal pay rather than pay equity legislation, their review has important implications for an assessment of Penelope Brook's assertions about the "inequity of pay equity".

5 In 1988 16.8 percent of the total workforce were union members. Only 12.6 percent of women in the paid workforce were unionised, while 20.4 percent of men were in this category. Union membership was much higher for those in the government sector - 36.7 percent vs 12.9 percent in the private sector (excluding agriculture). Median weekly earnings in the government sector are higher than those in the private sector (United States Department of Commerce, Bureau of Statistics, *Statistical Abstracts of the United States*, January 1990, p. 419.)

Gregory *et al.* ask why the ratios of female to male earnings improved more rapidly in Australia and Britain than in the United States over the decade studied, despite the fact that the United States pioneered the introduction of equal pay legislation in 1963. They explore whether the differences can be explained by "human capital" factors such as the levels of qualifications of women in each of these countries. They find that the human capital model cannot explain these differences (Gregory *et al.*, 1989, p.227)

The explanation advanced by Gregory *et al.* focuses on the institutional structures of the different societies. State regulation of wages and the existence of national agreements involving large unions which set rates of pay for a wide range of workers emerge as the source of differences in women's wages relative to those of men in the 3 countries. Discrimination against women in wage fixing in Australia and Britain had been more explicit than the United States prior to the passing of equal pay legislation. This legislation allowed some measure of assessment of equal pay for work of equal value or pay equity, but most importantly gave women in low paid jobs access to higher minimum rates of pay through the extension of male minimum rates to women (Gregory *et al.*, 1989, p.230).

In Australia and Britain there was an institutional structure which could be used to correct explicit discrimination against women with respect to earning when state policy changed. In the USA, however, there have been no comparable large scale institutions to correct discrimination in wages between women and men, despite the passing of the Equal Pay Act in 1963, about a decade before the introduction of similar legislation in Australia and Britain. Outcomes depend much more crucially on the dynamics of the market, which result in a larger wage gap between the earnings for women and men in the USA (Gregory *et al.*, 1989, pp.229-237).

Gregory *et al.* further argue that the success of strategies in Australia and Britain for improving women's pay relative to men rested on mechanisms for ensuring that each pay agreement included a common minimum rate for women and men that extended across firms (Gregory *et al.*, 1989, pp.233). This evidence therefore contradicts the claim that the best context for improvement in women's earnings is the free operation of the market with minimal involvement by the State in wage fixing. In the absence of state initiatives to encourage equal pay and pay equity and a well developed structure for union negotiation of rates of pay, women earn far lower wages than men.

## **6. Employment loss as a consequence of moves to improve the ratios of women and men's earnings**

Gregory *et al.* also address the issue of potential employment loss which Brooks assumes will be an outcome of the pursuit of pay equity. They conclude that, while the rate of women's involvement in employment was highest in the USA, it rose by much the same amount in each of the countries studied (by 25 percent in Australia, by 27 percent in Britain and by 31 percent in the USA). Their conclusion is that improvements in women's wages relative to those of men in Australia had only a slight negative impact on the demand for women workers in that country. They suggest that: "... the impact of the large changes in pay relativities on female demand and supply must have been marginal" (Gregory *et al.*, 1989, p.237). Australian women were most advantaged by strategies directed at improving the ratio of female to male wages, and yet there was no evidence that they were seriously disadvantaged after the equal pay judgements.

This suggests that there are grounds for questioning Penelope Brook's assertion that the introduction of pay equity in the New Zealand context will have disemployment effects. At the same time, it is important to note that the best climate for movements towards comparable worth is low rather than high unemployment (Hartmann, 1987, p.257). We need to think about how we can provide a climate conducive to the

achievement of employment equity, rather than postponing its achievement because the conditions are not ideal.

## 7. Job evaluation and comparable worth/pay equity

Opponents of pay equity naively charge that the pursuit of comparable worth implies that women should be paid for the "intrinsic worth" of the jobs they do (Brook, 1990, p.10). However, comparable worth or pay equity advocates argue that jobs should be rewarded, not on an assessment of their intrinsic value or their utility in the community, but on the basis of comparative analysis drawing on similarities and differences between occupations. Their interest is in job evaluation systems which tell us about "how employers set pay, and ... how such evaluation can be used as a benchmark against which to judge whether comparable men's and women's jobs are treated differently" (England and Dunn, 1988, p.229).

Brook acknowledges that job evaluation schemes have been used by employers for years to arrive at a system of pay rates for those they employ. Job evaluation done to "enhance their [employers'] ability to put prices on jobs" is part of efficient management, but job evaluation schemes associated with pay equity moves are seen as "subjective" and suspect since they disrupt the free operation of market forces (Brook, 1990, p.13). She cites the way different schemes yield different rankings of occupations while claiming to be "gender neutral" assessment systems<sup>6</sup>.

Much critical attention has been directed at processes of job evaluation (Treiman, 1979; Beatty and Beatty, 1984; Burton *et al.*, 1987; Schwab, 1989; Greig *et al.*, 1989). Since job evaluation schemes are used by many employers to determine the rates they are prepared to offer for certain jobs, it is crucial that they be subjected to scrutiny, irrespective of their use in pay equity claims. It is difficult to understand why Brook, among other neo-classical economists, considers them relatively unproblematic as devices for employers to set wages, and so disruptive if used to advance women's arguments for higher rates of pay.

Critics of comparable worth or pay equity often argue that the strategy for comparing "male" and "female" jobs involves comparing "apples and pears". As a matter of fact, the practice of such procedures is an inherent aspect of job evaluation systems whatever their purpose. Most job evaluation systems involve comparing different jobs by establishing common factors which are weighted in accordance with their relative contribution to the job. This entails summing the aggregate score or "point value" for each job. This practice has been widely used in both public and private sectors in the United States and New Zealand.

A key issue is the weightings given to the factors which are considered in the job evaluation. Close examination of job evaluation schemes reveals persistent elements of gender discrimination. For example, the weightings of factors that are mostly associated with women's skills, such as personal/human relations, servicing and caring have invariably been underestimated, and therefore underpaid (Trieman and Hartmann, 1981; Treiman, 1984; Hyman, 1987; Steinberg and Haignere, 1987).

6 The methods utilised in job evaluation systems cover a considerable range of measurements that are likely to influence the process of determining the relative value of jobs, and thus decisions about payments (Livy, 1975). Accordingly, the application of different measurements would provide different assessments of job worth for the same occupations in various organisations. In the context of comparable worth, the use of job evaluation schemes focuses on quantitative measurements based on an analytic (a priori) approach. This involves the application of a single point factor system across all job families or classes and preferably a single pay policy line. (For detailed discussion of the technical details involved, see Remick, 1984, p.99 and Steinberg and Haignere, 1987, p.159).

It is sufficient to indicate here that because the choice of factors and their weightings inevitably involve human judgements, the problem of subjectivity is inherent in job evaluation, or any other types of evaluation for that matter. Hence, the probability of developing an objective bias-free job evaluation scheme may not be fully realised. But what comparable worth strategy attempts to achieve is the development of guidelines that reduce gender discrimination and which in effect can "serve as a reminder that bias should be eliminated whenever possible" (Remick, 1984, p.100)

Feminist analysis of job evaluation schemes has often focussed on how they can be used to perpetuate and legitimate differences in the earnings of those in male dominated and female dominated occupations (Hyman, 1986; Burton, 1987; Mount and Ellis, 1989). However, despite the tendency for most job evaluation schemes to favour jobs in which men are the majority, the application of schemes like the Hay system of job evaluation has revealed significant differences in the pay of those in occupations which have very similar points scores (Evans and Nelson, 1989, pp.175-177). Scattergrams of the relationship between salary and scores on the Hay job evaluation point system indicate that there are distinct pay lines for male and female dominated jobs - male dominated jobs tend to cluster around one line through the graph and female dominated jobs around another, even when these jobs score the same number of points.

The highly technical nature of job evaluation entails considerable reliance on experts and the need for workers, trade unionists and employers to absorb a lot of information in order to demystify the expertise of the technicians. Job evaluation schemes may expose gender inequality in earnings of those doing comparable work, but they are also a technocratic device for legitimating differences in earnings between occupational groups (Evans and Nelson, 1989, pp.176-180). These job evaluation schemes can be used to justify inequality of remuneration between women workers with differing levels of formal skill and training. In the New Zealand context, they could be used to legitimise the differential earnings of women with formal training and those with limited educational and vocational qualifications. Maori women and Pacific Island women are overrepresented among those without formal qualifications. Job evaluations schemes have the potential therefore to justify inequalities in outcome between women in different ethnic groups.

Critical reflection on job evaluation as a component of pay equity policies is therefore vital, but it should be pursued in order to reveal the limitations of pay equity as a strategy for equality for women, not to undermine its potential to deliver improvements in earnings for a range of women who occupy different positions in a hierarchically organised paid workforce. As we indicate below, empirical evaluation of the implementation of pay equity strategies reveal that they can deliver increases in pay for women with minimal formal qualifications in the lowest paid forms of work.

## **8. The impact of comparable worth/pay equity policies on low paid women workers: evidence from the United States**

Information from the United States suggests that the implementation of comparable worth or pay equity strategies for state employees and those employed by local authorities has not solely benefited women with educational and vocational qualifications at the expense of women who are most vulnerable in the labour market. The Washington State pay equity study revealed that women laundry workers and telephone operators have benefited from comparable worth claims, as well as nurses, clerical workers, and physiotherapists (Remick, 1984, p.106).

Studies of the implementation of state-imposed comparable worth legislation in Minnesota indicate that there have been no job losses there due to comparable worth initiatives for state employees and those employed by 22 localities in that state - 4 counties, 10 cities, and 8 school districts (Evans and Nelson, 1989, p.183). At the same

time there are pressures to reduce the size of work forces in these localities which are part of nationwide pressures associated with fiscal constraint. There are some fears that localities having to meet the costs of higher wages for women workers will cut back on policy initiatives like programmes for "latch key children" (Evans and Nelson, 1989, pp.183-84).

Evans and Nelson's study of the Minnesota comparable worth initiatives concluded that pay equity can put money into "the hands and pockets of women and minorities who are at the lowest end of the pay scale" not just those women with high level qualifications (Evans and Nelson, 1989, pp.185-86). They look at improvements in the base pay for an entry level Clerk 1 which had risen \$2,246 as a result of comparable worth raises in the period 1984-1987.

They argue that comparable worth should be seen as a long term strategy which has both good and "troublesome" consequences (Evans and Nelson, 1990,p.187). In the light of these findings it appears that Penelope Brook's discussion of pay equity/comparable worth exaggerates the possible negative outcomes, while neglecting to consider the positive consequences.

## 9. Pay equity as one strategy for the end to discrimination against women

Penelope Brook tends to imply that advocates of pay equity think that it is the only solution to all labour market inequalities between women and men. The strategy in her monograph is to set up pay equity as a potential solution to a range of problems that it was not intended to address; she then demonstrates that it is not a viable strategy because it cannot solve those problems. Most of those who argue for pay equity or comparable worth consider that it is useful as one means of addressing discrimination against women in paid work. As Robert Michael and Heidi Hartmann have recently indicated:

... comparable worth is not designed to cure all possible labour market discrimination against women. It is a prescription for a specific illness that has to do with certain jobs being undervalued. In particular, if jobs held disproportionately by women are undervalued according to some objectively held criteria partly because they are held disproportionately by women, then comparable worth is a medication a wise doctor would consider prescribing. If instead a different illness exists, one that is related to limited access to jobs or limited opportunity for advancement by women, or to lower pay to women for the same work ...then other medication such as equal employment opportunity legislation, remedial affirmative action or traditional equal pay remedies, would be more appropriate (Michael and Hartmann, 1989, p.2)

The recognition in New Zealand that a variety of different strategies are needed to address inequalities between women and men in paid work is reflected in the current Employment Equity Act which does address the issue of the need for both pay equity and equal employment opportunity. It focuses attention on the processes which produce unequal outcomes for women and requires large employing organizations to identify those processes and devise strategies to change them in the interests of women's access to the full range of jobs and positions of responsibility in their workplaces. A recent report from the National Advisory Council on the Employment of Women also stresses the need for a variety of strategies to improve women's access to paid work, to a wider range of jobs and to better rates of pay. It concludes that :

A complex set of factors influences women's access to jobs, the sort of work they do, their opportunities for career advancement and their rates of pay. An adequate response to that complexity by those interested in ending inequalities

between women and men and between Pakeha, Maori and Pacific Island women is a varied set of strategies which range from monetary policy to the detail of childcare funding and the forms of job evaluation to be used in pay equity assessments" (Research Advisory Group, 1990, p.176).

This argument that pay equity must be seen as just one of a number of strategies necessary to achieve equality for women in the labour market is echoed in the work of Evans and Nelson who have extensively studied the implementation of comparable worth in the state of Minnesota. They argue that comparable worth "is neither a single utopian answer to wage inequity, nor is it dismissable because it does not do everything." (Evans and Nelson, 1989, p.178).

It is important that those who want to defend pay equity not exaggerate the extent to which it can deliver employment equity for women. At the same time it is vital that there be informed debate about the ways in which it has the potential to rectify historically based inequalities in pay between occupations in which women predominate and those in which men are a majority. This potential is best realised in a context of economic policy aimed at reducing unemployment, the pursuit of equal employment opportunity in all workplaces, improvements in women's access to childcare and educational strategies directed at extending the range of occupations in which women are represented. We consider that state intervention in the labour market and strong union organizations are necessary if these conditions for employment equity for women are to be realised in the 1990s.

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