



REGULATION DISTANCE, LABOUR SEGMENTATION AND GENDER GAPS

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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

Regulation distance

Low regulation distance
(regulation proximity)

High regulation distance
(market proximity)

instrument

collective agreements

individual contracts

governed by

governed by rules

governed by norms

role of unions and
law

unionised and/or regulated
by law

non-union, little regulation by
law

Issues and characteristics

Features of regulation distance

Regulation distance

**Low regulation distance
(regulation proximity)**

**High regulation distance
(market proximity)**

type of capital and influences upon it

focus on human capital;
value of human capital influenced by regulation, opportunities/ barriers to develop human capital

focus on social capital (as well as human capital)

influenced by groups, group norms

internal gender pay gaps

may be low *internal*, often mainly explained by 'flexibility' from rules, compositional effects,

high

pay levels

often medium (because of bargaining power than unionisation brings)

may be very low or very high

transparency

high

low
(eg via PRP)

Issues and characteristics

Examples of
(Australian)
intersections
between
regulation
distance and
forms of
segmentation

Regulation distance

**Low regulation distance
(regulation proximity)**

**High regulation distance
(market proximity)**

Male dominated

Coal mining

Senior executives
Engineers
High finance
metals mining

Mixed

Academics
public servants

Real estate
Movie production

Female dominated

Librarians
Child care
aged care
nurses

clothing outworkers (c20)
private household staff

Form of segmentation

Features of form of segmentation

Issues by form of segmentation

impact of
domestic sphere

**performance
visibility**

harassment

Male dominated

Not wanted here
→ undervaluation
of *individuals*

excessive
performance
scrutiny of women

can be 'collective'
as well as
individual

Mixed

career progression
(career breaks,
home duties)

normally
individual

**Female
dominated**

value recognition
→ undervaluation
of *occupational
skills*

are males
rewarded for
visibility??

only individual

Form of segmentation

Features of form of segmentation

Issues by form of segmentation

identity issues
with unionism

assimilation

career barriers

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

inflexibilities (eg
access to paid
parental leave,
PPT work,

Female dominated

they are the
occupation

Often defined as
typical women's
role

collective (occu-
structural) eg no
senior positions in
occupations

Form of segmentation

		Regulation distance	
		Low regulation distance (regulation proximity)	High regulation distance (market proximity)
Form of segmentation	Male dominated	M1	M2
	Mixed	X1	X2
	Female dominated	F1	F2

Gender pay
equity

Regulation distance

Low regulation distance
(regulation proximity)

High regulation distance
(market proximity)

Form of segmentation

Male dominated

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

M2

higher internal gender pay gap

Mixed

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.

X2

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

Female dominated

F1

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

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