REGULATION DISTANCE, LABOUR SEGMENTATION AND GENDER GAPS

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at
Equal Pay: Fair Pay? A forty-year perspective
7-8 June 2013, Cambridge University, UK
Introduction

• Labour market segmentation (LMS) theory helps understand the experience of women in female-dominated work
  – but does not really explain the experiences of women in male-dominated work – where they may have ‘token’ representation (Kanter 1977) – or gender-balanced work

• ‘regulation distance’
• ‘regulation distance’ refers to a continuum from ‘regulation proximity’ to ‘market proximity’ concerning the extent to which employment of particular workers is (un)regulated – it is the extent to which employment is (un)regulated by laws and rules (formal and informal) and (un)enforced by unions and the state.
  • in UK, shaped by the extent to which employment is regulated, or not regulated, by collective agreements or legislation;
  • in Australia, tribunal awards are added to this list.
Some theoretical background

- Conventional economic theory: distortions in setting of pay minimised when markets able to most freely operate.
- Women in higher status occupations have greater labour market power than lower skilled jobs.
  - the most highly paid women workers.
- Yet gender pay gap appears to increase as women move higher up the ladder.
  - The relative power disadvantage experienced by women cf men appears worst for women at top end of the labour market.
- LMS theory explains some aspects of gender pay gap
  - Through LMS, labour markets are effectively divided into groups with different bargaining power and status, enabling workers with similar productivity to be paid differently according to their place in the labour market hierarchy.
  - Many women concentrated into ‘female’ jobs with low attributed value
- But this does not really explain other aspects of gender pay gap
• ‘Regulation distance’
  – the extent to which employment is regulated or unregulated, including by collective agreements, legislation or other instruments
  – increases likelihood that norms and cultures that favour those in power (men) will dominate outcomes.
    ➔ greater reliance on ‘market’ does not remove distortions, rather it increases their potential impact.

• Consequences for regulation of pay and employment at all levels

• Look at interaction between
  – form of segmentation and
  – regulation distance and content
    • Regulation distance only matters when difference between:
      – values in regulation (rules); and
      – values in ‘market’ (culture and norms)
Features of regulation distance

<table>
<thead>
<tr>
<th>Regulation distance</th>
<th>Low regulation distance (regulation proximity)</th>
<th>High regulation distance (market proximity)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instrument</td>
<td>collective agreements</td>
<td>individual contracts</td>
</tr>
<tr>
<td>Governed by</td>
<td>governed by rules</td>
<td>governed by norms</td>
</tr>
<tr>
<td>Role of unions and law</td>
<td>unionised and/or regulated by law</td>
<td>non-union, little regulation by law</td>
</tr>
<tr>
<td>Issues and characteristics</td>
<td>Low regulation distance (regulation proximity)</td>
<td>High regulation distance (market proximity)</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>-----------------------------------------------</td>
<td>--------------------------------------------</td>
</tr>
<tr>
<td>type of capital and influences upon it</td>
<td>focus on human capital; value of human capital influenced by regulation, opportunities/barriers to develop human capital</td>
<td>focus on social capital (as well as human capital) influenced by groups, group norms</td>
</tr>
<tr>
<td>internal gender pay gaps</td>
<td>may be low <em>internal</em>, often mainly explained by ‘flexibility’ from rules, compositional effects,</td>
<td>high</td>
</tr>
<tr>
<td>pay levels</td>
<td>often medium (because of bargaining power than unionisation brings)</td>
<td>may be very low or very high</td>
</tr>
<tr>
<td>transparency</td>
<td>high</td>
<td>low (eg via PRP)</td>
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Examples of (Australian) intersections between regulation distance and forms of segmentation:

**Form of segmentation**

- Male dominated
- Mixed
- Female dominated

**Regulation distance**

- Low regulation distance (regulation proximity)
  - Coal mining
  - Academics
  - Public servants
  - Librarians
  - Child care
  - Aged care nurses

- High regulation distance (market proximity)
  - Senior executives
  - Engineers
  - High finance
  - Metals mining
  - Real estate
  - Movie production
  - Clothing outworkers (c20)
  - Private household staff
<table>
<thead>
<tr>
<th>Form of segmentation</th>
<th>Issues by form of segmentation</th>
</tr>
</thead>
</table>
| Male dominated       | impact of
domestic sphere |
|                      | performance
visibility |
|                      | harassment |
| Mixed                | Not wanted here
→ undervaluation
of *individuals* |
|                      | excessive
performance
scrutiny of women |
|                      | can be ‘collective’
as well as
individual |
| Female dominated     | career progression
(career breaks, home duties) |
|                      | value recognition
→ undervaluation of *occupational
skills* |
|                      | are males
rewarded for
visibility?? |
|                      | only individual |
Features of form of segmentation

Issues by form of segmentation

Male dominated
- challenge to be seen as part of same occupation/class – espec if women seen as a means of undermining conditions
- into traditional mens roles (Murray & Peetz 2010)? Or women’s roles (Kanter 1977)?
- cultural (women not expected to have a career, babies instead, seen as less competent) so denied access

Mixed
- men often still seek to dominate occupation

Female dominated
- they are the occupation
- Often defined as typical women’s role
- collective (occupstructural) eg no senior positions in occupations
Form of segmentation

- Male dominated
- Mixed
- Female dominated

Regulation distance

- Low regulation distance (regulation proximity)
  - M1
  - X1
  - F1
- High regulation distance (market proximity)
  - M2
  - X2
  - F2
Gender pay equity

Form of segmentation

Male dominated

Mixed

Female dominated

Regulation distance

Low regulation distance (regulation proximity)

M1
low internal gender pay gap, except specific interfaces with domestic sphere (eg lower benefits for part-timers). Main problems non-wage discrimination, collective harassment

High regulation distance (market proximity)

M2
higher internal gender pay gap

X1
Main problems individual barriers to career progression in domestic and paid employment spheres (but maybe not as bad as F1/ M1). PRP or loadings maybe a way by which CA rules overridden.

F1
Undervaluation of skills. high external gender pay gap until undervaluation addressed. Structural (collective) career advancement barriers (eg librarians)

X2
May be a combination of those around, depending on how occupation has evolved, eg internal gender pay gap, career progression barriers,

F2
undervaluation of skills high external gender pay gap

low paid ghettos
Conclusions

• The interaction between regulation distance (and content) and labour segmentation does not seek to explain everything, but it does help us understand various aspects of gender pay gap

  • including roles of undervaluation, LMS, human and social capital, returns on endowments, public sector and union effects
  • helps us recognise the importance of group norms, social capital and power in shaping pay of men and women
  • greater reliance on ‘market’ not remove distortions, rather increases their potential impact.

and illuminates other aspects of gendered experiences at work, eg harassment, workplace identity politics, etc
4 ways in which gender equities in pay & conditions of women can be addressed

• shifting from market proximity to regulation proximity;
  • draw into regulation (including via collective action, state)

• changing the content of regulation;
  • improve regulation (eg EEO, affirmative action)
  • ensure regulation values women’s work
  • ensure regulation precludes discrimination, harassment

• changing the norms that apply to the governance of work;
  • ensure practice enables equal career access
  • minimise scope for domestic sphere interference in career development

• changing labour segmentation,
  • moving to mixed occupations where opportunities both for undervaluation and male monopoly of power, culture and norms are minimised.
  • break down barriers between segments