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# Welcome

The Economic Society of Australia warmly welcomes you to the Gold Coast, Queensland, Australia for the 37th Australian Conference of Economists.

The Society was formed 83 years ago in 1925. At the time, the Society was opposed to declarations of policy and instead focused on open discussions and encouraging economic debate. Nothing has changed today, with the Society and the conference being at the forefront of encouraging debate.

This year we have a large number of papers dealing with Infrastructure, Central Banking and Trade.

Matters of the greatest global importance invariably boil down to be economic problems. Recent times have seen an explosion of infrastructure spending, after world-wide population growth has seen demand outpace aging supply. The world has become more globalised than at any time since World War I but the benefits of this (and the impact on our climate) has been questioned by some.

At the time of preparing for this conference we could not have known that it would have been held during the largest credit crisis since the Great Depression. The general public and politicians both look to central banks for the answers.

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**Women at Work - 1966, 1985, 2008**  
**What Has Changed?**

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# **Women at Work - 1966, 1985, 2008**

## **What Has Changed?**

### **Abstract**

My interest in women at work stretches back over 40 years. It was the reason for extensive research I carried out in the 1960's, further research in the 1980's and now another look at how women's position has changed as the economy has changed and grown.

Some of the changes have been for the better for women – for those women who have become better educated and trained and are able to fill the new types of occupations that abound.

But there is still a gender gap in pay, and there is still occupational segregation.

Those women with less education and training and with family commitments do less well. As women move in and out of the work force because of family pressures, many tend to be confined to part-time and/or casual work with low or lower rates of pay.

There is still much to be done to achieve a harmonious relationship between paid work, domestic work and family care for every worker in the economy.

**Keywords:** women and work, gender pay gap, occupational segregation

**JEL code:** J16

## **Women at Work - 1966, 1985, 2008 What Has Changed?**

When researching women's position in the work force in 1973 and using figures from the 1966 Census I discovered some interesting facts. (1)

More than 8 out of ten women in paid employment worked in occupations that required a minimum of training and skills i.e. sales work, factory work, clerical and service work.

Only 6.6 % of the female work force worked in the skilled trades and in professional, executive and managerial occupations. However 38% of male workers worked in these occupations requiring higher the levels of skill

I then examined the possible reasons for this predominance of working women in the lower skilled occupations.

Expectations then were that marriage and children would follow a short time in the work force. So it was not surprising that women were clustered in occupations requiring little training.

Of course some women did work in paid employment and I had found, in a small sample of women in Camberwell, Victoria, in 1964, that the few married women with a family working in full time jobs spent an average of 73 hours a week working to combine their family responsibilities with their role in the paid work force.

How well were women in paid employment being paid? I found that pay rates for women were considerably lower than for men. This was so especially in the jobs where women were clustered. It was also the case in similar jobs if the jobs could be differentiated in some way e.g. Girl Friday rather than cost clerk and so on.

So there was a lack of incentive as well as a lack of time to improve qualifications.

In the 1970's the marked difference in rates of pay were almost accepted as how things should be taking into account women's position in the economy.

However one could say that the community was deprived of some economic well being. The economy would surely benefit if women were in jobs that realized their full potential.

There seemed then no rational reason why women should not share in the community's increasing knowledge and skill and therefore in the benefits flowing from it.

So what has happened. What do the latest figures show? What has changed in the last 40 years?

According to 2004 Census labour force participation rate of women was 52.7% of women aged 15 years and over and they made up 44.8 % of the total work force.

In 1966 the proportion of women in the total work force was 29.5 per cent.

Working in paid employment has become much more common for women over the last 40 years.

They now choose between full time, part time and casual work and for many there is the reality of multiple job holding.

How is the female work force distributed between occupations now?

Over the last 40 years there has been a proliferation of new occupations and the classification of occupations has had to change. The following table shows this.

#### **Occupations classified by skill and training required, 2004**

Occupation	% of work force	
	Males	Females
Managers & administrators	10.3	5.1
Professionals	20.3	22.2
Associated professionals	14.1	11.6
Tradespersons and related workers	15.7	2.6
Advanced clerical & service workers	2.9	7.4
Intermediate clerical & service workers	14.0	27.3
Intermediate production & transport workers	9.8	2.4
Elementary clerical, sales & service workers	5.1	14.1
Labourers & related workers e.g. Cleaners	7.8	7.3
	100.0	100.0

These figures show a big change has occurred. It is difficult to compare the figures accurately because of the changes in classifications and the proliferation of new occupations but there is no doubt that a greater percentage of women are now working in more skilled jobs as the above percentages show.

Thirty eight percent of women working are in the top 3 classifications.

However employment figures also show that the work force is still divided between those jobs taken predominantly by women and those taken by men.

Less than 3% of women are tradespersons compared to almost 16% of male workers while 27% of women work as intermediate clerical and service workers compared to 14% of male workers.

This can be shown in more detail by further analysis of the 2004 Census figures.

**Percentage of male & female workers in each occupation, 2004**

Occupation	males	+	females =100%
Managers & Administrators	72.5		27.5
Professionals	47.5		52.5
Associated professionals	57.5		42.5
Tradespersons & related workers	90.8		9.2
Advanced clerical & service workers	11.6		88.4
Intermediate clerical & service workers	27.2		72.8
Intermediate production & transport workrs	87.7		12.3
Elementary clerical, sales & service worers	35.1		64.9
Labourers & related workers	64.3		35.7

ABS Australian Labour Market statistics 6105.0 Oct. 2004 p.48 (2)

It is clear from these figures that some occupations e.g. Managers and administrators and tradespersons and production and transport workers are predominantly staffed by men.

Even a further breakdown of the professionals classification shows there is a distinction between jobs largely taken by women. For example 26% of women professionals work as health workers and 31% as education professionals compared to 10% and 16% of male professionals.

Does this matter? Does segregation by type of job for example affect earnings? It certainly did in the 1960's and 1970's and especially before recognition of equal pay for work of equal value. But what of now?

Figures given in the ABS Labour Market Statistics, October 2004 show that in May 2004 full time, ordinary time earnings for men were \$1006.60 and for women \$854.80.(85% of men's earnings)

So there is a big discrepancy between men's and women's earnings. What could be the reason for this?

We have already seen there is still a distinction between men's and women's work. In the past this led to women being paid less than men.

Interestingly, one result of the adoption of equal pay for work of equal value has been the opening up to men of some jobs traditionally done by women e.g. primary school teaching and nursing . However women have not moved into the traditional male jobs (for example trades) to such an extent.

How can the lower pay of women be explained? Is it because of the distinction between men's and women's work? Are there other influences at work as well as gender?

There have been several studies that endeavour to explain the difference between men's and women's pay.

In the U.S.A., Alkadry and Tower show ,(3) a highly controlled study using a multiple regression model, that gender had a significant effect on differences in salary of the sample of workers studied. That is, not all the differences in the salaries shown could be explained by the women being younger, less experienced and educated and having fewer supervisory responsibilities than the men. There was a gender gap. They conclude by asking why is this so.

Research in England has also attempted to explain the gender pay gap.

Gregory and Connolly (4) found that some women with better education and higher aspirations and working full time had better jobs with a lower gender pay gap.

But they also concluded that with approximately 40% of women working part time and mostly in low paid occupations the part time gender pay gap was significant and widening. They concluded this was because women were re-entering the work force in lower level jobs because of family commitments.

The equal Opportunity Commission in Britain has referred to this tendency as "a hidden brain drain.( 5)

Manning and Petrogola in England looked at the differences in age, occupation and industry to explain the differences in pay they had found between part time and full time women workers. After taking into account the differences in hours worked they called the difference in the pay rates that they found between full and part time women workers the part time pay penalty - PTPP. Initially the raw gap in pay between full time and part time women workers was large – about 22%. When they adjusted their results to take into account differences between full time women and those working part time the PTPP fell to about 10%. They found that women working part time are less well educated, they work in lower wage industries, they work in smaller work places and they are less likely to work in London. ( 6)

Their research showed that occupation influence was the most important by far on the PTPP. Age distribution between full and part time women was also important accounting for 5% of the difference. Industry was not found to be important.

They also looked at why the contribution of occupational segregation to pay inequality was rising over time and concluded it is because there has been a big rise in pay inequality generally in Britain over time. There has been a rise in the gap between the the top occupations – managers and professional – and the bottom occupations – cleaners and shop assistants.

They found that women's absence from the labour market during the time they were having children was very important because when they wanted to return they often had to accept less skilled jobs with lower rates of pay e.g switch from nurse to carer. They found that had they been able to switch from full time work to part time work in the same occupation the PTPP would not be noticeable.

Gillian Paull found that, in Britain, the presence of children in the home made a very big impact on women's position in the work force and that therefore children have a big influence on the gender gap.(7)

She found that women get lower wages than men even in the 10 years before having children. Then there is a gradual relative decline for approximately 10 years, then stagnation for another 10 years, then a small recovery. Almost 30 years after the birth of children only 60% of women are in full time employment.

She found a difference between timing of the return to work between mothers – those who were younger, more educated, in higher level occupations, in the public sector, those with more children and lower unearned income returned to work sooner than others.

Not only overseas but also in Australia there is interest in women's position in economic life.

WiSER (Women in Social and Economic Research) at Curtin University have prepared, in part for the National Foundation of Women, the Women's Employment Status Key Indicators

(WESKI) data base.

Data from this study have been used, in addition to Aust. Bureau of Statistics figures, to throw some light on how women have progressed over the last 40 years.

The WESKI report shows that, like most economies, Australia has a segmented labour market consisting of a number of co-existing and linked labour markets. This implies that there are differing bargaining systems for wages and this, in fact, is the case.

In 2004, 20 percent of the total work force was quite reliant on awards and the determinations of the Australian Industrial Relations Commission (AIRC). Almost 41% relied on collective bargaining and the remaining 39% had individual agreements. How important was this for women? The WESKI report shows that women's rate of pay and conditions reflect a relative lack of labour market bargaining power.

Part time workers both male and female, employees on award conditions and relatively low earnings, and women "tend to be clustered in the same occupation." (8)

These occupations are

- : Accommodation, cafes, and restaurants,
- : Cultural and recreational services
- : Health and community services
- : Personal and other services
- : Retail trade

In these occupations minimum conditions of employment seem to become standard conditions for many women and part time workers. Is this a supply question? Gregory and Connolly (9) found that Britain has one of the highest rates of female part time work amongst the advanced economies and suggested that this was consistent with an excess supply of part time hours by British women.

So earnings vary greatly across occupations with persons in lower skilled jobs tending to get lower wages.

However, as was shown above, figures show that even within the same occupational group men working full time have higher weekly earnings than women.

Perhaps we should look at part time earnings as well to see if the same holds, particularly as Manning and Petrogolo found that as well as occupation, whether a woman worked part time was of great importance.

The following table has been extracted from the ABS publication Employee Earnings and Hours 6306.0 May 2006.

**Average Weekly Total Cash Earnings May 2006**

Occupation	Males		Females	
	Full time	Part time	Full time	Part time
Managers & Administrators	\$1848.20	\$689.50	\$1500.60	\$704.40
Elementary clerical, sales & service	800.50	285.70	679.20	279.80

So the big difference in pay (19% in the first occupation considered and 15% for the second) earned between men and women occurs in full time work in each classification.

Women part time workers tend to earn much the same as male part time workers in each of the occupations shown but men fare worse compared to their full time counterparts earning 65% for approximately half the hours worked while women earn 41% less.

How important is part time work?

**Percentage of Males, females employed part time by occupation 2004**

Occupation	Males	Females
Managers, administrators	5.5	25.8
Professionals	10.8	35.0
Associated professionals	8.3	29.7
Tradesperson & related occupations	7.5	40.8
Advanced clerical & service occupations	17.0	48.6
Intermediate clerical & service occupation	20.6	47.7
Intermediate production & transport occupation	14.7	41.3
Elementary clerical, sales & service	46.1	71.5
labourers & related workers (cleaners)	29.3	58.0
TOTAL	14.8	45.6

At least one quarter of the women working in each of the above occupations work part time and in the occupations where they predominate the figure is closer to half.

Overall approximately 15% of men were employed part time in 2004 whereas for women it was closer to 46%. This figure is almost identical to the percentage of women employed part time in England as found by Manning and Petrongolo(10)

Incidentally, do men have to accept the lower rates of pay if they want to work part time? Are the lower rates of pay a function of the hours worked rather than the gender of the worker? And if so, why?

If we look at the same 2004 ABS statistics we find that the part time hours worked by men and women are almost identical – 17.3 hours a week for men and 18.0 hours a week for women. Where men and women work part time they tend to be paid approximately the same. But more women work part time so on the whole women earn less.

Gregory and Connolly, in their research, found that women were happy with their hours of work, their job and life satisfaction. But how is maximum life satisfaction to be attained? Is the "1 ? bread winner model" the best way of achieving it

Another factor contributing to lower relative levels of income for women may be the growth of casual employment. According to the Year Book of Australia, 2006 the increasing diversity of the nature of employment in Australia "may provide new opportunities for people seeking flexible working arrangements in order to balance work with family, study or other non- work activities."

Impacts of this can be both positive and negative e.g. a casual employee is not entitled to either paid holiday leave or paid sick leave. Occupations which offer casual work tend to be seasonal, or have daily variations in the work load (e.g. meal times in cafes etc.) For women with the responsibility of family care casual work may seem attractive.

In 2004 the two lowest skilled occupation groups contained the highest proportion of casuals.

### Full Time and Part time Employees - August 2003

	Full time	Part time	total
Females	%	%	'000
Ongoing *	70.8	29.2	2493.7
Casual	17.9	82.1	1102.6

\*Ongoing – entitled to paid holidays and sick pay

Australian Labour Market Statistics Oct.2004 ABS Cat.6105.0

There is a strong link between working part time (less than 35 hours a week) and working as a casual employee. Over 80% of part time women workers worked on a casual basis. And remember 46% of women in the work force are working part time.

So would women's employment as casual workers also help to account for their lower earnings?

Employees by occupation	Employees '000	proportion who are	
		casual %	female %
Managers, administrators	442.6	5.7	29.1
Elementary clerical,sales & service workers	876.7	56.2	66.2
Labourers & related workers	723.1	47.1	37.3

Year Book of Australia 2006 1301.0 p.5 ABS

So casual workers predominate in the two lowest skilled occupations. 56 per cent of the workers in the elementary clerical, sales and service occupations work on a casual basis and 66 percent of these are female workers.

Despite the casual loading to their hourly rate casual employees have lower average hourly earnings than ongoing employees. The average earnings of all casual employees were 77% of ongoing employees for the same hours worked. ( ABS Australian Social Trends 2005 Cat. 4102.0 )

So one of the factors helping to account for the lower earnings of women is their employment

as casual workers. This also applies to male casual workers the proportion of whom has been increasing as more men work in lower skilled occupations of intermediate production and transport workers, sales and service workers etc. (year Book of Australia 2006)

In summary and using the occupation of elementary clerical, sales and service work and the average total cash earnings in this occupation as given above we can calculate that part time male workers earned 35.6 % of those working full time. Part time women workers earned 41% of full time earnings.

Since full time is defined as having worked 35 hours or more per week and we have seen that part time hours worked for men were 17.3 and 18 hours for women then both men and women were being paid relatively less for working part time.

And for the 80per cent of part time women workers who work casually, earnings are 77% of non casual workers.

Now we can see why some workers may hold more than one job.

What of multiple job holdings?

Data from the July 2003 Labour Force Survey showed almost 6% of employed persons were multiple job holders – a proportion that was increasing. Employed females were more likely to have more than one job and since 1998 females holding more than one job have outnumbered males in absolute terms also. In July 2003 seven percent of employed females (296,200 persons) had more than one job. 16% of female multiple job holders usually worked more than 50 hours or more a week. The most common industry for the second job of these women was Health and Community services. These figures can be found in the Australian Labour Market Statistics April 2004 published by the ABS.

The picture is emerging of a significant group of women who work part time perhaps also in casual jobs and who may also have more than one job. They are the workers who are paid less and according to recent publicity and research their low rates of pay were being eroded further by Work Choices. But it also seems that men who work part time or in casual work are being paid at lower rates.

What of the other significant part of a woman's life – housework and child care? The 2006 Census gives figures showing that 31.5% of women aged 15 years and over engage in unpaid child care and 85% of the same women did some unpaid domestic work. Unpaid housework and child care are still very important jobs for women.

What conclusions can be drawn?

There IS more choice for women. As was found in Britain the women who have become more educated and who have trained for the new types of jobs available have benefitted (even though they are still paid less than similarly qualified men when working full time).

But there is a divide between women – between the better educated ones and all the others who have to work in the lowest paid jobs.

There also seems to be a divide appearing between men. Between those men working full time and those electing to work part time.

And for all women, by going in and out of the work force because of a desire to have children and perhaps also to look after them a woman puts herself in a difficult position.

Manning and Petrongolo conclude that the right to request flexible working conditions could help to break down barriers to the availability of high level jobs on a part time basis. (11)

Gregory and Connolly comment on the difficulties of reconciling paid work and family and conclude "it would be efficient as well as equitable, for society as well as for families, to improve part time work and reduce the price the price of reconciling work and family."( 12)

There has been change in the last 40 years. But this change has not always worked in favour of women.

But some changes have led to a better result for women workers.

Jarajda and Harmgart discovered this when they examined the effect of re-unification between East and West Germany.(13)

One result of the re-unification was the large increase in the East German wage level (the result of western trade union activity there) with re-structuring and mass lay-offs accompanied by early retirements and public assistance programmes. Less productive workers were laid off. They say "productive characteristics of East German female employees are higher than those of their male colleagues" in their sample. Their findings supported the hypothesis that "if mainly highly productive women are employed due to high wage floors, the typical negative correlation between the share of females in an occupation and the wage level in that occupation may be eliminated."( 14) In short they found that female occupations pay more in East Germany

Finally, I look back to 1995 and to a paper I presented at the 24<sup>th</sup> Conference of Economists, Adelaide, titled "Women at Work – Then and Now".

In it I compared changes to women's pattern of living between 1964 and 1995. The biggest changes were in the increased number of women with dependent children who were in the work force. Women were still occupationally segregated and seemed to have a heavier work load.

I concluded then that both a revolution in the home and one in the work place was needed. It seemed to me that as the economy grows we could afford more family time and leisure time for both women and men. We could also afford to remove discriminatory practices against those who work in lower paid jobs.

I hoped that over the next 30 years workplace demands would be harmonised with domestic and caring tasks so that everyone - men, women and children would feel satisfied with their lives and therefore the community as a whole would benefit.

Twelve years of economic growth have passed. And yet, as I have shown, the weakest and most vulnerable members of the work force i.e. part time and casual workers do not seem to be sharing equitably in this growth.

I was hoping for what Gregory and Connolly call "a multi-faceted policy approach, including and encouraging flexible and part time work, maternity leave following birth, and access for working mothers to affordable and good quality child care, particularly for very young children."(15)

There is still a lot to be done.

### Notes

- 1 "The Age" 6/9/1973 "Woman Power Has a Long Way to Go"
- 2 Gammon Marie Women at Work Ch.6 p94 Unpublished thesis Melb.Univ.
- 3 Alkadry & Tower p.888
- 4 Gregory & Connolly F1
- 5 EOC 2005
- 6 Manning & Petrongolo F28,F32,F47
7. Paull Gillian pp477-478
- 8 WISER report p33
- 9 op cit F6
10. op cit F28
- 11 op cit F46
- 12 op cit. F7
- 13 Jaradja & Harmgart When Do Female Occupations Pay More? p.17
- 14 op cit. pp. 186-187

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