

# LOW WAGED WORK AND GENDER PAY EQUITY IN NEW ZEALAND

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## INTRODUCTION

This paper examines the nature and extent of links between low waged work and gender pay equity in the New Zealand labour market. Women, especially Maori and Pacific women, are overrepresented in low waged work. Internationally, high levels of female unionisation and centralised bargaining are strongly associated with lower wage differentials and a lower gender pay gap. In New Zealand, as in many English speaking first world countries, differentials are widening and collective bargaining covering lower proportions of the labour force, to the detriment of gender pay equity and particularly the position of lower waged women. But before turning to these main issues with which I am charged, I cannot resist making some remarks about equal pay for work of equal value in general.

Equal pay for work of equal value is a principle central in ILO Convention 100 and also enshrined in CEDAW, both of which New Zealand has ratified. If properly implemented, it could benefit both higher and lower paid women employed in female dominated types of work currently undervalued. Some low paid female occupations in fact require important skills. As Minister of Women's Affairs Ruth Dyson said on Suffrage Day 2002 with respect to home care workers: "It is a triple whammy where workers are undervalued because they are primarily women, the type of work they do is undervalued, and the older people and people with disabilities they care for also undervalued."

This conference takes place at an interesting time for equal pay for work of equal value policies, generally and in the public sector in particular. Pay equity/equal pay for work of equal value is of major concern to many groups - the most prominent of these currently are nurses, who are conducting a strong campaign for valuing their work.

Part 2 of the Employment Relations Law Reform Bill, currently being considered by the relevant Select Committee of Parliament, if enacted, would repeal the Equal Pay Act 1972 and the Government Service Equal Pay Act 1960. It replaces them with a process covering only equal pay for identical/substantially similar work, with even these mechanisms considered inadequate by many commentators, including myself. Individualised processes are widely judged to be inappropriate when the only mechanism available. Further, such claims are already available under human rights and personal grievance procedures. It is essential that a collective route and a major role for trade unions are also available. Further, the legislation does not permit the taking of equal pay for work of equal value claims. While there are problems with both pieces of current legislation and they would certainly benefit from being updated, their repeal in this way would be symbolically a severe blow and unfortunate signal with respect to equal value policy.

The Government and Department of Labour is suggesting that the 1960 and 1972 Acts either never covered equal pay for work of equal value or no longer do so, given case law and later legislative changes. The first is simply an incorrect reconstruction of history, while the second is strongly challenged. The Campaign for Equal Value, Equal Pay submission to the Select Committee on the Bill covers both in detail (see also Orr, 1986, a and b, and 2004, Hyman, 1987 and 1993, and Coleman, 1996). Certainly earlier Labour Governments accepted that the 1972 Act covered equal value, with their 1984/90 administration conducting studies about why it was not being achieved. As a result they initiated the short lived 1990 Employment Equity Act which attempted to cover the issue more adequately in the changed industrial relations environment. This was never activated beyond initial claims and was rapidly repealed by the incoming National government.

The current Labour government now wishes any progress on equal value to be cautious, led by the public sector, and without legislation. It set up the Taskforce on Pay and Employment Equity in the Public Service and Public Health and Education Sectors which was published with the government response in May. Its report was unambiguous in its support for the principle of equal pay for work of equal value and it made many strong recommendations. Right at the outset, it states that "the overall principle of the Action Plan is to ensure that in the state sector, pay is not affected by gender - "that is, women's and men's work of similar value is paid similarly". However, officials dissented from the view of the rest of the Taskforce over Recommendation III. B (b) which raised many concerns with the legislative proposals above.

Public sector leadership may be sensible on an issue where employers resist progress. It is in the broad public sector where some progress has been made using equal value arguments in collective bargaining/court decisions - examples include midwives versus general practitioners for fees for normal birth and pay parity for primary teachers when equally qualified with secondary teachers. However, impediments in the private sector, including privacy legislation preventing knowledge of the pay of others, must be overcome and appropriate mechanisms enacted.

## **LOW PAY**

The rest of this paper concentrates on general issues and policies relating to low income earners, many of them part time and/or casualised, among which women, Maori/Pacific employees, and new migrants are overrepresented. The discussion focuses on the extent of low pay, issues with respect to pay differentials, the form and nature of wage bargaining, and the role of the minimum wage. Despite the symbolic and actual importance of specific gender targetted policies, it is likely that in many circumstances such general issues and policies have greater impact on female incomes and the gender earnings gap than the more direct approaches. I undertook a project for the Taskforce to investigate the relationships between low pay, pay and employment equity, and the gender earnings gap, and draw on it here.

Low pay for that project was defined as earnings below \$12 per hour, approximately 2/3 of average earnings. In May 2003 24.1% of men and 34.8% of women were low earners under this criterion, with the incidence of low pay in New Zealand towards the high end among OECD countries. The incidence of low pay is particularly high (47.1%) among Maori women, with 10% reporting earnings below the minimum wage (then \$8.50, now \$9) and 45.9% among Pacific women.

Part time work is heavily female and disproportionately low paid. 61% of those earning up to \$10 per hour in 2003 were part time, as against 38% of those earning above \$10 per hour (36% of those below \$10/11% above for men). The gender and ethnic gaps are striking, while the 29.3% overall who are low paid is high by OECD standards. Hence if New Zealand once had comparatively egalitarian wage structures, this is no longer the case. The project reports in detail on low pay and the gender gap in the public sector, education and health, together with low paid contracted out work by the public sector. Space here permits only a few statistics and comments in this area.

A smaller proportion of women and ethnic minority employees are low paid in the three sectors than elsewhere. However, the pattern of a greater incidence of low pay for these groups than for European/Pakeha men is still strong in these three industries. The gender gap in *low* pay is widest in education, although the gender gap in *average* pay is widest in health. The proportion of female employees paid below \$12 per hour in education is 24.3%, as against 14.9% for males, with 4.4% of women reporting hourly income below the minimum wage. The ethnic gaps are also generally widest in education, with 33.6% of both Maori and Pacific employees paid below \$12 per hour in education, as against 19.3% of European/Pakeha and 23.1% of those in other ethnic groups. However, Maori in health services also have a high incidence of low pay, with 34% below \$12 as against 15.2% of European/Pakeha, 24.7% of Pacific employees, and 12.3% of other ethnic groups.

Low paid work has been contracted out by the public sector, education and health extensively in the last ten to twenty years, resulting in deteriorating conditions in work which was already low paid. Much of it is done by women and ethnic minorities, with Maori and Pacific peoples heavily represented in school and hospital cleaning, kitchen, and laundry work, while there are also many Asian employees in some areas. The need to keep tender prices as low as possible to win contracts could result in any hourly pay increases arising from employment equity measures simply resulting in lower hours being offered to the employees involved. In education and health, government allocations set the framework and constraints on total labour costs, even if this is mediated through Hospital Boards and Boards of Trustees. Competitive tendering in successive rounds over time with ceilings dependent on past levels of funding may exacerbate these issues. The Public Service Association suggest: "a code of pay and employment practice for contracting out in the state sector which ensures competitive tendering does not drive down pay and employment conditions for low paid workers." Homecare work is a classic example of these issues (Burns et al, 1999).

It is reasonable to ask to what extent is low paid work a problem. My project report discussed this question by considering first whether the proportion in such jobs is low, which is not the case. A second important issue is whether the level of the low pay meets adequacy criteria and/or those in such jobs are topped up individually or at a household level to adequacy. This is beyond the scope of this paper, but is discussed in poverty literature, with the Child Poverty Action Group and the poverty project of the Family Centre and Victoria University certainly concerned about the extent of poverty, particularly among families with dependent children. The recent Budget initiatives in the Working For Families programme will alleviate but not solve this problem. Third is the issue of whether low pay is seen as justified in terms of productivity. This is discussed later in this paper and more thoroughly in my project report, with strongly divergent views covered.

The final issue considered was whether being in low paid work was mainly a short or long term situation: if most low paid jobs were entry level with fairly rapid progression to better paid work, the problem would be less. However, while evidence on mobility out of low paid work is limited, it is clear that many areas of such work have short ladders, if any, within the occupation and no easy transitions to better paid work. With the large numbers and female dominated nature of low paid work, it can hardly be seen as unproblematic.

## **WIDENING DIFFERENTIALS AND THE REDUCTION IN COLLECTIVE BARGAINING**

The evidence is clear throughout the English speaking world, that labour market differentials or relativities together with overall income inequalities among individuals and households are widening. A review for Treasury states “the increase in New Zealand’s income inequality seems to have been proportionately larger than seen in most other developed economies. New Zealand now appears to have one of the highest levels of inequality in the OECD” (O’Dea, 2000, p 9). The impact of high management salaries is earnings inequality is considerable, spreading the whole pay structure. Overall, the ratio of numbers of managers to ‘transformation workers’ has risen from about 1 in 20 in 1960 to almost 1 in 4 in 1996 (Hazeldine, 1998).

The orthodox economics rationale for increased differentials is that of required higher returns to scarce skills, with top salaries reflecting high productivity, responsibility, and performance in an increasingly complex and technologically advanced environment with international competition for these skills. However, the literature also contains rebuttals of these explanations (Hyman, 1999). Instead, the rise of U.S. wage inequality is substantially due to institutional forces, with declines in the real value of the minimum wage and the level of unionisation significant factors (Fortin and Lemieux, 1997). Others challenge the market’s verdicts on worth, pointing to “the sheer randomness of pay arrangements in a market society, the benefits of discrimination to dominant groups, and the loose connection between the distribution of earnings and the economic performance of society as a whole” (Kuttner, 1997, p 76). One New Zealand economics professor, too, has argued: “There are plenty of good reasons why some people doing some jobs will be paid more than others. But ... we must insist on fair shares. This means reversing the past decade’s trend towards a hollowing out of the income distribution in the name of ‘international competitiveness’: top people paying themselves more and paying those at the bottom less (Hazledine 1998: 172).

Orthodox economic analysis also assumes that the relationship of skill to productivity is clear, whereas a major body of feminist and sociological literature argues that skill evaluation is largely socially determined. With definition and assessment very much a social construct, the skills involved in many jobs can be undervalued or ignored. This is of course the key issue in the argument for equal pay for work of equal value for female dominated work. (Cockburn, 1983, Hill and Novitz, 1985, Hyman, 1994, Kusterer, 1978, Wood, 1985).

High levels and increasing inequality are correlated internationally with low levels of unionisation and collective bargaining. New Zealand in the 1990s saw a sharp reduction in collective, and especially multi employer bargaining with the National government enacting the 1991 Employment Contracts Act (ECA).

This subsumed trade unions under bargaining agents and weakened their ability to recruit and represent members. In place of awards came collective or individual contracts, with a theoretical symmetry between employer and employee in choice of representation and the form of contract, but in practice vastly enhanced employer power (Hyman 1994). One U.S. based observer judged the changes to the New Zealand industrial scene as:

visible and dramatic, because in an astoundingly short time it moved from being a socialized country with labor law that was highly protective of unions and with one of the highest levels of union density in the world to a country that was extremely hospitable to free market ideas with a labor law founded on Chicago school ideas. (Dannin 2001: 1091)

New Zealand prior to the ECA had high levels of unionisation and collective bargaining, generally and particularly for women employees. Part time workers and female dominated areas of work in small workplaces were covered by awards and agreements to a greater extent than in most overseas countries. The ECA, together with a weak economy, led to a rapid fall in union density, from the internationally high level of 55.7 percent of wage and salary earners in 1989 to 21.4 percent in 1999 (May et al 2001). Collective bargaining coverage fell from 721,400 in 1990 to 373,100 in 1995. Passage of the Employment Relations Act 2000 arrested union decline but without as yet any increase in the extent of collective bargaining, despite this having been one of the intentions of the legislation. Coverage is now at a lower level, about 329,300 employees covered, than at any time during the ECA's currency.

The widening pay gaps associated with decreasing levels of unionisation and centralised bargaining have differential gender and ethnic implications in addition to the obvious class aspects. High levels of female unionisation and centralised bargaining are strongly associated in cross country comparisons with lower wage differentials generally and a lower gender pay gap (Curtin, 1991; Saar, 1992, Whitehouse, 1992, Gregory et al, 1989, Blau and Kahn, 2003). Whitehouse's study of 13 OECD countries showed that collective approaches to equality in the labour market are more effective than those based on liberal individualism. Further, the greater narrowing of the gap in Australia compared with U.S. and the U.K. comes largely from lower overall differentials there, with men in female dominated occupations being relatively higher paid there than elsewhere (Gregory et al, 1989).

Given the picture on inequality and bargaining processes and outcomes outlined in this section, the minimum wage takes on particular importance.

## **THE MINIMUM WAGE AND PAY EQUITY**

An economy wide minimum adult wage has been required through legislation in New Zealand since 1945. Prior to this there were minima established for particular industries. Of course, minimum wages are compatible with gender inequity since there were differential rates for women and men until the 1972 Equal Pay Act, with only a slow decline in the influence of the family wage concept which had earlier prevailed.

The 1894 Industrial Conciliation and Arbitration Act had established the basic framework of industrial relations in New Zealand for nearly a century. The principles used by the Arbitration Court were largely those of fixing a 'fair wage', by which was meant "what reasonably good employers were actually paying for a particular class of labour" (Woods 1963: 95). In 1907, the Harvester Award in Victoria, Australia, promulgated the principle of a wage designed to guarantee a (male) worker a certain standard of living. This marked the institutionalisation of the 'family wage' or 'living wage', equivalent terms for some time in Australasia, and applying irrespective of whether individual men or women actually had dependents. That decision clearly had an impact on the New Zealand Arbitration Court which by 1908 had adopted a rate of 8s a day as a basic rate for unskilled male labour.

By the mid 1920s the growth of the political Labour movement and party gave momentum to union wage campaigns. As a result, in 1925 the Arbitration Court was asked by Government to make a statement on its wage fixing principles. The living wage part of their response stated more explicitly than ever before the view that the minimum (male) rate should be sufficient to maintain a man, his wife and dependent children. When Labour won power for the first time in 1935, legislation was passed requiring the Arbitration Court to make a general order fixing basic minimum wage rates. The male rate was to be sufficient to maintain him, his wife and three dependent children. Wartime provisions then intervened and the first legislation on a minimum wage covering all employees was enacted in 1945.

Despite their earlier commitment to equal pay, Labour in government in this period did not question the gender biases implicit in the family wage concept which awarded higher wages to men. The 1936 decision had set the female rate at only 47 percent of the male rate, increasing to 60 percent with the April 1946 rates, and the differential not abolished until the full implementation by 1977 of the 1972 Equal Pay Act. The rate is not automatically raised each year, although it must be reviewed annually. Of the 29 OECD countries, 17 had national minimum wages in 1998 (this has since increased, with a minimum wage established in the UK) and 12 of these had some form of indexation. Price indexation and relativity to average wages have often been suggested in New Zealand, but never adopted.

The relativity of the minimum wage to average wages has fluctuated widely over the years with extremes of 83 percent initially (in 1947) and 30 percent in 1984. The proportionality never fell below two thirds until 1957. It gradually fell to 44 percent in 1972 and was restored to almost two thirds in 1973 in line with a recommendation of the 1972 Royal Commission on Social Security. Adjustments under National from 1975 to 1984 were few and well below price increases and general wage increases. Thus in this period of high inflation, the ratio had fallen to 30 percent by 1984. The minimum was raised in three steps between 1985 and 1987 to reach 52.5 percent under Labour. Further slippage occurred under National from 1990 to 1999. Minimum wage rates have been raised more since 1999 under Labour led governments, as usual, but this has only partially restored relativities to a current rate of about 47 percent. Four recent increases took the level at April 2004 to \$9 per hour, while youth rates for 16/17 year olds were substantially increased to \$7.20, a relativity of 80% of the adult rate.

**Value and Relativity of the Adult Minimum Wage, 1946 To 2004** (selected years until 1981: then each increase in the minimum wage shown. Male minimum only until 1970s.)  
Sources: Brosnan and Wilkinson (1987) and various Labour Department publications

Date and Political Party in Government	Nominal Hourly (Gross \$/hour) and Weekly (Gross \$/ 40 hour week) Minimum Wages		Relativity of minimum wage to average weekly earnings
	<i>hourly</i>	<i>weekly</i>	%
1946 (L 35-49) Lab	0.26	10.50	83
1951 (N 49-57) Nat	0.33	13.17	67
1957 (L 57-60) Lab	0.47	18.75	74
1963 (N 60-72) Nat	0.51	20.33	66
1969 National	0.59	23.50	56
1972 (L 72-75) Lab	0.68	23.50	44
1975 Labour	1.37	54.88	60
1978 (N 75-84) Nat	1.61	64.41	49
Feb 1981 National	2.00	80.16	37
Feb 1984 National	2.10	84	30
Feb 1985 (L 84-90) L	2.50	100	34
Sep 1985 Labour	4.25	170	54
Feb 1987 Labour	5.25	210	53
Feb 1988 Labour	5.625	225	51
May 1989 Labour	5.875	235	50
September 1990 Lab no change 91/4 (Nat)	6.125	245	47 (by 1994 42)
March 1995 (Nat 90-99) National	6.25	250	43
March 1996 National	6.375	255	42
March 1997 no change 98/9 National	7.00	280	44 (by 1999 41)
March 2000 (Lab/All)	7.55	302	44
Feb 2001 coalition 99	7.70	308	42
Feb 2002 to 2002)	8.00	320	44
March 2003 (Lab/Uni)	8.50	340	47
March 2004 (Lab/Uni)	9.00	360	n.a.

According to the then Alliance Associate Minister of Labour and Minister of Women's Affairs, Laila Harre in 2002, there is "nothing at all rational about the level it sits at" (Harre, 2002, p 4). She added: "Why 42% of the average? Why not 50% or the European goal of 66%?" In 1998, when the relativity was 43.7 percent, the New Zealand minimum wage was eighth highest in US\$ or purchasing power parity of the 17 OECD countries with minima, with largely the lower income countries lower ranked. New Zealand was similarly around the middle on relativity to average total earnings for full time workers, at sixth of the 13 countries with data available.

Two economists, strong advocates of a high minimum wage, called for New Zealand to return to a level around the 80 percent of the earliest years (Brosnan and Wilkinson 1989). They used both equity and efficiency arguments, citing the need for incentives to train and retain staff and raise productivity.

They also referred to desirable multiplier effects of higher wages, an analysis no longer fashionable, and rejected the orthodox account of low pay simply reflecting low skill, “an argument of impregnable circularity in which the outcome, low pay, is used as the only evidence for the alleged cause - low skill and personal inefficiency” (ibid: 35). Instead they saw the explanation of low pay in the “social structuring of jobs and workers” and “related considerations of industrial and political power” (ibid: 37).

For most paid work the minimum wage is symbolic only. However, some low paid work specifies the minimum wage, whatever it is at the time, as the minimum for that contract. In addition, low paid and casualised work, an increasing proportion of the total, may have no written contract, relying on oral communication. In these circumstances the minimum wage does at least provide a theoretical safety net, particularly important for women and Maori/Pacific employees. The CTU’s annual submissions reflect this. The minimum wage, they argued (in 1998):

should not be seen as a *primary* wage fixing instrument, but rather as a *safety net* protection against exploitation for those who do not have conditions of employment determined through a (fair) process of collective bargaining, and who do not have the personal leverage (skills etc) to secure an adequate employment contract

Hence it should constitute a minimum social standard, implying that “if jobs will only be provided at wages below some level, society would rather not have them”, with the need for the minimum to be set because “there are some people who for reasons of lack of knowledge or out of desperation will work for sub-standard wages, and others ruthless enough to employ them.” They consider that the minimum wage should have a role in tackling the problems of low pay, and be used to resist widening inequalities. On the latter, it has been totally unsuccessful in recent years. While wanting the rate to play only a minor, safety net role, they rightly argue that labour market deregulation has by necessity increased its protective role. Their 2003 submission sought an increase in the rate from \$8.50 to \$10.52 en route to restoring the relativity to average earnings to two thirds, the European goal mentioned earlier. They had to be satisfied with an increase of one quarter of their immediate aim.

The CTU has also regularly called for clearer definitions of the purpose of the minimum wage, development of explicit criteria for setting it, and a formal process of consultation. Government acceded in 2000 to the calls for formal objectives, criteria and consultations in settling the minimum wage. The four objectives adopted were:

- Fairness - to ensure that wages paid are no lower than a socially acceptable minimum
- Protection - to offer wage protection to vulnerable workers
- Income Distribution - to ensure that incomes of people on low incomes do not deteriorate relative to those of other workers
- Work Incentives - to increase the incentives to work for people considering work

The criteria on which government assess changes to the minimum wage after receiving submissions from central union, employer, Maori and women's organisations, as well as some bodies involved in low waged training, are as follows:

- Do changes in the minimum wage produce gains that are more significant than any losses?
- Is the minimum wage the least cost way of meeting the objectives in the policy?
- Does the level of the minimum wage form part of the most appropriate mix of measures to meet the broader objectives of the government?

These objectives and criteria are, unsurprisingly, open to as vigorous disagreement by stakeholders as occurred in the open slather situation of the past. Scepticism over the third objective in particular is fully justified. Nevertheless, the union side welcomed their existence as at least some progress. The recent Pay/Employment Equity Taskforce, mentioned above, recommended that gender equity be an additional objective to be taken into account in the annual review. Noting that increasing the minimum wage would assist with narrowing the gender pay gap, it also suggested consideration of a minimum code for the state sector to include an increased minimum wage for the sectors it covered.

Three key government departments advise Cabinet on the annual review (Treasury, Labour, and the State Services Commission). All are regularly cautious, using the orthodox economic analysis of wage employment tradeoffs. Treasury goes further, often arguing along with right wing pressure groups such as the powerful New Zealand Business Roundtable that the minimum wage should be abolished altogether. This was also the position of current National Party leader Don Brash while Governor of the Reserve Bank. The underlying philosophy is a belief that labour markets are perfectly competitive, with wages simply reflecting productivity, and exploitation of employees a myth. Treasury is committed to only the 'wages as a price' view, with little or no attention to 'wages as a living', let alone 'wages as a social practice' (Mutari et al 2001). Similarly, the State Services Commission (SSC), which has a particular concern with the effects on the government budget of higher pay in the public sector, argued in their 1997 submission that an increase in the minimum wage was inconsistent with a policy of getting disadvantaged job seekers into employment.

Empirical evidence on the impacts of the minimum wage in New Zealand is weak and certainly does not establish the strong wage/employment trade off which orthodox economists and business leaders suggest exists. The most quoted article (Maloney, 1995) does find negative employment effects for young adults, but has been subjected to methodological criticism, while Chapple (1997) found mostly insignificant results. A later study of females with no qualifications, a 'high risk' group, found "little evidence that the increases in the adult minimum wage diminish their employment prospects" (Pacheco and Maloney, 1999, p 67). A recent study of the large increases in minimum wages for teenage workers in the last three years found "no evidence of adverse effects on youth employment" (Hyslop and Stillman, 2003, p 23). Hours worked by 18/19 year olds changed little and by 16/17 year olds increased, while the earnings of the first group increased slightly and of the second group more significantly.

In contrast to the other departments, the Ministry of Women's Affairs' (MWA) submissions regularly argue for increases in the minimum wage. Their comments on

drafts of official papers for Cabinet on the 1998 and 1999 Minimum Wage Reviews question conventional wisdom, arguing that appropriately set minimum wages can raise productivity levels and economic efficiency. On the issue of possible exploitation, the MWA wrote (27 October 1998):

“The issue of vulnerable workers who need protection from exploitation relates not only to those who lack the necessary information and skills to bargain effectively but also to workers who lack bargaining power, for whatever reason. The protection of vulnerable workers is not only a question about whether monopsonies are present in the labour market, it is also a question about the ability of the industrial relations structure to protect workers from discrimination and exploitation.”

In 1999 MWA expressed concern over the draft Cabinet Paper’s concentration on economic impacts of minimum wages at the expense of social impacts:

The paper contains extensive discussion of the employment effects of an increase, even though they may be statistically insignificant... Yet conversely there is no discussion of the social impacts ... in particular, of what it means to live on the minimum wage and the flow-on effects for other areas of social policy (MWA to LMPG, 6.10.1999).

MWA’s arguments that year for an increase included the correct comment that “the minimum wage is a direct means of improving income adequacy for individuals in low wage work, amongst whom women and Maori are disproportionately represented” (MWA to LMPG, 3.11.1999), with about 57/58% of those directly benefiting being women.

## CONCLUSIONS

This paper has discussed the links between low pay, the gender gap, and pay and employment equity. Internationally, gender wage gaps tend to be lower the greater the extent of collective and centralised bargaining, the higher the minimum wage and the narrower are overall relativities, all of which are also associated with a smaller proportion of low paid workers. Reverse movements on each of these related four factors will have a differentially adverse impact on lower paid women. It should be noted that the slight narrowing in the overall gender pay gap despite the trends in the industrial relations system and increasing inequality which would incline to widen it is largely due to the narrowing of the gap in human capital variables between men and women. Nevertheless, with women overrepresented in low paid groups and differentials widening, addressing low pay issues through raising the minimum wage and other means is very important to pay and employment equity for women.

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