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The Fair Wages Commission
Via FWC@gov.bc.ca

West Coast LEAF's Written Submissions: Raising the Minimum Wage to \$15-an-hour & Eliminating the Minimum Wage and Living Wage Gap

West Coast Women's Legal Education and Action Fund (West Coast LEAF) is a Vancouver-based advocacy organization with a mandate to achieve substantive equality and justice for all women in British Columbia by challenging systematic discrimination through litigation, law reform, and public legal education. We have developed particular expertise in gender equality and human rights and have done in-depth research and analysis of the impacts of federal and provincial laws and policies on women. Our work is particularly focussed on economic security, access to healthcare, access to justice, the right to parent, gender based violence, criminalization and incarceration.

In response to the Fair Wages Commission's consultation process, West Coast LEAF provides these written submissions. We welcome the government's commitment to implement the United Nations *Declaration on the Rights of Indigenous Peoples (UNDRIP)*, adopt a poverty reduction plan, raise the minimum wage to \$15-an-hour, and eliminate the gap between the minimum wage and a living wage.

At the outset, West Coast LEAF states that it is important to dispel myths that minimum wage earners are young and/or under-educated persons, and that they should somehow be able to educate their way out of poverty. Such myths erase the systemic causes of income disparity, and the ways in which such disparities adversely affect historically disadvantaged populations. It is thus critical to highlight the disproportionate impact of low wages on women. Women are more likely than men to earn low wages.¹ Increasing the minimum wage will not only bring us closer to eliminating the gap between the minimum and living wage, it will also preserve the right to equal pay for work of equal value, attempt to redress the undervaluation of women's work, and help lift many women and children out of poverty.

The Intent of Minimum Wage

When the minimum wage was first introduced in the early 1900s, it was intended to protect the most vulnerable workers in society – women and children. The minimum wage policies focused on women and child labourers, who, unlike men, lacked the bargaining power and the support of unions to secure fair wages.² It was left to governments to take on that responsibility. Employment standards, such as those set out in the British

¹ Seth Klein, Iglia Ivanova and Andrew Leyland. *Long Overdue: Why BC Needs a Poverty Reduction Plan* (Canadian Centre for Policy Alternatives, Vancouver: 2017) at 32

² Bob Russell, *A Fair or a Minimum Wage? Women Workers, the State, and the Origins of Wage Regulation in Western Canada*, *Labour/Le Travail*, 28 (Fall 1991), 59-88, online at [file:///C:/Users/lawreform/Downloads/4814-8353-1-PB%20\(2\).pdf](file:///C:/Users/lawreform/Downloads/4814-8353-1-PB%20(2).pdf)

Columbia *Employment Standards Act* are meant to set minimum standards for wages and working conditions to protect workers.

The Multifaceted & Disproportionate Impact of Low Wages on Women

Although raising the minimum wage is but one tool to address poverty, raising it to \$15-an-hour will have an immediate and significant impact on women, especially women living in poverty, Indigenous women, racialized women, women with disabilities, immigrant and refugee women, senior women and women parenting alone. Women are vastly over-represented in low waged work and as a result are disproportionately impacted by the adverse effects of low wages. This disparity is exacerbated by the lower tier minimum wage earned by employees in women dominated sectors, including liquor servers and live-in caregivers.

Low wages and the resulting economic insecurity forces many women to live in poverty. According to the most recent data from Statistics Canada, the poverty rate for BC women is 15% to 16%.³ Furthermore, Indigenous women face an elevated risk of poverty, as do women with disabilities, immigrant and refugee women, and single mothers.⁴ Older women often experience inequalities in pension entitlements driven by a lifetime of lower pay: overall, BC women receive about 20% less than their male counterparts in Canada Pension benefits and almost 50% less in private retirement income.⁵ These risks are not attributable to unemployment alone; in fact about half of those living in poverty in BC are either the working poor or their children.⁶

This disproportionate adverse impact on women does not arise as a result of under-education; women and men are equally likely to have completed post-secondary education.⁷ Despite similar levels of education, however, men and women are not equal earners. Statistics Canada data shows that men earn more than women despite similar levels of education, including in industries where remuneration is greater overall.⁸ The current minimum wage plays a significant role in creating and perpetuating poverty. Raising the minimum wage and eliminating the gap between living wage and the minimum wage is critical to reducing poverty and ensuring women's economic security and wellbeing.

It is time to raise the minimum wage; British Columbians cannot afford to wait until 2021. Any delay will continue to prejudice women and push them further into poverty, risking their welfare and the welfare of their children.

³ Statistics Canada, "CANSIM 206-0041: Low income statistics by age, sex and economic family type, Canada, provinces and selected metropolitan census areas (CMAs)" (2 August 2017) (2015 data)

⁴ Government of Canada, *Towards a Poverty Reduction Strategy: A Backgrounder on Poverty in Canada*, (October 2016), online <https://www.canada.ca/en/employment-social-development/programs/poverty-reduction/backgrounder.html?wbdisable=true#h2.4> at 9

⁵ Igljika Ivanova, *Poverty and Inequality Among British Columbia's Seniors*, Canadian Centre for Policy Alternatives, Vancouver: 2017 at 6

⁶ *Supra*, Note 1, at 4

⁷ Seth Klein and Armine Yalnizyan, *Better is Always Possible, A Federal Plan to Tackle Poverty and Inequality*, February 10, 2016, online: <https://www.policyalternatives.ca/publications/reports/better-always-possible>

⁸ Statistics Canada, 2016 Census data, <http://www.statcan.gc.ca/pub/11-627-m/11-627-m2017036-eng.htm>

The adverse impacts flowing from inadequate wages are many, and include:

Inequality & Discrimination: Women are already disadvantaged by the gender wage gap, which creates a significant barrier to economic security. The low minimum wage further perpetuates pay inequity and contributes to the undervaluation of work in sectors where women are predominant. In addition, exemptions to minimum wage entitlements create a reality where structural pay inequity is built into the minimum wage legislative regime itself. Pay inequity has been a long standing issue that has been challenged under the section 15 equality rights protection of the *Canadian Charter of Rights and Freedoms*. In 2004, the Supreme Court of Canada found section 15 equality rights were violated by the Newfoundland government's pay of unequal wages to female workers.⁹ Recently, in October 2017, the Supreme Court of Canada heard two cases concerning pay equity for women: *Attorney General of Québec v. Alliance du personnel professionnel et technique de la santé et des services sociaux, et al.* and *Centrale des syndicats du Québec, et al.* and *Centrale des syndicats du Québec, et al. v. Attorney General of Québec, et al.* The two cases were heard together and judgment is reserved.

Raising the minimum wage is a very important step towards reducing the gender pay gap. Pay equity is not only critical to economic security for women, but also to their safety, overall wellbeing, and ability to fully participate in all aspects of society in a meaningful way. Achieving pay equity will also improve the perception of women's work and increase its respect and value in the workplace.

Poor Health: Income, as a social determinant of health, impacts the quality of an individual's health. Research shows that lower income earners generally experience poorer health than the higher income earners.¹⁰

Access to Justice & Safety: The disproportionate impact of poverty creates security and access to justice challenges for women. Many women are unable to leave abusive relationships early or at all due to their lack of financial security and difficulty in becoming self-sufficient. Women may face a difficult choice between staying in an abusive relationship or risking poverty if they were to leave. When they do leave the relationship, they are faced with a multitude of challenges, including finding housing, employment and affordable, adequate childcare. Increasing the minimum wage will give these women the opportunity to become economically self-sufficient which in turn will allow them to protect their safety and the safety of their children. The connection between women's employment, empowerment and adequate childcare cannot be overstated. Women's inability to secure affordable, safe childcare impedes their ability to increase their earning capacity. As primary caregivers to children, women are often unemployed, or under-employed. Due to lack of affordable child care they often engage in part-time work, which is often low wage work, so that they are able to care for their children, which in turn keeps them in a state of poverty.

Sexual Harassment: The tiered minimum wage where employees in female dominated sectors, such as liquor servers, are paid less than the minimum wage and are expected

⁹ *Newfoundland (Treasury Board) v. N.A.P.E.*, 2004 SCC 66

¹⁰ Canadian Medical Association. Health care in Canada: What Makes Us Sick? July 2013 Online at https://www.cma.ca/Assets/assets-library/document/fr/advocacy/What-makes-us-sick_en.pdf

to have their wages subsidized by patrons, places women at risk of sexual harassment. This is particularly concerning given that 81% of food and beverage servers in BC are women. Reliance on patrons for tips to subsidize lower hourly wages leaves women unable to speak up against sexualized behaviour from customers and increases their vulnerability to sexual harassment.

Interference with Benefits: Although women are entitled to EI benefits while on maternity and parental leave, low wages undermine the purpose of and compromise the intended benefits of EI schemes. Because the EI benefit rate is 55% of earnings (up to a low maximum), women who earn the minimum wage are paid 55% of the minimum wage. This begs the question: how are women earning minimum wage expected to survive on half that amount when the minimum wage itself is keeping them in poverty? For many women, there is no real choice at all. They must choose between poverty or not being able to provide care in the first year of their child's life, in essence undermining the purpose and intended benefit of the scheme.

Raising the Minimum Wage and Closing the Gap Benefits All

There are numerous advantages to raising the minimum wage. Increasing the minimum wage makes good fiscal sense¹¹ and benefits all British Columbians. Raising the minimum wage reduces poverty and, as a result, lowers pressures on public systems and institutions. When individuals are not worried about meeting their basic needs of shelter and food, they are better able to look after their health, make sensible decisions about their safety, access the justice system when necessary, and take advantage of the benefits available to them to raise healthy families. Additionally, raising the minimum wage can stimulate local economies when families are able to increase their household spending.

In addition to the economic benefits, raising the minimum wage will protect the human rights of vulnerable workers. Domestic and international human rights laws mandate equal pay for work of equal value and the right to non-discrimination in employment and pay. Implementing one minimum wage that applies to all workers and raising it to closer approximate a living wage will protect vulnerable workers and serve the legislative intent of our employment standards.

Living Wage Needed To Meet Basic Living Costs

Efforts to reduce poverty in BC cannot end with raising the minimum wage to \$15-an-hour. Efforts must continue until the gap between the minimum wage and living wage is eliminated. A living wage required to meet basic living costs such as housing, food, clothing, transportation, and child care. The current general minimum wage of \$11.35-an-hour is simply insufficient to cover basic living costs in BC. The lowest living wage in BC is calculated at \$15.90-an-hour for those living in the Fraser Valley while the highest is

¹¹ Green, David, *The Case for Increasing the Minimum Wage What does the academic literature tell us?*, Canadian Public Policy, December vol. 40, no. 4, 293–314. , Canadian Centre for Policy Alternatives, Vancouver: 2015 at 6

calculated at \$20.62-an-hour, for those living in Metro Vancouver.¹² While housing costs are the largest expense for families living in Metro Vancouver, child care costs are the second largest expense and continue to rise.¹³ This reality has a greater adverse impact on women who are often primary care givers for children and who are, as a result of unaffordable child care, unable to pursue meaningful employment that meets their needs.

Recommendations

1. We recommend and support a universal increase of the minimum wage in BC to \$15-an-hour for all workers by no later than January 2019. This could be done incrementally or at once, as long as the \$15-an-hour is in place for all workers by January 2019. This would be in-line with what other major Canadian provinces are doing: for example Alberta and Ontario will be at a \$15-an-hour minimum wage by October 2018 and January 2019 respectively. British Columbians should not be left behind.
2. There must be one minimum wage and the tiered minimum wage that has certain employees earning less than others should be eliminated immediately and by no later than March 2018.
3. There must be a mechanism established for a regular and transparent review of the system to continually evaluate and adjust the minimum wage rather than adjusting the minimum wage in an ad-hoc and often politicized manner. We recommend the creation of a permanent and independent Commission that has a broad mandate. The Commission's mandate should include the ability to conduct investigations, research, consultations and make recommendations that support the goal of achieving and maintaining a minimum wage that reflects actual living costs. The Commission should have the ability to present its annual findings and recommendations to a standing committee that has the authority to implement the recommendations.
4. Steps must be taken to adopt and implement living wage policies and there must be annual increases of the minimum wage until a living wage is achieved.

As this Commission, or any other Commission that is tasked with ensuring the minimum wage in BC is a living wage, moves forward with its work on achieving fair wages for all British Columbians, we ask that it adopt a human-rights approach that aims to achieve substantive equality, taking into account the unique needs of certain populations, particularly women, and consider the impact fair wage policies will have on these groups.

Respectfully Submitted By:



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¹² Iglia Ivanova, Seth Klein, Pamela Reaño, Iglia Ivanova, *Working for a Living Wage 201: Making Paid Work Meet Basic Family Needs in Metro Vancouver*, Canadian Centre for Policy Alternatives, Vancouver: 2017, https://www.policyalternatives.ca/sites/default/files/uploads/publications/BC%20Office/2017/04/ccpa_bc_living_wage_%20update%202017%20FINAL%20.pdf

¹³ *Ibid*, at pages 3 and 5