

Gender Inequality in Australia

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The issue of gender inequality in the labour force is one which has received widespread coverage over the past few decades as women have struggled to overcome social, cultural and institutional barriers in their attempts to gain equal opportunities and rights in the workplace. The composition of the Australian labour force has changed significantly over the last three decades, with an increasing number of females being accepted into the labour force as traditional obstacles and perceptions have gradually changed. Female participation has grown strongly recently, with figures indicating that it rose from 43.7 per cent in June 1978 to 53.7 per cent in July 1996 - with females now being 42.99 per cent of the total labour force.¹

Until the beginning of the 1940s, the role of women in the Australian labour force was characterised by a general lack of acceptance in anything but low paid jobs. This point was emphatically made by Ms D. Spender in a speech to the Shifting Gear National Symposium in 1993, when she said:

Let me remind you that it was only about 100 years ago that women weren't allowed any decent jobs at all. Women were not allowed to go to university; they were not allowed to practice in any of the professions. The only approved position open to women was that of being - a wife! ²

With the onset of the Second World War, however, many women entered the labour force to fill the positions vacated by men who went to fight overseas. Although female employment reached a wartime peak in 1943, by 1946 female employment numbers had fallen back to pre-1942 levels, with the female share of employment only slightly increasing in sixteen years from July 1939 (when they comprised 25 per cent of all wage and salary earners) to 27 per cent in June 1955.³ This share was relatively constant over the following decade, reaching 29 per cent in 1966. Over the next thirty years, however, the female participation rate and the female share of employment both rose strongly, with women occupying 33 per cent of jobs in August 1972 and 43 per cent in August 1995. Despite these improvements, numerous studies have revealed that there still remains a large degree of gender inequality in the Australian labour force and much work remains to be done for these imbalances to be removed.

It must be realised that with the introduction of 'equal pay for work of equal value' legislation, open gender discrimination usually does not take place, as it did in previous decades. Rather, gender inequality today is more subtle, and takes the form of a lack of representation of females in highly paid managerial positions, a disproportionately large number of females working in part-time positions, and lower overaward and overagreement pay. In recent years there has been much discussion on the concept of a 'glass ceiling', which refers to the many cultural and institutional factors which impede women from reaching the higher echelons of companies.

In this paper I focus on gender inequality in the labour force, and the subsequent effects that this has on income inequality between the two genders. It is significant to note that in Australia there exists a large degree of intra-gender inequality, and this is also of considerable concern. Research conducted by Professor Bob Gregory of the Australian National University has shown that the employment rates for women in Australia's poorest households fell dramatically from 43 per cent in 1976 to less than 21 per cent in 1991, and that the proportion of women in work during this period only began to rise for those living in the top 50 per cent of socio-economic households.⁴ This is another major issue confronting the composition of Australia's labour force, and is a topic that requires further attention in the future.

At first sight it may appear that gender inequality has been significantly reduced in the last two decades. Some commentators merely look at the figures which show that females now comprise 43 per cent of the work force, a figure which has been growing strongly over the past few years (although recent figures suggest otherwise), and hence argue gender inequality is a minor problem which will be overcome in the next few years with little effort. This view is much too simplistic. One of the most important aspects of gender inequality in the Australian labour force is the very low proportion of women in high status, well-paid, managerial positions. A study conducted by the International Labour Organisation revealed that Australia has the lowest percentage of women in management in the industrialised world. In 1993, for example, women represented just 26 per cent of all managers, 22 per cent of specialised managers, 14 per cent of general managers, and less than 5 per cent of senior executives or board of directors.⁵ The taskforce took a highly critical view of Australia's management in general, and recommended the adoption of a national strategy for women in management, corporate sector boards and academia, which included the establishment of targets for female participation in these areas. The report noted that there was evidence of a cultural change taking place, but it concluded that it would take too long for evolutionary change to even up the balance, and Australian businesses would suffer economically.

*Business cannot afford to operate with one hand tied behind its back by continuing to underutilise women in management.*⁶

A second important consideration is the inequality in the share of full-time and part-time employment between males and females. In July 1996, the proportion of employed males in full-time employment was 89 per cent, with only 11 per cent in part-time positions. This was in contrast to the relationship for females, with only 58 per cent of employed females working in full-time positions, and with 42 per cent working part-time.⁷ In fact, women comprised nearly 74 per cent of all part-time workers, compared with only 33 per cent of full-time workers. The large proportion of females in part-time positions has significant impacts on the distribution of income and wealth between the two genders, for these part-time positions offer lower payments and fewer safeguards such as job security, and in the case of casual work, which comprises two-thirds of all part-time positions, standard employment entitlements such as annual, sick and parental leave. As Alan Jordan wrote in an article in *The Social Security Journal*:

[part-time work] can mean insecurity for the worker and the erosion of the rights and benefits associated with permanent employment....to the extent that women belong to the 'peripheral group' of employees rather than the elite 'core' ⁸

A study by the Australian Bureau of Statistics showed that in July 1996 only 22 per cent of females working part-time would prefer to work more hours, compared with 62 per cent of male part-time workers. Clearly this is an indication that many females are handicapped in their personal ambitions by a sense of family responsibility more than their male counterparts, a view shared by Helen Petrauskas, Vice President of Environmental and Safety Engineering at the Ford Motor Company, who said:

it is very difficult for women, because in our society women continue to bear a highly disproportionate share of the burden of taking care of children and keeping a household running. ⁹

The small number of women in highly paid managerial positions and the proliferation of women in lower-paid part-time jobs both contribute significantly to the wage differentials between males and females. Figures from the Australian Bureau of Statistics showed that in 1996 average male total weekly earnings (\$671.50) were more than 50 per cent greater than average female total weekly earnings (\$441.10).¹⁰ Even if we discount the greater part-time work of females significant wage differentials still exist. Average male full-time weekly earnings in May 1996 (\$774.20, up 9.7 per cent since 1994) were significantly higher than those of the average female full-time worker (\$607.90, up only 7.3 per cent since 1994). Similarly, even if we discount the lack of females in managerial positions by comparing non-managerial workers only, wage differences still exist. Figure 1 clearly shows that although there has been an improving trend over the twenty years female earnings are still less than 85 per cent of male earnings, even for non-managerial workers.

Figure 1

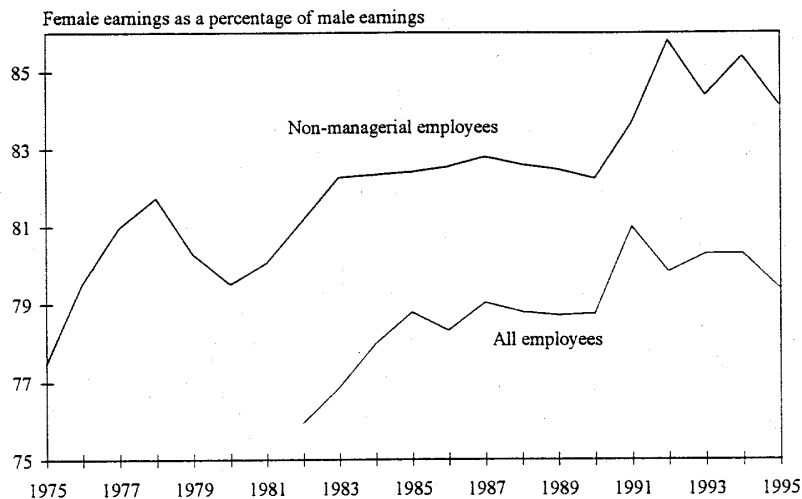
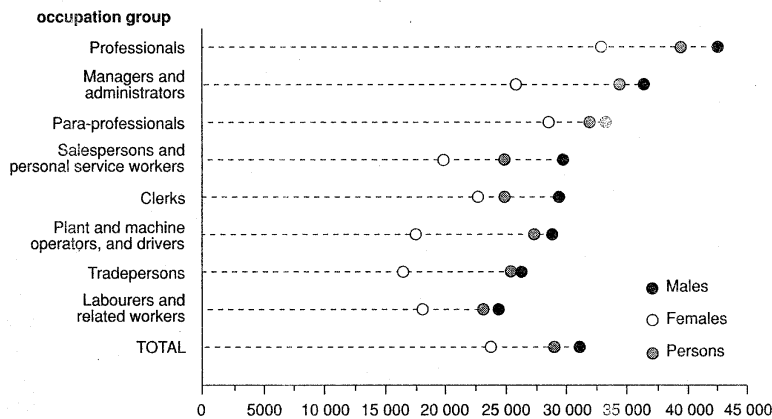


Figure 2



A significant factor behind these differentials is differences in overtime and overagreement earnings. For example, in May 1996 the average weekly overtime earnings of male adult non-managerial employees receiving overtime payment was \$207.20, compared with \$113.40 for females. Furthermore, average overaward and overagreement pay for full-time non-managerial males was \$8.30, more than double the \$4.00 received by females. A very revealing picture of the current gender imbalances is offered by figure 2 which illustrates the average annual income based on occupation; of particular significance is the fact that in every category the mean female income is less than for their male counterparts.

Thus despite claims by some commentators (such as Professor David Clark¹¹) that Australia has one of the lowest wage differentials in the world and we should never really expect male and female wages to be the same anyway, clearly Australia still has a long way to progress in terms of further reducing gender income inequality.

A final significant issue is the problems females face in re-entering the workforce after leaving for maternity reasons. A recent study in July 1996 into the reasons for ceasing last full-time job found that 63 per cent of females left on their own accord, compared with only 38 per cent of males who left willingly¹², with maternal considerations a major factor behind these figures. In fact, the 1992 Survey of Women's Employment Patterns found that over 41 per cent of women whose most recent break from work had been greater than 3 months took the break either for the birth of a child or to care for children.¹³ Females encounter numerous difficulties re-entering the workforce, with an Australian Bureau of Statistics survey of Victorian women finding that 70 per cent of women re-entering the labour force did not return to the same job, and 13 per cent returned to a more insecure work basis. This problem was also highlighted by a study by Rimmer and Rimmer which found that a break in career for women was associated with a downward shift to jobs with lower skill requirements.

A very controversial aspect of gender inequality are the factors which contribute to the earnings differentials between males and females. Some commentators argue gender discrimination no longer exists, and that wage differentials are the result of such factors as experience, education, training, occupation, the motivation of the employees in seeking employment, and loyalty to the company. For example, a report by Dr Rosyln Smart of Griffith University claimed that although men and women share the same level of commitment to an organisation at the start of their careers, men increasingly commit to the organisation while the women's commitment remains unchanged. Similarly, the chancellor of The University of Sydney, Dame Leonie Kramer, has argued that women fail to achieve top positions due to a lack confidence and insufficient qualifications. She was quoted as saying:

there are women...who, when they don't get promoted, start talking about dark, unseen forces that pull them back everytime, for which there is just no evidence.

Many commentators have dismissed such remarks as being unjustified and coming from people who have progressed into the upper echelons of their fields and who have now lost sight of the struggles that other women face. In a study conducted in 1995, Langford analysed the wage differential gap in terms of occupation, education, and potential experience, and other residual differences he labeled as 'discrimination'. His study found that only half the gender gap could be explained by differences in such factors as education and potential experience, and that the other half must have resulted from 'discrimination'. Supporting this view are the numerous inquiries which have reported entrenched cultural elements which are major impediments to women's attempts to break through the 'glass-ceiling' (for example the House of Representatives Standing Committee 1992, Marshall 1993, Stroh, Brett and Reilly 1992.) These studies all point to an underlying organisational and managerial culture that either consciously or unconsciously discriminates against women. Leonie Still of the University of Western Sydney commented that despite all the progress women have made in recent years,

there has been little fundamental change to the underlying culture.

In her article, Ms Still discusses the dominant male culture which works against the inclusion of women in senior ranks due to an inner 'boys club' of management, which may have shared schooling, sporting, social and other professional associations, and which is unlikely to contain women. Secondly, the male managerial culture may feel threatened by dominant females, and either consciously or subconsciously a female's further progress in a company may be impeded. This point was also made by Jill Ker Conway, a director of Lend Lease, Merrill Lynch, and Colgate Palmolive, when she stated that male executives chose to promote and work with a woman who:

would be a nice weekend tennis partner - who's no threat. They don't choose women with a really hard driving ego that might be a challenge to them.

One important consideration, however, is the so-called 'cohort' effect, outlined in an Economic Planning and Advisory Commission Paper, which argues that the dramatic cultural and social changes which led to changes in women's participation in the workforce did not really gather momentum until about 30 years ago. Since managers generally require many years experience to progress to senior levels, the beneficiaries of these changes will only now be reaching senior management positions, and hence the recruitment of women to senior levels is likely to accelerate over the next decade. If this does occur, then it is likely that gender income inequality will also be reduced during this period.

There is also significant controversy surrounding the effects that current Coalition party policies will have on the situation of gender inequality. While most commentators believe the situation for women will gradually improve over the next few years, most of this will be due to an improved academic performance of girls at both secondary and tertiary institutions, an increasing cultural acceptance of women in higher positions, and the 'cohort' effect mentioned earlier, rather than government policies.

The main Coalition government policy aimed to assist women is the Workplace Relations Bill; the government claims that women will benefit since it promotes more flexible working hours, permanent part-time work and rewards for individual skill and expertise. The government also decided to maintain the Register for Women and to promote it heavily to the private and public sectors, thus ensuring women have adequate access to boards and agencies. In the 1996/97 Federal Budget, the government announced a third measure, the New Enterprise Incentive Scheme, designed to assist jobseekers to set up their own viable businesses, with special requirements for the specific encouragement of women. The 1996/97 Budget also saw the introduction of the Strengthening Families Strategy, which includes \$11.85 million over three years directed to a relationship education service and \$4.3 million over three years targeted at parenting education programs; both these initiatives seek to reduce the pressure on women as the main house-minder in the family. The Budget stated:

The Government acknowledges the fact that women play an increasingly challenging role in maintaining family life, and has introduced the Strengthening Family Strategy to help families with these pressures.

Finally, the government has maintained the Office of the Status of Women (which has received considerable publicity in recent months) to "ensure the development of effective policies which are relevant to all women", and the Affirmative Action Agency to monitor the progress of women in the

workplace and ensure that women have equal opportunities available to them.

However, despite these numerous policies, the government has come under considerable criticism, especially after the 1996/97 Budget, which announced a \$500 rebate for households where one spouse stays at home, while means-testing and freezing the Childcare Cash Rebate and reducing subsidies to childcare centres, causing an increase in fees from these centres. Many commentators believe that these decisions will actually deter women from entering the workforce, and hence exacerbate the problem of gender inequality. Ms Eva Cox of the Women's Electoral Lobby was quoted as saying that the Budget is:

designed to make life in the workforce somewhat more prickly and uncomfortable.

Of significant concern are the figures released on the 11th July 1997 by the Australian Bureau of Statistics which revealed that the number of women in full-time employment dropped by a staggering 23 000 in June, due largely to the \$34 weekly rebate for single income families as part of the Family Tax Initiative which was introduced on the 1st January, and which may be increased in the near future. At the time these figures were announced, the Prime Minister told Sydney radio he endorses a "home-maker's allowance" designed to persuade over 200 000 parents, mainly married women, to leave the workforce. He further stated that the previous government had encouraged "families to be two-income families", whereas his plan was aimed at "going in the other direction". Numerous groups have expressed anger at Mr Howard's comments and policy direction, believing it could have serious impacts on the position of women in the labour force, and indeed in society as a whole. From the current government's policy direction, it would now appear that income distribution based on gender is likely to worsen, rather than improve, in the foreseeable future as a result of government action.

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Acknowledgments

I would like to thank the following people and organisations for their kind assistance in providing information and statistics which were invaluable in my research. They are:

Erica Fisher, Women's Desk Officer, The Australian Bureau of Statistics
Ros Harris, Coordinator, Special Projects, The National Centre for Women
Sam Oxlee, Australian Institute for Women's Research and Policy, Griffith University
The Department for Women
Liverpool Women's Resource Centre
The ACTU Worker's Trust
The Department of Social Security