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Women's Poverty and the Recession

By **Monica Townson**



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Executive Summary

There's no disagreement that a key objective of policies dealing with the current global recession must be to protect those who are most vulnerable. In Canada, the groups most vulnerable to poverty are Canadians from racialized communities, recent immigrants (many of whom are also from racialized communities), Aboriginal people, and persons with disabilities. Most of these groups have much higher rates of poverty than the general population. But in all the vulnerable groups, poverty rates for women are higher than those for men. As one report has described it, "Gender creates a cleavage of vulnerability that cuts across all other groups."

High rates of poverty around the world had already attracted the attention of policy-makers even before the economic crisis hit. Anti-poverty strategies become even more important when wages are being cut, employers are facing bankruptcy, pension security is threatened, and social safety nets have been eroded just at the time when people are losing their jobs and need support.

At this stage of the economic crisis it is not clear how these anti-poverty strategies might be integrated into the stimulus packages being put

in place by various countries and governments to address the deteriorating economic situation. Will governments consciously incorporate their anti-poverty strategies into their stimulus packages? Or will the anti-poverty strategies be pushed aside while policies focus on specific stimulus programs? Could elements of the stimulus programs even increase the numbers of those living in poverty, and could they have an adverse impact on women particularly? For example, the failure of the federal government's stimulus package to address the problems with the Employment Insurance program, which excludes from benefits 60% of the unemployed at any point in time (women are less likely than men to get benefits), will almost certainly increase the number of those who sink into poverty when they lose their jobs. Extending the length of time for which the unemployed may claim benefits — which is the approach taken by the Harper government — will not help those unemployed who are unable to qualify for benefits in the first place.

Ontario hinted its strategy to reduce child poverty by 25% within five years might have to wait because "things have changed." Federal funding of \$63 million to support 22,000 child

care spaces in Ontario is expiring and will not be renewed. This will also have a major impact on women — although the provincial government will contribute \$18 million to save as many as 9,000 spaces. Some governments in Canada have continued to make small increases in their minimum wages, but few have mentioned increases in welfare rates. Both are worth less and less in real terms (after taking inflation into account) as years go by, and are particularly important sources of income for many women.

Measures to address women's poverty don't even seem to be on the policy radar screen. Yet women in Canada still have unacceptably high rates of poverty — especially if they are on their own as lone-parent heads of families or as older women living alone. In 2007, for example, when 9.5% of young people under age 18 (the “child poverty” measure) had low incomes, 23.6% of Canadian women heading lone-parent families had low incomes, even after taking into account government transfers and tax credits. In fact, the incidence of low income for female lone-parent families was almost five times as high as that of two-parent families with children.

Public pension programs like Old Age Security and the Canada and Quebec Pension Plans have done quite a good job in reducing poverty among elders, but 14.3% of older women on their own still have low incomes — a higher rate than the child poverty rate. Seniors living on their own experienced a low income rate almost 13 times higher than seniors living in families in 2007.

The roots of women's poverty can be found both in the way they are treated when they are in paid employment and the situation in which they find themselves if they are outside paid employment. Governments generally have not developed policies to deal specifically with women's poverty. For example, child benefits are apparently intended to address the high poverty rates of women who are lone-parent heads of families. But monitoring of such policies emphasizes changes in the low-income rates of children and not

whether the poverty rates of lone-parent mothers themselves have been reduced. In fact, the failure of such policies to address women's poverty is evident in the continuing and unacceptably high poverty rates of lone-parent mothers.

Many policies implemented recently will almost certainly contribute to increasing poverty rates for women. The federal government has restricted the implementation of pay equity in the federal jurisdiction; it has failed to address the exclusion of unemployed women from EI benefits; it has done nothing to address the high poverty rates of senior women on their own; and it has moved toward family-based benefits which penalize women by assuming they have equal access to family income, which may not be the case. Provincial governments have been slow to increase minimum wages (women account for 60% of all minimum wage workers) or improve welfare rates.

There are now more women in the paid labour force than ever before. But their wages still lag far behind those of men. In 2008, for example, 82% of women in the age group 25 to 44 — the main child-bearing years — were in the paid work force. But women earned only 65.7% of the average earnings of men (2007). That's almost no improvement over where they were 10 years earlier in 1998 when they earned 62.8% of the average earnings of men. These numbers include part-time workers. If we look at women employed full-time for a full year, their earnings were just 71.4% of the average earnings of men (2007). And 20% of women, compared with just 10% of men who have full-time jobs, are employed in low-wage occupations. (Low wage is defined as earning less than two-thirds of the economy-wide median wage).

Implementing pay equity might help some of the women who are employed full-time. But many women in paid employment are no longer working full-time for a full year. They're part of the contingent work force. They're working in part-time jobs; employed through temporary

help agencies; on call or working in casual jobs; or they're technically self-employed, working on their own. These are precarious jobs. They are generally poorly paid; they have no benefits like pensions; and there is little or no job security. About 40% of women, compared with 30% of men in paid employment, are now working in these kinds of jobs.

Women in paid employment generally don't earn enough to be able to save for their retirement. And most of them are not covered by workplace pension plans. (Most men no longer have a workplace pension plan, either). As well, there's evidence that women are not choosing to work part-time so they can combine paid work with caring for their families. About 27% of women in the main child-bearing years (aged 25 to 44) employed part-time are working part-time because they can't find full-time work. About 38% are working part-time because they're caring for children.

When women lose their jobs, they generally can no longer qualify for what used to be called unemployment insurance. At the time of the last recession, in the late 1980s, almost 83% of unemployed women got benefits. Then, in 1996, the rules were changed and the program was renamed "Employment Insurance." Now, only 39% of unemployed women are receiving employment insurance benefits (2008) replacing just 55% of their usual earnings when they are out of work. In some parts of the country, coverage is much lower than that. Only one in three of the unemployed (women and men) in Ontario and the Western provinces receive EI benefits, compared with eight in 10 in Quebec and the Atlantic provinces. Just 24% of the unemployed in Toronto were receiving benefits in 2008, compared with 50% in St. John's. This denial of temporary income support has serious consequences for women and their families — not just in terms of current income, but also for their future financial security when they are older.

Women who head lone-parent families are still one of the poorest groups in Canada. On average, their incomes are \$7,500 below the poverty line. Many lone parents on welfare are in a desperate situation. The National Council of Welfare reports welfare incomes in 2005 were at their lowest point since 1986 in 20 of the scenarios it looked at. The total welfare income of a lone parent with one child in Alberta, for example, was only 48% of the poverty line level, according to the Council's estimates. That's compared with 61% in 1986.

It's important to note that Canada does not have an official "poverty line." Discussions of poverty tend to focus on some definition of low income — generally based on the Low-Income Cut-Offs (LICOS) calculated by Statistics Canada. These measures define the income level at which a family may be in straitened circumstances because it has to spend a greater proportion of its income on necessities than the average family of similar size.

The United Nations has defined poverty much more broadly than simply a lack of income. It argues that its "human rights" definition of poverty leads to "more adequate responses to the many facets of poverty." It gives due attention to the critical vulnerability and subjective assaults on human dignity that accompany poverty. And, importantly, it looks not just at resources, but also at the capabilities, choices, security, and power needed for the enjoyment of an adequate standard of living and other fundamental civil, cultural, economic, political, and social rights.

The UN notes that discussion of poverty often tends to focus on economic deprivation or lack of income, which, it points out, is a standard feature of most definitions of poverty. But, according to the UN, this in itself does not take into account the myriad of social, cultural, and political aspects of the phenomenon. Poverty is not only deprivation of economic or material resources, but also a violation of human dignity. Successful strategies to prevent, alleviate,

or reduce poverty will attempt to respond to all those needs, not just the need for greater income.

The European Union has declared 2010 to be the European Year for Combatting Poverty and Social Exclusion, and is emphasizing gender mainstreaming. Gender equality is a key element of the EU's strategy for anti-poverty and social inclusion. As well, the emphasis on social inclusion underlines the adoption of the broad human rights definition of poverty adopted by the United Nations. Countries such as Ireland and the United Kingdom have implemented comprehensive anti-poverty strategies, with targets and timelines, and are meeting with considerable success.

Canadian jurisdictions have adopted a variety of initiatives to address poverty, but only two jurisdictions — Québec and Newfoundland and Labrador — have comprehensive anti-poverty strategies similar to those adopted by the European countries. Ontario announced a poverty reduction strategy in December 2008, focusing on reducing child poverty. Nova Scotia released a limited Poverty Reduction Strategy in April 2009, and New Brunswick is developing a poverty reduction plan it expects to have in place by the end of 2009.

The UN emphasizes that equality and non-discrimination are essential elements in a human rights approach to poverty reduction. Most comprehensive strategies make special efforts to address gender equality and the needs of women. Such strategies probably offer the best potential for dealing with women's poverty. But since these strategies were generally developed before the current economic downturn, it remains to be seen whether governments will proceed with their planned efforts to deal with poverty.

For the most part, Canadian jurisdictions have chosen to address poverty through a variety of individual initiatives, from child care subsidies to training programs and income support programs such as social assistance and top-ups for low-income seniors, but few focus specifically

on women's poverty. In many cases, these programs are not coordinated or integrated, and do not form part of a comprehensive strategy to combat poverty. Many jurisdictions emphasize getting a job as the solution to poverty generally, but they don't seem to have considered the kinds of jobs women can find. As well, there seems to be little or no monitoring to see whether or not finding a job lifts these women out of poverty. While some of these initiatives set targets and timelines, most do not. Various measures of "poverty" are used to set targets and measure results, so comparisons between provinces must therefore be treated with caution.

Women's poverty is clearly not high on the policy agenda of the current federal government. In fact, since coming to power in 2006, initiatives taken by the Harper Conservatives have seriously undermined progress towards achieving equality for women and reducing women's poverty. Status of Women Canada's mandate to promote women's equality was withdrawn — implying these activities were no longer necessary. Funding for research activities designed to document women's inequality has also been withdrawn. The research activities of Status of Women Canada were terminated; the Law Commission of Canada was abolished; the Canadian Labour and Business Centre was closed. The Court Challenges Program that financed women (and other equality seekers) to take legal action to secure their equality rights was abolished, and funding cuts forced the National Association of Women and the Law that helped women with these issues to close. The Harper government has restricted the right to pay equity of women employed in the federal public service, and it has reneged on signed agreements between the federal government and the provinces to establish a national system of early learning and child care.

Clearly, a comprehensive strategy to address women's poverty would require the cooperation of federal and provincial governments to devel-

op a long-term plan dealing with the issues outlined in this paper. Among the policies needed:

- Make the necessary changes to the Employment Insurance program to provide equality of access to women and men and to address the problems outlined in this report.
- Bring minimum wages to at least \$10 an hour, and index them for inflation.
- Address the income needs of older women on their own by increasing the Guaranteed Income Supplement for single individuals.
- Review social assistance rates and bring them at least up to the after-tax LICO for lone parents and others.
- Give special attention to the income needs — and especially the retirement income needs — of certain groups such as persons with disabilities, Aboriginal persons, Canadians from racialized communities, and recent immigrants.
- Restore the funding and structure agreed between the federal government and the provinces for a national system of early learning and child care.
- Develop strategies to address non-standard work issues — for example, regulating temporary employment agencies.
- Make sure policies and programs — for example, tax measures — respect and promote women's economic autonomy.

- Commit to an effective monitoring system to measure progress, with clear and concrete targets and timelines. (Gender analysis of data is needed).

It will take more time to document fully the impact of the recession on incomes and poverty rates. There are time lags between the collection and publication of data. For example, the recession started to take hold in late 2008, but the most recent income data we have are for the year 2007, published in June 2009. For some groups, such as Aboriginal people, persons with disabilities, and those in racialized communities, detailed income information is only available from Census data, which relates to incomes in 2005. However, information in this report indicates signposts to guide policy-makers so that efforts to deal with the recession do not exacerbate the precarious economic situation in which many women find themselves.

The issue of women's equality must be put back on the policy agenda. We cannot use the current economic recession as an excuse to postpone taking action on the continuing poverty in which many women find themselves. In these uncertain times, our commitment to protect those who are most vulnerable matters more than ever. Moreover, as was indicated by the International Monetary Fund, economies can be stimulated by putting money into the pockets of those who need it the most and thus those who will spend it.

Women's Poverty and the Recession

Poverty: a human condition characterized by the sustained or chronic deprivation of the resources, capabilities, choices, security and power necessary for the enjoyment of an adequate standard of living and other civil, cultural, economic, political and social rights.

—United Nations Office of the
High Commissioner for Human Rights

There's no disagreement that a key objective of policies dealing with the current global recession must be to protect those who are most vulnerable. In Canada, the groups most vulnerable to poverty are from racialized communities,¹ recent immigrants (many of whom are also from racialized communities), Aboriginal people, and persons with disabilities. Most of these groups have higher rates of poverty than the general population. One report based on data from 2000, and published in 2007, indicated staggering rates of low income for these groups. For example, although the poverty rate for the total population in 2000 was 16.2%, poverty rates of these groups ranged from 23.4% for persons with disabilities to 42.7% for recent immigrants.

The report found that, in all the vulnerable groups, the poverty rates for women in 2000 were higher than those for men. The report said that: "Gender creates a cleavage of vulnerability that cuts across all other groups" [Canadian Council on Social Development 2007: 15]. Data from the 2006 Census indicate continued low income for these groups, although published data, based on income in 2005, generally do not indicate the percentage of women and men in these groups living in poverty.

Women in Canada still have unacceptably high rates of poverty — especially if they are on their own as lone-parent heads of families or as older women living alone. And, while we used to talk about the feminization of poverty, addressing women's poverty no longer seems to be a high priority among policy-makers.

Women and poverty

About 1.22 million adult women (aged 18 or older) were living in poverty in Canada in 2007 — the most recent year for which statistics are available. That was slightly more than the 1.09 million adult men whose incomes were below the poverty

TABLE 1 Prevalence of persons in low income after tax Canada, 1996–2007, as percentage

| | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|------------------------------------|------|------|------|------|------|------|------|------|------|------|------|------|
| All persons | 15.7 | 15.3 | 13.7 | 13.0 | 12.5 | 11.2 | 11.6 | 11.6 | 11.4 | 10.8 | 10.5 | 9.2 |
| Under 18 | 18.6 | 17.8 | 15.5 | 14.4 | 13.8 | 12.1 | 12.2 | 12.5 | 13.0 | 11.7 | 11.3 | 9.5 |
| Unattached women aged 65+ | 27.3 | 23.7 | 22.0 | 22.3 | 21.6 | 18.6 | 20.7 | 18.9 | 16.9 | 20.3 | 16.1 | 14.3 |
| Women heading lone parent families | 52.7 | 49.3 | 42.9 | 39.4 | 36.3 | 33.8 | 39.4 | 39.0 | 36.0 | 29.1 | 28.2 | 23.6 |

SOURCES Statistics Canada Income in Canada 2005, p. 86, Income in Canada 2006 pp. 87& 109 and Income in Canada 2007 pp. 87 & 88.

line in the same year. In both cases, poverty rates have been reduced since the beginning of the decade. But 10.2% of women aged 18 to 64, compared with 9.7% of men aged 18 to 64, remained poor in 2007, even after taking into account government transfers and the positive impact of the tax system [Statistics Canada 2009d: 87].

These statistics are based on Statistics Canada's after-tax low-income cut-offs (LICOS). In other words, they are an indication of how much poverty remains unaddressed by income support programs and other measures intended to help the poor. And, while low-income rates declined from the previous year, the improvement reflects strong economic growth before the recession began. In fact, Statistics Canada says the overall low-income rate experienced in 2007 was the lowest observed in 30 years [Statistics Canada 2009d: 7]. Poverty rates will almost certainly increase once the impact of the recession is factored in.

Most anti-poverty strategies in Canada and elsewhere have concentrated on reducing child poverty, but other groups within the population are even more disadvantaged. In 2007, for example, when 9.5% of young people under age 18 (the "child poverty" measure) had low incomes, 23.6% of Canadian women heading lone-parent families had incomes below the after-tax LICO. In fact, the incidence of low income for female lone-parent families was almost five times as high as that of two-parent families with children [Statistics Canada 2009d: 87]. At the same time, 14.3% of women aged 65-plus who were on their

own had low incomes. Seniors living on their own experienced a low-income rate almost 13 times higher than seniors living in families in 2007 [Statistics Canada 2009d:88].

The depth of poverty of these groups was significant. On average, the after-tax incomes of senior women on their own were \$2,400 below the poverty level (Statistics Canada's after-tax LICO). But the average after-tax incomes of women who head lone-parent families were \$7,500 below the after-tax LICO. To a large extent, these groups of women might be described as "the forgotten poor." They are generally not mentioned in budgets or stimulus packages, and, with one or two notable exceptions, no specific programs are developed to address their needs. Of course, it goes without saying that children are poor because their parents are poor. Many poor children live in low-income lone-parent families headed by women, but it has become more acceptable to talk about child poverty than women's poverty.

Anti-poverty strategies and the recession

High rates of poverty around the world had already attracted the attention of policy-makers even before the economic crisis hit. Anti-poverty strategies become even more important when wages are being cut, employers are facing bankruptcy, pension security is threatened, and social safety nets have been eroded just at

the time when people are losing their jobs and need support.

In their concern about ongoing and intractable high rates of poverty, some countries and governments had already adopted comprehensive strategies to address these concerns. The United Kingdom, for example, began a concentrated effort to tackle poverty in 1999 when it set a target of eradicating child poverty in Britain within a generation by 2020. More recently, it expanded that objective and adopted a comprehensive anti-poverty strategy which it says is “a long-term approach to deliver long-term change — not just to tackle child poverty, but to offer every individual and every generation the opportunity to raise and fulfill their aspirations” [UK Department of Work and Pensions 2006].

Ireland implemented a comprehensive anti-poverty strategy in the mid-1990s. The second phase of that strategy was launched in 2007 and focused on building an inclusive society. Other countries — particularly countries in Europe — have taken up the challenge and have developed anti-poverty strategies.

In Canada, Québec was the first jurisdiction to implement a comprehensive anti-poverty strategy in 2004, followed by Newfoundland and Labrador in 2006. But other provinces such as Ontario and Nova Scotia have now started to move in the same direction.

At this early stage of the economic crisis, it is not clear how these anti-poverty strategies might be integrated into the stimulus packages now being put in place by various countries and governments to address the deteriorating economic situation. Will governments consciously incorporate their anti-poverty strategies into their stimulus packages? Or will the anti-poverty strategies be pushed aside while policies focus on specific stimulus programs? Could elements of the stimulus programs even increase the numbers of those living in poverty? For example, the failure of the federal government’s stimulus package to address the problems with the Employment In-

urance program, which excludes from benefits 60% of the unemployed at any point in time, will almost certainly increase the number of those who sink into poverty when they lose their jobs. Extending the length of time for which the unemployed may claim benefits — which is the approach taken by the Harper government — will not help those unemployed who are unable to qualify for benefits in the first place.

In its initial reaction to the recession, Ontario hinted its strategy to reduce child poverty by 25% within five years may have to wait, because “things have changed.” Federal funding of \$63 million to support 22,000 child care spaces in Ontario will expire on March 31, 2010, and will not be renewed — although the provincial government will contribute \$18 million to save as many as 9,000 child care spaces [Toronto Star 2009d]. Some governments have continued to make small increases in their minimum wages, but few have mentioned increases in welfare rates. Both are worth less and less in real terms (after taking inflation into account) as years go by, and are particularly important sources of income for many women. (Women account for 60% of all minimum wage workers) [Statistics Canada 2009: 61].

Defining poverty

It’s important to note that Canada does not have an official “poverty line.” Discussions of poverty tend to focus on some definition of low income — generally based on the Low-Income Cut-Offs (LICOs) calculated by Statistics Canada. These measures define the income level at which a family may be in straitened circumstances because it has to spend a greater proportion of its income on necessities than the average family of similar size. Specifically, the threshold is defined as the income below which a family is likely to spend 20 percentage points more of its income on food, clothing and shelter than the average family [Statistics Canada 2008: 126]. However, it

should be noted that the index is currently based on 1992 spending patterns and has not been adjusted recently. Poverty rates could be even higher if spending patterns were brought up to date.

Some non-governmental organizations use the before-tax LICO as a measure of poverty and may refer to those with incomes below this measure as being “below the poverty level.” (The CCSD report referred to above is an example of this). However, it is important to note that these rates are based on Statistics Canada’s before-tax low-income cut-offs, so are generally higher than rates based on the after-tax LICO would be. For example, the poverty rate for the total population in 2000, which forms the basis of the CCSD report, was 16.2% based on the before-tax LICO, but 12.5% based on the after-tax LICO.

While the before-tax LICO takes into account government transfer programs, such as social assistance, Employment Insurance benefits and public pensions, it does not include measures in the tax system, such as tax credits and deductions, which may be designed to improve the financial situation of those with low incomes. Use of the before-tax LICO as a poverty measure produces higher low-income rates than the after-tax LICO, so it’s important to be clear which measure is being used when poverty rates are under discussion. For example, statistics for 2006 indicate the low-income rate for women aged 65 or older who were on their own was 37.2% based on the before-tax LICO, but 16.1% using the after-tax LICO. The low-income rate for women heading lone-parent families was 42.6% using the before-tax LICO, but 28.2% based on the after-tax LICO. Both the before-tax and the after-tax LICO may be referred to as “the poverty level” in reports on poverty, which may create some confusion when one report is compared with another.

Discussions of poverty in recent years have tended to focus on the after-tax LICO, which takes both government transfers and the tax system into account. This measure reflects those who

remain in low income, even after receiving the benefit of government transfer programs, tax credits, and other measures delivered through the tax system. In a sense, then, it indicates the percentage of individuals and families whose poverty remains unaddressed. Low income rates based on this measure are published annually by Statistics Canada. However, Statistics Canada no longer publishes low income rates based on the before-tax LICOs, although these tables may be obtained through a special request for which a fee must be paid.

Both before-tax and after-tax LICOs refer to “relative” poverty — in other words, families and individuals are considered to be poor if their incomes are low in relation to the incomes of others in the population. For this reasons, critics have referred to the LICOs as measures of inequality and not true measures of poverty. They have argued for an “absolute” measure — a definition of poverty that would count as poor only those individuals and families who do not have enough money to purchase the basic necessities of life — a basket of goods and services, considered essential for survival, as defined by some government or private sector agency. It’s worth noting that relative measures of poverty come closer to the UN definition of poverty, since they indicate the extent to which those with low incomes are falling behind the rest of the population — at least as far as incomes are concerned.

Critics have also argued that using the LICO to measure poverty in fact exaggerates the problem because it is “too generous” [Sarlo 1996: xvii]. The Market Basket Measure (MBM), for example, was developed on behalf of Human Resources and Skills Development Canada and provincial governments in the late 1990s to help provinces measure the success of some of their income support measures. It was anticipated that using the MBM to measure poverty would result in much lower rates of low income and therefore demonstrate that programs to alleviate poverty were meeting with success.

In fact, the situation proved otherwise. It turned out MBM poverty rates were actually higher than those indicated by the LICO. A recent study of low income in Canada using the MBM indicated that 11.9% of the total population in 2006 would be considered low income if the MBM were used, compared with 10.5% when the after-tax LICO was used as a measure of low income. For lone-parent families headed by women, 34.9% were considered low-income using the MBM as a poverty measure, while 28.2% were low income using the after-tax LICO [Human Resources and Skills Development Canada 2008: 31].

The MBM is more sensitive than other low-income measures to significant geographical variations (both among and within provinces) in the cost (especially for shelter and transportation) of many typical items of expenditure. As well, the MBM thresholds take into account that families of different sizes and different numbers of adults and children in the same community will require different amounts of disposable income to purchase the standard consumption represented by the goods and services in the MBM basket [HRSDC 2009: 8]. However, information on the MBM is not published regularly, and the measure is not widely used.

The after-tax LICO thresholds vary by both family and community size to recognize that shelter tends to cost more as the size of the community increases, and that larger families require more resources than smaller ones. However, the after-tax LICOs are not adjusted for differences in the cost of shelter within community sizes and make no allowance for geographical variations in the cost of transportation and other categories of expenditure [HRSDC 2009: 8].

International comparisons of low income such as those published by the Organization for Economic Cooperation and Development (OECD) generally use a measure that considers those with incomes below 50% of the median income to be in the low income category. Statistics

Canada publishes such a measure for Canada, known as the Low Income Measure (LIM), which sets thresholds at one-half of median post-tax income adjusted for the number of adults and children in the family. The LIM cutoffs are not adjusted for differences in community size, so the threshold for a family of any given configuration is the same regardless of the size of their community [HRSDC 2009: 4].

The human rights definition of poverty

The United Nations has defined poverty much more broadly than simply a lack of income. It argues that its “human rights” definition of poverty leads to “more adequate responses to the many facets of poverty.” It gives due attention to the critical vulnerability and subjective assaults on human dignity that accompany poverty. And, importantly, it looks not just at resources, but also at the capabilities, choices, security, and power needed for the enjoyment of an adequate standard of living and other fundamental civil, cultural, economic, political, and social rights [United Nations 2002].

The UN notes that discussion of poverty often tends to focus on economic deprivation or lack of income, which, it points out, is a standard feature of most definitions of poverty. But, according to the UN, this in itself does not take account of the myriad of social, cultural and political aspects of the phenomenon. Poverty is not only deprivation of economic or material resources, but also a violation of human dignity. Successful strategies to prevent, alleviate, or reduce poverty will attempt to respond to all those needs, not just the need for greater income.

The United Nations Human Development Report for 2007/2008 ranked Canada as fourth in the world on its Human Development Index (HDI), which it says “provides a composite measure of three dimensions of human development: living a long and healthy life (measured by life expectancy), being educated (measured by adult

literacy and enrolment at the primary, secondary, and tertiary levels), and having a decent standard of living (measured by purchasing power parity, PPP, income). Only Iceland, Norway, and Australia ranked higher than Canada.

However, the UN points out that the index does not include important indicators such as gender or income inequality, and more-difficult-to-measure indicators such as respect for human rights and political freedoms. Canada scores much lower on the UN's Gender Development Index (GDI), where 44 countries do better than Canada does [United Nations 2008: 4].

On the UN's gender empowerment measure (GEM), Canada ranks 10th out of 93 countries. This measure reveals whether women take an active part in economic and political life. It tracks the share of seats in Parliament held by women; of female legislators, senior officials, and managers; and of female professional and technical workers — and the gender disparity in earned income, reflecting economic independence. Differing from the GDI, the GEM exposes inequality in opportunities in selected areas [United Nations 2008:4].

Many women in Canada lack the income to participate fully in the social and political life of their communities. But many also suffer additional disadvantages. Lack of affordable quality child care, for example, not only deprives them of the opportunity to participate in paid employment, but may also limit other activities, such as their ability to engage fully in community activities. Systemic discrimination and occupational segregation in the workplace may limit their ability to progress to better-paying jobs. Low wages limit their ability to save for retirement, and lack of pension coverage virtually ensures their financial insecurity will continue into old age.

The UN established the period 1996 to 2007 as the United Nations Decade for the Eradication of Poverty, and it drafted guidelines for countries adopting a human rights approach to poverty reduction. Included in the guidelines are

the right to adequate food, to health, education, decent work, adequate housing, personal security, access to justice, and political rights and freedoms. As well, the guidelines emphasize it is now widely recognized that effective poverty reduction is not possible without empowerment of the poor. The human rights approach to poverty reduction, the UN says, is essentially about such empowerment. Equality and non-discrimination are also an essential element in a human rights approach to poverty reduction, according to the UN.

The UN guidelines also stress the importance of setting benchmarks and targets, as well as monitoring and accountability. But the UN points out that poverty is so deeply entrenched in many societies that it would be unrealistic to hope that, even with the best of intentions, it can be eliminated in a very short period. The human rights approach explicitly allows for progressive realization of rights. But intermediate — preferably annual — targets should be set, the UN says, and states should be held accountable for the realization of those intermediate targets.

Causes of women's poverty

The roots of women's poverty can be found both in the way women are treated when they are in paid employment and the situation in which they find themselves if they are outside paid employment. Governments generally have not developed policies to deal specifically with women's poverty. For example, child benefits are apparently intended to address the high poverty rates of women who are lone-parent heads of families. But monitoring of such policies emphasizes changes in the low-income rates of children, not whether the poverty rates of lone-parent mothers themselves have been reduced.

Many policies implemented recently will almost certainly contribute to increasing poverty rates for women. For example, as noted earlier, the federal government has decided not to renew

funding amounting to \$63 million for child care spaces in Ontario, although the provincial government will provide \$18 million to save as many as 9,000 child care spaces. The federal government has restricted the implementation of pay equity in the federal jurisdiction; it has failed to address the exclusion of unemployed women from EI benefits; it has done nothing to address the high poverty rates of senior women on their own; and it has moved toward family-based benefits which penalize women by assuming they have equal access to family income, which may not be the case.

There are now more women in the paid labour force than ever before, but their wages still lag far behind those of men. In 2008, for example, 82% of women in the age group 25 to 44 — the main child-bearing years — were in the paid work force. But women earned only 65.7% of the average earnings of men (2007). That's almost no improvement over where they were 10 years earlier, in 1998, when they earned 62.8% of the average earnings of men. These numbers include part-time workers. If we look at women employed full-time for a full year, their earnings were just 71.4% of the average earnings of men (2007). And 20% of women, compared with just 10% of men, who have full-time jobs are employed in low-wage occupations. (Low wage is defined as earning less than two-thirds of the economy-wide median wage) [Jackson et al. 2000: 66].

Implementing pay equity might help some of the women who are employed full-time. But many women in paid employment are no longer working full-time for a full year. They're part of the contingent work force. They're working in part-time jobs; employed through temporary help agencies; on call or working in casual jobs; or they're technically self-employed, working on their own. These are precarious jobs. They are generally poorly paid; they have no benefits such as pensions; and there is little or no job security. About 40% of women, compared with 30%

of men, in paid employment are now working in these kinds of jobs.

Women in paid employment generally don't earn enough to be able to save for their retirement. And most of them are not covered by workplace pension plans. (Most men no longer have workplace pension plans, either). As well, there's evidence that many women are not choosing to work part-time so they can combine paid work with caring for their families. In 2008, 27% of women in the main child-bearing years (aged 25 to 44) employed part-time were working part-time because of business conditions or because they could not find full-time work. About 38% of women part-time workers were working part-time because they were caring for children [Statistics Canada 2009f].

When women lose their jobs, they generally can no longer qualify for what used to be called unemployment insurance. At the time of the last recession, in the late 1980s, almost 83% of unemployed women got benefits. Then, in 1996, the rules were changed and the program was renamed "Employment Insurance." Now, only 39% of unemployed women are receiving employment insurance benefits (2008), replacing just 55% of their usual earnings when they are out of work. In some parts of the country, coverage is much lower than that. Only one in three of the unemployed (women and men) in Ontario and the Western provinces receive EI benefits, compared with eight in 10 in Quebec and the Atlantic provinces. Just 24% of the unemployed in Toronto were receiving benefits in 2008, compared with 50% in St. John's [Caledon Institute 2009: 1]. This denial of temporary income support has serious consequences for women and their families — not just in terms of current income, but also for their future financial security when they are older.

Public pension programs like Old Age Security and the Canada and Quebec Pension Plans have done quite a good job in reducing poverty among elders. In 2007, for example, just 4.8%

of Canadian seniors had low incomes. But far too many older women on their own have low incomes. In 2007, 14.3% of these women were considered low-income, even after taking into account government transfers and tax credits [Statistics Canada 2009d: 87].

But women who head lone-parent families are still one of the poorest groups in Canada. At last count, 23.6% of these women lived in low income (after taking taxes and transfers into account). On average, their incomes were \$7,500 below the poverty line. Many lone parents on welfare are in a desperate situation. The National Council of Welfare reports welfare incomes in 2005 were at their lowest point since 1986 in 20 of the scenarios it looked at. The total welfare income of a lone parent with one child in Alberta, for example, was only 48% of the poverty line, according to the Council's estimates. That's compared with 61% in 1986.

Women with disabilities, recent immigrants, racialized women, and Aboriginal women face additional disadvantages. As we noted earlier, all of these groups have extremely high rates of low income and, in all of them, women are the most vulnerable [Canadian Council on Social Development 2007: 15]. We look at these groups in more detail later in this report.

Women in paid employment

There seems to be a widespread belief that the answer to poverty is getting a job. Many jurisdictions in Canada, for example, try to reduce their welfare caseload by helping people move off social assistance and into paid employment. Employment-related measures such as training or education are designed to help people find a job. However, it would appear that, while many provinces emphasize the numbers by which they have been able to reduce their welfare caseload, few monitor the economic situation of former social assistance recipients who manage to find employment but may simply add to the num-

bers of working poor. The lack of follow-up may have particular relevance in the case of women.

For many women, family responsibilities and lack of affordable child care may limit their ability to engage in paid employment and/or narrow their choices. But having a job does not necessarily lift them out of poverty. Women are much more likely than men to be employed in non-standard work arrangements. These include part-time work, temporary, contract and seasonal jobs, and own-account self-employment — that is, self-employment without any employees. These jobs tend to be lower-paid and there is often little or no job security, and no benefits such as pensions.

Non-standard work

In 2008, for example, almost 40% of employed women, compared with 30% of employed men, were in non-standard work arrangements such as part-time, casual, and temporary jobs, as well as own-account self-employment and multiple jobs [Table 2]. Recent work by Leah Vosko and Lisa Clark highlights the impact of this kind of employment on women. These authors note that:

Part-time and temporary forms of employment are in certain respects insecure by definition, that is, by virtue of their shorter-than-typical daily or weekly hours and their lack of certainty. However, other dimensions also make these forms of work insecure. Income inadequacy is arguably a central dimension of labour market insecurity. In Canada, among employees, earning less than \$10 an hour represents an inadequate wage; this measure is consistent with the poverty line defined by Canada's official Low Income Cut-Off (LICO) for an individual in a large city working 35 hours a week. Firm size, in turn, is a good indicator of access to regulatory protection among employees; workers in firms of fewer than 20 employees are less likely than

TABLE 2 Non-standard employment in Canada by gender, aged 15 and over
1999–2008, annual averages in thousands

| Both sexes | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Total employment | 14406.7 | 14764.2 | 14946.2 | 15310.4 | 15672.3 | 15947.0 | 16169.7 | 16484.3 | 16866.4 | 17125.8 |
| Total non-standard employment | 5012.3 | 5075.4 | 5100.6 | 5326.5 | 5465.5 | 5544.8 | 5651.4 | 5706.7 | 5913.9 | 5935.3 |
| Part-time employment | 2647.3 | 2670.6 | 2703.7 | 2871.1 | 2967.0 | 2948.9 | 2963.5 | 2974.7 | 3063.3 | 3149.2 |
| Full-time temporary employees, single job holders | 825.7 | 883.6 | 909.1 | 942.9 | 930.7 | 972.8 | 1022.8 | 1040.2 | 1040.9 | 1004.4 |
| Full-time multiple job holders | 467.1 | 462.2 | 458.3 | 494.4 | 494.1 | 509.3 | 538.9 | 555.5 | 585.0 | 581.8 |
| Full-time Own account self-employed single job holders | 1072.2 | 1059.0 | 1029.5 | 1018.1 | 1073.7 | 1113.8 | 1126.2 | 1136.3 | 1224.7 | 1199.9 |
| Non-standard employment as % of total employment | 34.8 | 34.4 | 34.1 | 34.8 | 34.9 | 34.8 | 35.0 | 34.6 | 35.1 | 34.7 |
| Men | | | | | | | | | | |
| Total employment | 7797.2 | 7973.9 | 8035.8 | 8184.4 | 8348.1 | 8480.6 | 8594.7 | 8727.1 | 8888.9 | 9021.3 |
| Total non-standard employment | 2308.7 | 2328.4 | 2335.6 | 2432.1 | 2496.9 | 2526.2 | 2588.5 | 2618.2 | 2719.6 | 2732.3 |
| Part-time employment | 805.1 | 823.1 | 840.5 | 896.5 | 925.1 | 921.3 | 930.7 | 946.1 | 979.0 | 1013.3 |
| Full-time temporary employees, single job holders | 475.3 | 498.5 | 508.3 | 538.8 | 534.1 | 535.7 | 574.9 | 577.4 | 578.3 | 570.1 |
| Full-time multiple job holders | 277.5 | 265.2 | 256.1 | 281.9 | 274.1 | 281.5 | 293.0 | 305.8 | 314.1 | 308.8 |
| Full-time Own account self-employed single job holders | 750.8 | 741.6 | 730.7 | 714.9 | 763.6 | 787.7 | 789.9 | 788.9 | 848.2 | 840.1 |
| Non-standard employment as % of total employment | 29.6 | 29.2 | 29.1 | 29.7 | 29.9 | 29.8 | 30.1 | 30.0 | 30.6 | 30.3 |
| Women | | | | | | | | | | |
| Total employment | 6609.6 | 6790.4 | 6910.3 | 7126.0 | 7324.2 | 7466.4 | 7575.0 | 7757.2 | 7977.5 | 8104.5 |
| Total non-standard employment | 2703.5 | 2747.0 | 2765.0 | 2894.5 | 2968.6 | 3018.4 | 3062.9 | 3088.4 | 3194.2 | 3203.1 |
| Part-time employment | 1842.2 | 1847.5 | 1863.2 | 1974.6 | 2041.9 | 2027.6 | 2032.8 | 2028.5 | 2084.3 | 2135.9 |
| Full-time temporary employees, single job holders | 350.4 | 385.0 | 400.8 | 404.2 | 396.6 | 437.0 | 447.9 | 462.8 | 462.6 | 434.3 |
| Full-time multiple job holders | 189.6 | 197.1 | 202.2 | 212.5 | 220.0 | 227.8 | 245.9 | 249.7 | 270.8 | 273.0 |
| Full-time Own account self-employed single job holders | 321.3 | 317.4 | 298.8 | 303.2 | 310.1 | 326.0 | 336.3 | 347.4 | 376.5 | 359.9 |
| Non-standard employment as % of total employment | 40.9 | 40.5 | 40.0 | 40.6 | 40.5 | 40.4 | 40.4 | 39.8 | 40.0 | 39.5 |

SOURCE Statistics Canada, Labour Force Survey, unpublished data.

those in large firms to have a full range of protections since some labour laws do not apply in small firms, and those that do are often ill-enforced [Fudge 1993].² Finally, union coverage, encompassing workers

that are unionized and those covered by a collective agreement, is a good indicator of both regulatory protection and control over the labour process. Unionized workers have a higher degree of protection written

TABLE 3 Reasons for women's part-time work Canada, 2008, as percentage

| | Total | 15-24 | 25-44 | 45 and over |
|---|---------|-------|-------|-------------|
| Own illness | 3.6 | 0.7 | 2.9 | 6.7 |
| Caring for children | 14.6 | 1.5 | 37.8 | 5.6 |
| Other personal/family responsibilities | 4.3 | 0.8 | 5.4 | 6.5 |
| Going to school | 27.0 | 75.3 | 8.6 | 0.8 |
| Personal preference | 28.3 | 5.6 | 17.2 | 57.9 |
| Other voluntary | 0.6 | 0.4 | 0.8 | 0.6 |
| Other* | 21.6 | 15.6 | 27.3 | 21.9 |
| Total employed part-time (thousands) | 2,135.9 | 679.1 | 681.8 | 774.9 |
| Total employed part-time as % of total employed | 26.4 | 52.6 | 18.9 | 24.2 |

* includes business conditions and unable to find full-time work

SOURCES Statistics Canada at <http://www40.statcan.gc.ca/cbin/fl/cstprintflag.cgi>

into collective agreements, and grievance procedures as well as job-based solidarities allow them to influence the level and speed of their work.

Putting these indicators of dimensions of labour market insecurity together for the prime working-age group reveals that workers in forms of part-time and temporary employment are more likely than their full-time permanent counterparts to be in small, non-union firms, and to earn low wages. Looking within these forms of employment also reveals gendered patterns; for example, over four times as many women as men in part-time permanent jobs and almost three times as many women as men in part-time temporary jobs earned less than \$10 per hour in 2007. Similar points apply in relation to firm size and union coverage. Over five times as many women as men in part-time permanent jobs and twice as many women as men in part-time temporary jobs worked in small firms in 2007. Almost five times as many women as men in part-time permanent jobs and almost three times as many women as men

in part-time temporary jobs lacked union coverage [Vosko and Clark 2009].

Throughout the period from 1999 to 2008, the percentage of employed workers in non-standard jobs has remained fairly constant at around 34–35% [Table 2]. Measuring non-standard employment is complicated by the fact that categories overlap. For example, a part-time job may be permanent or temporary; a temporary job may be full-time or part-time. To avoid double counting, data in Table 2 indicate all part-time employment — whether permanent or temporary — as well as other types of non-standard work where workers are employed full-time, such as full-time temporary jobs, and full-time own-account self-employment.

While many people seem to believe women choose to work part-time or on a temporary basis so they can more easily combine their paid employment with their family responsibilities, it should be noted that, among women in the main child-bearing age group (25–44) in 2008, 27% of those who were employed part-time were working part-time because they were unable to find full-time jobs. About 38% of women in this age group worked part-time because they were caring for children.

The rate of involuntary part-time employment varies by personal characteristics, including age, sex, and family structure. It also varies with general economic conditions. Involuntary part-time work is noticeably higher for women than for men, and is significantly higher for single people with children. Some observers suggest lone parents may confront an hours constraint combined with other home work and responsibility constraints, perhaps arising because of the unavailability or unaffordability of child care [Chaykowski 2006: 14].

Differences in low-income rates between female and male lone parents may be partly attributable to differences in the incidence of non-standard work arrangements and thus in earnings. For example, women are more likely than men to be employed part-time and consequently are more likely to have lower earnings than men. Data from the 2001 Census indicate that 71.1% of lone mothers were employed, and, of these, 60.8% were working mostly full-time, while 17.1% were working mostly part-time. In contrast, 82.0% of lone-parent fathers were employed in 2001, of whom 83.6% worked mostly full-time while 5.7% worked mostly part-time [Galarneau 2006: 8 & 14].

Occupational segregation

It should also be noted that occupational segregation still persists in the Canadian labour market. In 2007, for example, about 2.3 million men who had jobs — just over one-quarter of employed men — worked in construction trades and transport, or equipment operation occupations. Only about 2% of women workers were employed in such jobs. In fact, 56% of women who had jobs in 2007 worked in only two occupational categories: just over 2.3 million were employed in sales and service occupations, accounting for 29.3% of all employed women over the age of 15. Another 27% of women workers were employed in busi-

ness, finance, and administrative occupations [Statistics Canada 2009c: 51–52].

Laws on equal pay for work of equal value were designed to address the problem of occupational segregation. Since women generally are employed in different kinds of work than men, equal pay for equal work does not address the wage differential between women and men. Equal pay for work of equal value was included in the federal Human Rights Act in 1977.

Occupational differences between women and men are significant, and may affect the ability of many women workers to survive the recession. For example, the Harper government's stimulus package concentrates on building physical infrastructure, which will provide jobs in construction and trades. Both are male-dominated sectors of the economy. Such programs are unlikely to provide jobs for women who are out of work. Some observers have acknowledged the gender bias in the Harper job creation measures, but they claim that men are losing jobs at a faster rate than women as a result of the recession, implying that an emphasis on job creation for men is justified.

Data from Statistics Canada for April 2009 indicate that employment in the goods producing sector — including construction and manufacturing where many men work — was down by 5.5% from the year before, while employment in the service sector, where many women are employed, dropped by only 0.2% [Statistics Canada 2009c: 25]. The agency reported that, since October 2008, the contraction in employment was especially strong in construction (-8.5%), manufacturing (-6.5%), and natural resources (-5.9%). Full-time employment for adult men (aged 25 years and over) dropped by 3.1% from the year before, while full-time employment for adult women declined by 0.1% in the same period [Statistics Canada 2009c: 23]. Nevertheless, job creation measures that leave out women may mean even more women will find themselves in

poverty — especially if they are unable to qualify for EI benefits.

Low wages of women workers

Comparisons of average earnings of women and men show women's earnings consistently average less than those of men. Many more women than men work part-time, which affects their average annual earnings. But women's average earnings are lower than those of men even when both are working full-time. For instance, in 2007, the average earnings of women who were working full-time for a full year were only 71.4% of the average earnings of men working full-time for a full year [Statistics Canada 2009e]. "Full-time" is defined as working 30 or more hours a week. On average, women usually work fewer weekly hours than men at their main job, even when both are working full-time (33.2 versus 39.5 hours in 2007). Although all age groups follow this trend, the gap between men's and women's hours increases with age [Statistics Canada 2009b: 63]. Family responsibilities may limit the number of hours women can engage in paid employment.

The problem of wage comparisons involving different hours can be avoided by comparing average hourly wages of women and men. But even on this basis, all indications are that the wage gap persists, whether both work part-time or both work full-time. For instance, using data from the Survey of Labour and Income Dynamics (SLID), a comparison of hourly wages in 1997 found women working full-time earned an average \$15.32 an hour compared with an hourly rate of \$18.94 for men. Part-time wages averaged \$13.87 for women and \$15.02 for men [Drolet 2001: 28].

Similar earnings gaps are seen between women and men in other types of non-standard work arrangements. For example, hourly earnings of employed women with temporary jobs in 2003 were \$15.75, compared with \$17.75 for men in temporary jobs. Hourly earnings of women in per-

manent jobs in 2003 were \$17.97 compared with \$21.87 for men with permanent jobs [Galarneau 2005: 44]. However, it should be noted that the definition of both temporary and permanent jobs used here includes both full-time and part-time work.

According to Statistics Canada, men's hourly wages have traditionally been higher than women's. In 2007, for example, women earned an average of 84 cents for every dollar earned by men. In a report on the labour market in 2007, Statistics Canada says the wage gap remained fairly stable from 2005 to 2007, with the exception of youth aged 15 to 24, where the average hourly wage did not rise as fast for women as it did for men. The greater the age, the wider the gap in average hourly wages became [Statistics Canada 2009b: 72].

In the same report, Statistics Canada said people aged 30 to 39 have the highest median hourly wages. But more men than women have high hourly wages. In 2007, for example, men had a median wage of \$20 an hour, \$3.63 more than women. The median hourly wage gap between women and men shrank from 2000 to 2004. Since then, it has been fairly stable, according to the report [Statistics Canada 2009b: 74].

As well, while the wage gap between women and men narrows as education level rises, women's hourly wages remain below men's for all levels of education. For example, in 2007, women with a bachelor's degree earned 85 cents for every dollar earned by men, while women with an educational level of Grade 8 or less earned 72 cents for every dollar earned by men [Statistics Canada 2009b: 75].

Pay equity laws providing for equal pay for work of equal value have been on the books at the federal level since 1977, but application and enforcement of the law has been problematic. Extensive recommendations for change were made in the 2004 report of the federal Task Force on Pay Equity, but these recommendations were ignored. The Harper government has

TABLE 4 Minimum wages in Canada

| Province | General adult minimum wage \$/hour | Date | Average hourly wage \$/hour | Unemployment rate % |
|---------------------------|---------------------------------------|------------|--------------------------------|------------------------|
| Newfoundland and Labrador | 8.00 | April 2008 | 18.85 | 13.2 |
| Ontario | 8.75 | March 2008 | 22.15 | 6.5 |
| Nova Scotia | 8.10 | May 2008 | 18.12 | 7.7 |
| Quebec | 8.50 | May 2008 | 20.03 | 7.2 |
| Prince Edward Island | 8.00 | Oct. 2008 | 16.96 | 10.7 |
| Manitoba | 8.50 | April 2008 | 19.24 | 4.2 |
| New Brunswick | 7.75 | March 2008 | 17.79 | 8.6 |
| Saskatchewan | 8.60 | May 2008 | 20.34 | 4.1 |
| British Columbia | 8.00 | Nov. 2001 | 21.46 | 4.6 |
| Alberta | 8.40 | April 2008 | 23.68 | 3.6 |
| Canada | ... | ... | 21.32 | 6.1 |

SOURCE Statistics Canada 2009c: 60.

now restricted the ability of women employed in the federal public service to claim their right to equal pay for work of equal value. In its fall 2008 economic statement, the government announced these women would no longer be able to take a pay equity claim to the federal Human Rights Commission. Instead, the government said, pay equity would have to be negotiated through collective bargaining. This restriction, effectively denying women their statutory right to pay equity, was included as Section 394 of the *Budget Implementation Act* tabled on February 6, 2009, which provided for the enactment of the *Public Sector Equitable Compensation Act*. As well, this Act provides that any union encouraging or assisting workers to file a pay equity complaint against an employer will be subject to a fine of \$50,000 [Public Service Alliance of Canada 2009].

Minimum wages

All jurisdictions set minimum wages, but legislated levels are not always increased regularly and are generally not indexed for inflation. Increases in the minimum wage are often opposed

on the grounds that such increases will undermine employment and destroy jobs. Recent research, however, indicates this is not necessarily the case. For one thing, the impact of minimum wages is so small relative to that of other changes in the economy that no impact is evident comparing before and after employment levels [Canadian Centre for Policy Alternatives — Growing Gap 2007].

As well, a recent study by economists at the Federal Reserve Bank of Chicago, which examined 23 years of household spending data, found that an increase in the minimum wage leads households with a minimum-wage worker to significantly increase their spending over the next year. This study found that, for every dollar increase in the minimum wage, families with minimum-wage workers tend to increase spending by more than \$800 per quarter [Aaronson et al. 2008]. Other researchers have concluded that increasing the minimum wage is an effective stimulus that helps workers who need it the most and supports the economy by boosting consumer spending [Filion 2009:3].

The widely held view that minimum-wage workers are primarily young people who will soon

TABLE 5 Current and forthcoming minimum hourly wage rates for experienced adult workers in Canada

| Jurisdiction | Effective date | Wage rate |
|---------------------------|----------------|---------------------|
| Federal* | 18-Dec-1996 | |
| Alberta | 01-Apr-2009 | \$8.80 |
| British Columbia | 01-Nov-2001 | \$8.00 |
| Manitoba | 01-Apr-2008 | \$8.50 |
| Manitoba | 01-May-2009 | \$8.75 |
| Manitoba | 01-Oct-2009 | \$9.00 |
| New Brunswick | 15-Apr-2009 | \$8.00 |
| New Brunswick | 01-Sept-2009 | \$8.25 |
| Newfoundland and Labrador | 01-Jan-2009 | \$8.50 |
| Newfoundland and Labrador | 01-Jul-2009 | \$9.00 |
| Newfoundland and Labrador | 01-Jul-2010 | \$10.00 |
| Northwest Territories | 28-Dec-2003 | \$8.25 |
| Nova Scotia | 01-Apr-2009 | \$8.60 |
| Nova Scotia | 01-Apr-2010 | \$9.20 |
| Nova Scotia | 01-Oct-2010 | \$9.65 |
| Nunavut | 05-Sept-2008 | \$10.00 |
| Ontario | 31-Mar-2009 | \$9.50 |
| Ontario | 31-Mar-2010 | \$10.25 |
| Prince Edward Island | 01-Oct-2008 | \$8.00 |
| Prince Edward Island | 01-June-2009 | \$8.20 |
| Prince Edward Island | 01-Oct-2009 | \$8.40 |
| Quebec | 01-May-2008 | \$8.50 |
| Quebec | 01-May-2009 | \$9.00 |
| Saskatchewan | 01-May-2008 | \$8.60 |
| Saskatchewan | 01-May-2009 | \$9.25 |
| Yukon | 01-Apr-2009 | \$8.89 then indexed |

* The minimum wage rate applicable in regard to employees under federal jurisdiction is the general adult minimum rate of the province or territory where the employee is usually employed.

SOURCE Human Resources and Skills Development Canada at <http://srv116.services.gc.ca/dimt-wid/sm-mw/rpt3.aspx?lang=eng>. Accessed June 16, 2009.

move into better-paying jobs is also not supported by current research. According to the Growing Gap project of the Canadian Centre for Policy Alternatives, 13% of all jobs in Canada pay less than \$8 an hour, and 7% of those jobs are held by employees aged 25–64. Almost one-quarter of all jobs held by employees aged 17–64 pay less than \$10 an hour, and 15.7% of those jobs are held by employees aged 25–64 [Canadian Centre for Policy Alternatives — Growing Gap 2007]. One

in four Canadian workers earns less than \$10 an hour — one in five adult female workers and one in ten adult male workers [Jackson 2005a].

Research shows that an hourly wage of roughly \$10 (in 2005 dollars) is the necessary minimum for a worker employed full-time for a full year to reach the after-tax LICO [Mackenzie and Murray 2007].

Statistics Canada reports that women accounted for 60% of all minimum-wage work-

ers in 2008, but just under half of all employees. This translated into a higher proportion of women working for the minimum wage: nearly 1 in 16 compared with nearly 1 in 25 men. The overrepresentation of women was observed for all age groups. It should also be noted that the vast majority of minimum-wage workers lived with their parents alone or were the head of a household without a spouse [Statistics Canada 2009c: 61 and 64].

About 5.2% of all employees in Canada worked at or below the minimum wage in 2008. Minimum wages in 2008 ranged from \$7.75 an hour in New Brunswick to \$8.75 an hour in Ontario. In comparison, the average hourly wage ranged from \$16.96 in Prince Edward Island to \$23.68 in Alberta. For Canada as a whole, the average hourly wage in 2008 was \$21.32 [Statistics Canada 2009c: 60].

Several provinces have increased their minimum wages since early 2008, but Nunavut is the only jurisdiction where the minimum wage has reached \$10 an hour. Many provinces do not raise minimum wages on a regular basis, and few index their minimum wages to inflation. Current and forthcoming minimum hourly wage rates for experienced adult workers in Canada are shown in Table 5.

Child care subsidies

Many women may be limited in their choice of paid employment because child care is unavailable or unaffordable. The 1984 Royal Commission on Equality in Employment, said:

Because responsibility for childcare used to be an exclusively maternal one, the greatest psychological pressure for the care of children is still felt by women. Child care is thus a critical access route for women. Unless it is provided in adequate quality and quantity, the debate about the right to equal employment opportunity is academic

for most women [Royal Commission on Equality in Employment 1984: 28].

In 2006, for example, there were enough regulated child care spaces to cover only 17.2% of Canadian children aged 0–12. Coverage in full- or part-time centre-based space was 19.3% of children aged 0–5 years [Childcare Resource and Research Unit: 2007: 6]. (The term “regulated spaces” refers to child care spaces either in centres or family homes which must meet certain standards for health and safety, ratio of children to teachers, and so on, set by the province.)

In October 2004, the Organization for Economic Co-operation and Development (OECD) released a report that described Canada’s child care system as a chronically underfunded patchwork of programs with no overarching goals. It found many centres were shabby and many workers were poorly trained. As well, staff turnover at many centres was high. The report ranked Canada *last* among developed countries in terms of access to early learning and child care spaces — and last in terms of public investment. It also found a shortage of available regulated child care spaces — enough for fewer than 20% of children aged six and younger with working parents. In the U.K., 60% of children find regulated care; in Belgium, 63%; in France, 69%; in Denmark, 78% [Childcare Resource and Research Unit: 2009: 2].

There is a powerful body of research indicating that the earlier the investment in children, the greater the future dividends yielded in terms of more positive social and economic outcomes for children, families, and the broader community. Research shows that the first six years of a child’s life is the most critical in laying the foundation for future success. Lynch concludes that, by providing children with “enriched” early childhood programs, society will benefit with a more skilled, more productive, and less dependent labour force [Lynch 2007].

As well, quality child care and early learning opportunities increase the ability of parents to

support optimal child development. Research indicates that, for every \$1 spent on children during their first years of life, anywhere from \$2 to \$17 will be saved on future spending down the road — depending on the group of children and type of programs and services. Economic savings are highest for programs targeting economically disadvantaged children (\$4 to \$17) [Cleveland and Krashinsky 2003; Lynch 2007].

Child care in Canada is primarily a user-pay service financed through various combinations of parent fees, fee subsidies for low-income families, and some direct funding to programs [Childcare Resource and Research Unit: 2007: 5]. While most jurisdictions provide child care subsidies to help lower-income parents in paid employment or further education pay for the cost of child care, subsidies are generally available only for regulated spaces, and the shortage of such spaces means that even a mother who qualifies for a subsidy may not be able to find an appropriate space for her child.

In the lead-up to the 2004 election, the Liberals promised \$5 billion to create 250,000 child care spaces by 2009. The plan pointed to Quebec's \$7-a-day child care plan as a model. The government signed deals with each province, essentially setting up a national program of early learning and child care. But when the Harper Conservatives won the election, they immediately cancelled the Liberal plan. They agreed to pay out the funding promised for 2009, following which payments to the provinces would be terminated.

Instead, the Harper Conservatives implemented a \$100-a-month allowance for all children under age six. The payment is taxable and does not have to be spent on child care. In an Orwellian twist, the payment was named the "Choice in Child Care" plan. (The name was subsequently changed to "universal child care benefit.") In fact, it offers little or no choice in child care arrangements for parents whose children need non-parental care. It is only enough to pay

for a child care space for about three days, even if one could be found.

Although the Harper government also offered a tax subsidy of \$10,000 per space to any business or community organization willing to set up a child care centre, no funding was provided to cover operating costs. In early 2009, the Childcare Resource and Research Unit said the Harper program has not created a single child care space across the country. In fact, this organization estimates that 26,661 spaces were created in 2008 — representing the smallest increase since 2001. They also said the creation of those spaces could be attributed to provinces using their own investment dollars — particularly in Quebec [Childcare Resource and Research Unit 2009: 3].

As for the \$100-a-month "choice in childcare" benefit — whatever is left after tax would hardly provide much choice to parents, given that the cost of care in a regulated space ranges from \$600 to \$1,500 a month [Build Child Care 2008].

Women outside paid employment

Women may be outside paid employment for a variety of reasons. They may be home taking care of their families; they may be sick or have a disability that prevents them from seeking employment; they may be temporarily unemployed; or they may be retired. Many of these women also have low incomes. Income support programs that are supposed to help them are often inadequate and sometimes non-existent.

Canada's record of public spending on income support and social services does not stand up well in comparison with other industrialized countries. Estimates by the OECD indicate that public spending averaged 20.7% of GDP across the 30 OECD countries. Canada placed 24th at 17.3% of GDP, slightly ahead of the United States (16.2%). Canadian income support for the working age population was 3.0% of GDP, compared to the OECD average of 5.0% of GDP. Pension

benefits were 4.4% of GDP, well below the OECD average of 7.1% of GDP [OECD 2006].

The Employment Insurance program

The Employment Insurance program, designed to provide temporary replacement income for those who lose their jobs, is clearly a key program during an economic recession, and should provide the necessary income support to unemployed women and men until they can find employment again. But the program was already failing the unemployed, even before the current economic recession set in. The Harper government's stimulus package, intended to deal with the recession, did nothing to address the problems with EI. However, at the end of June 2009, the Prime Minister and the Leader of the Opposition agreed that a joint Liberal/Conservative Committee of three MPs from each party would examine the EI program over the summer and make recommendations for change by September 2009. It appeared the emphasis would be on making self-employed individuals eligible for maternity and parental benefits (as they already are in Quebec) and standardizing the number of hours of work required to qualify for benefits to make them the same across the country.

Key among the problems with the existing program is the fact that the majority of the unemployed do not qualify for benefits, and women are more likely than men to be denied benefits. Various studies have documented a dramatic drop in coverage of the EI program since the rules were changed in 1997 [Townson and Hayes 2007b: 4 & 11; Caledon Institute 2009; TD Economics 2009]. Under the old program of Unemployment Insurance, at the time of the last recession, in the late 1980s, almost 83% of unemployed women and 85% of unemployed men got benefits. Coverage dropped dramatically after the rules were changed. By 2008, only 39% of unemployed women and 45% of unemployed men were receiving employment insurance benefits,

replacing just 55% of their usual earnings when they are out of work. In some parts of the country, coverage is much lower than that. Only one in three of the unemployed (women and men) in Ontario and the Western provinces receive EI benefits, compared with eight in ten in Quebec and the Atlantic provinces. Just 24% of the unemployed in Toronto were receiving benefits in 2008, compared with 50% in St. John's [Caledon Institute 2009: 1].

These statistics include EI beneficiaries who also have earnings. The EI program rules allow beneficiaries to work part-time while receiving regular EI benefits. Until recently, beneficiaries could earn \$50 a week or 25% of their weekly benefits, whichever is higher. Any monies earned above that amount were deducted, dollar for dollar, from the claimant's benefits. However, under new rules introduced in December 2008, beneficiaries may now earn the greater of \$75 or 40% of the weekly benefits, with earnings above that amount deducted dollar for dollar as before.

It appears women are more likely than men to supplement their EI benefits with earnings, likely because their EI benefits are low, reflecting their lower earnings. If beneficiaries with earnings are excluded from the coverage numbers, the percentage of unemployed women receiving benefits dropped from 71% in 1989 to 33% in 2008 [Statistics Canada unpublished tables].

Under the new system, implemented in 1997, eligibility for benefits was based on hours worked in the 52-week period before a claim, and the fact that women work fewer hours than men was a key reason why many could not qualify for benefits. Many women work part-time and in other types of non-standard jobs, such as temporary and contract work, casual work, own-account self-employment, and multiple jobs with several employers. Self-employed workers are excluded from EI coverage. Women's paid employment is often characterized by instability in both hours and pay. Even when officially classified as "full-time" workers, women work fewer hours than

men. As well, those who quit their jobs for reasons not allowed under the EI Act — such as caring for family members — are also shut out from benefits.

Workers who have not worked in the past 12 months cannot qualify for benefits, even though they may have contributed to the program for many years prior to their recent unemployment. Many women find themselves in this position. And those who have exhausted their benefits but still have not found work are also denied further benefits. This denial of temporary income support has serious consequences for women and their families — not just in terms of current income, but also for their future financial security when they are older.

Instability of hours for women workers is a particular concern during the current economic downturn. For example, in a recent report on the EI program, TD Economics noted the vulnerability of the marginally employed:

Governments should be concerned that workers with the lowest number of hours will be the first to be unemployed and will not be covered by EI. Firms will likely lay off the workers with the least length of tenure. Length of service will increase any severance settlement and workers acquire firm-specific skills during their tenure with a firm, discouraging firms from shedding their most experienced workers. Moreover, collective agreements often stipulate that least senior workers are to be laid off ahead of those with greater seniority.

There is a strong seasonality to changes in employment for workers with tenure of less than a year. This reflects a high degree of turnover amongst this group. Going forward, these workers will be less able to procure new employment [TD Economics 2009: 8].

This report also notes that, of the 668,000 job losses nation-wide between October 2008 and January 2009, 26% were attributable to those with less than three months' tenure in October 2008 [TD Economics 209: 8].

Other problems with the EI program contribute to the low-income rates of women who are out of work, particularly during a period of recession. For example, the amount of the EI benefit is based on average earnings in the weeks immediately prior to making a claim. But, during a recession, a person's hours of work may be reduced prior to layoff. Workers then not only have fewer hours, making it more difficult to qualify, but also have earnings lower than they would normally have, which affects the amount of the eventual benefit. This feature of the EI program also raises the possibility that workers who agree to cut their hours to avoid layoff may end up with lower EI benefits if they are eventually laid off anyway.

For example, a hotel worker in Toronto had been placed on call during the 2003 SARS epidemic. As the epidemic took hold, she was eventually laid off. Although she had enough hours to qualify for benefits, the weeks immediately prior to her claim were weeks when she had no earnings because she was on call. But those weeks with no earnings were included in the calculation of average earnings for her claim. Her EI benefit amounted to just \$3 a week [Townson and Hayes 2007b: 134].

The low level of benefits is another issue that particularly affects women. EI benefits for those who qualify are only 55% of usual earnings and are limited to a maximum amount of \$447 a week. Women's lower average earnings mean they get lower benefits.

Women are also disadvantaged by the fact that those who lose their jobs during or immediately after maternity or parental leave may find they don't qualify for regular EI benefits. The so-called "anti-stacking" rules in EI mean that the total period during which benefits are

paid may not exceed 50 weeks. If a woman is laid off during or immediately after her maternity leave and she has already claimed 50 weeks of maternity and parental benefits, she will not be entitled to further weeks of regular EI benefits. However, men who work for the same employer and are laid off would be entitled to the full 50 weeks of regular EI benefits after their layoff (assuming they had not taken parental leave). In late April, Chris Charlton, labour critic for the NDP, introduced a private member's Bill in the House of Commons to eliminate anti-stacking rules from the EI program [NDP 2009].

Generally speaking, anyone returning to work after an absence of two years or more must have at least 910 hours of work to qualify for regular EI benefits. But special rules apply to those returning to work after maternity or parental leave. If they received at least one week of maternity or parental benefits in the 208-week period extending up to two years before making the current claim, they must accumulate between 420 and 700 further hours of work — depending on the regional unemployment rate where they live — before becoming eligible for EI regular benefits.

Mothers returning from maternity or parental leave may not have enough time to accumulate the requisite number of hours before a layoff occurs. They are then left without any protection and are ineligible for regular EI benefits. In the current recession, there is increasing evidence that this is happening [Toronto Star, April 24, 2009].

Employment standards laws prohibit employers from firing employees because they are pregnant or on maternity leave, but there is now increasing anecdotal evidence that employers are indeed firing pregnant employees or women on maternity leave. According to the executive director of Ontario's Human Rights Legal Support Centre, she "has not seen this level of discrimination through two previous recessions and 30 years in the human rights field" [Toronto Star 2009].

None of these problems with the EI program were addressed by the Harper government in its 2009 budget or in its stimulus package. Instead, the government chose to extend the period of benefit payments for those who qualify by five weeks. Asked why the Conservatives refused to raise benefits and make it easier to qualify, Diane Finley, Minister of Human Resources and Skills Development was quoted as saying, "We do not want to make it lucrative for them to stay home and get paid for it" [Durham Region Labour Council 2009].

Welfare rates are too low

Women who are single-parent heads of families have one of the highest poverty rates of any group within Canada's population. Many of these women have to rely on social assistance as their main source of income. But social assistance rates set by the provinces are not increased regularly, nor are they generally indexed for inflation. Of course, indexing is not particularly helpful if the basic amount of assistance is too low.

The National Council of Welfare reports regularly on welfare incomes for four types of households in each province and territory for a total of 52 scenarios. In its most recent report, the Council notes that welfare incomes in 2006 were at their lowest point since 1986 in nine scenarios, down from 20 scenarios the previous year. About three-fifths of the households saw an increase in welfare incomes — many for the first time in many years. In some cases, however, the Council says improvements were a one-time event due to federal and provincial resource rebates. In a few cases, improvements were due to increases in social assistance rates, either in 2006 or in the last months of 2005 [National Council of Welfare 2008].

The Council calculated that the total welfare income for a lone parent with one child was lowest in Nova Scotia, at \$14,041, and highest in Newfoundland and Labrador, at \$17,850. These

amounts included basic social assistance, federal and provincial child benefits, the GST credit, and provincial tax credits. The Council also reported that welfare incomes in 2006 were less than two-thirds of the after-tax LICO in almost half of the households examined. However, the incomes of families with children were marginally better, hovering around 66% to 78% of the after-tax poverty line. The welfare income of a lone parent with one child was the lowest in Manitoba at 67%, whereas in Newfoundland and Labrador, it was the highest at 99% [National Council of Welfare 2008].

It would appear that few provinces have programs specifically directed at ameliorating poverty for women who head lone-parent families. Many jurisdictions seem to believe federal and provincial child benefits are a good way of addressing the poverty of these women; but the National Council of Welfare points out that, although the federal government has increased its spending on child benefits significantly since 1998, most welfare families with children have seen little, if any, improvements in their total income. Lone parents (with one child) in four jurisdictions the Council studied in 2006 actually had lower welfare incomes in 2006 than they had in 1997 — the year the National Child Benefit Supplement was introduced [National Council of Welfare 2008].

According to the Council, the majority of welfare incomes, when adjusted for inflation, peaked in 1994 or earlier. When the peak-year welfare incomes were compared with 2006 welfare incomes, some of the losses were staggering, the Council says. In Ontario, for example, a lone parent's income decreased by over \$5,900, and a couple with two children lost over \$8,400. Welfare incomes in 2006 were less than two-thirds of the after-tax poverty line for 22 scenarios examined by the Council. Welfare incomes of single persons with a disability hovered around 61% of the after-tax poverty line [National Council of Welfare 2008].

Most provinces in Canada, whether they have comprehensive anti-poverty programs or not, focus on reducing their welfare caseloads by trying to get social assistance recipients into paid employment. As we noted earlier, their approach seems to be based on the notion that the solution to poverty is finding a job. But, as we also noted, for women this formula generally does not hold true.

In contrast, the United Kingdom's *New Deal for Lone Parents* program, implemented in 1998, offers help for lone parents on social assistance in finding a job that suits lifestyles and overcomes barriers to work, such as assistance with child care, lack of confidence, or out-of-date skills. Under the program, lone parents meet with a personal advisor who can provide specific advice on finding a job, child care, and training.

Incomes of older women

Canada has made considerable progress in improving economic security for seniors over the past 20 years or so — thanks largely to public pension programs such as Old Age Security (OAS), the Guaranteed Income Supplement (GIS), and the Canada Pension Plan (CPP) and Quebec Pension Plan (QPP).³ After taking government transfers and taxes into account, 4.8% of Canadians aged 65 or older lived in low income in 2007, compared with a low-income rate of 9.1% 10 years earlier in 1997. The low-income rate for all Canadians in 2007 was 9.2%, while the rate for young people under age 18 — commonly referred to as the “child poverty rate” — was 9.5% [Statistics Canada 2009d: 87].

But although low income rates among seniors generally have declined significantly over the years, low income rates among senior women remain almost double those of senior men. In 2007, for example, 3.3% of men compared with 6.0% of women aged 65 or older had low incomes. Low income rates for senior women on their own are very much higher than this. In 2007, more than

TABLE 6 Sources of income of senior women and men, 2007 As percentage

| | Women | Men | Total |
|--|--------------|--------------|--------------|
| Wages and salaries | 3.6 | 8.6 | 6.2 |
| Net income from self-employment | 0.9 | 2.7 | 1.8 |
| Total employment income | 4.5 | 11.4 | 8.1 |
| Investment income | 11.4 | 11.4 | 11.4 |
| Retirement pensions | 33.7 | 33.7 | 33.7 |
| Other income | 2.1 | 3.2 | 2.7 |
| Income from government transfers | | | |
| Old Age Security | 20.7 | 14.9 | 17.7 |
| Guaranteed Income Supplement/The Allowance | 7.0 | 3.5 | 5.2 |
| Canada/Quebec Pension Plan | 18.2 | 19.2 | 18.7 |
| Social assistance | 0.5 | 0.1 | 0.3 |
| Other government transfers | 2.1 | 2.4 | 2.2 |
| Total government transfers | 48.5 | 40.1 | 44.1 |
| Total | 100.0 | 100.0 | 100.0 |

SOURCE Statistics Canada Income Statistics Division, Survey of Labour and Income Dynamics Custom table R2833032|B

14% of unattached older women had low incomes. In fact, for the past decade, the low-income rate for these women has remained between 14% and 27%, with no evidence of a consistent declining trend. It is estimated that about 123,000 senior women compared with 44,000 senior men on their own lived in poverty in 2007 [Statistics Canada 2009d: 87 & 88].

Canada's retirement income system has been held up as a model to other countries for its good balance between public and private arrangements. Essentially, it is a three-tier system with OAS and the GIS as the basic building block, providing a guaranteed annual income for seniors. The earnings-related CPP constitutes the second tier, while private arrangements, such as workplace pension plans and Registered Retirement Savings Plans (RRSPs), receive tax assistance and constitute the third tier of the system. But the public pension system (OAS, GIS, and the CPP) remains of vital importance in providing economic security for seniors, particularly for women.

Most provinces have top-ups which supplement the income of older people who are eligible for GIS. But these amounts are relatively modest. It should also be noted that poverty rates of older people already take into account such payments, so low-income rates reflect the numbers of those who remain in poverty even after all government transfers and the tax system are taken into account.

In 2007, (the most recent year for which data were available) women aged 65 and older received close to half their income from government transfers, while senior men received 40% of their income from this source. Both women and men received 34% of their income from retirement pensions, which include both workplace pensions and RRSPs. Senior men received slightly more of their income from the CPP than senior women did, but this amount included both retirement pensions and amounts received as surviving spouses of CPP contributors. Women were more likely than men to receive CPP surviving spouse benefits so their CPP income does

not necessarily come from their own CPP retirement pensions. On average, women live longer than men and they tend to marry men who are older. As a result, most women will outlive their spouses or partners.

The importance of OAS as a source of income for senior women is also striking. In 2007, women aged 65 or older received about 21% of their income from this source. Senior men received about 15% of their income from OAS in 2007. In fact, OAS and GIS combined, provided 28% of the income of senior women in 2007, while senior men received about 18% of their income from OAS and GIS.

Economic security for senior women depends largely on events they experienced earlier in their lifetimes. Many women who are currently aged 65 or older probably did not work outside their homes for significant periods, so they were not able to build up pension incomes in their own names. As of 2004, for example, Statistics Canada reports 17% of women aged 65 or older had never been part of the paid work force [Statistics Canada 2006: 276]. Most women in younger age groups now have paid employment. The expectation is that their future financial security will be much better than the current generation of senior women. That may be overly optimistic.

While there are now more women in the paid labour force than ever before, their wages still lag far behind those of men, as we have noted earlier. Implementing pay equity might help some of the women who are employed full-time. But, as we have seen, many women in paid employment are no longer working full-time for a full year.

It is also important to note that benefits women receive from earnings-related pensions such as the CPP will reflect the lower earnings they have had during their paid employment. Since women on average earn less than men, their CPP retirement benefits generally will be lower than those of men. For example, the average monthly retirement pension being paid to women who retired in May 2009 was only \$391.29, while re-

tirement pensions being paid to men who retired in that month averaged \$564.23 [HRSDC 2009: Table 11]. The difference reflects both the lower average earnings of women and the fact that they may have spent less time in the paid work force over their lifetimes than men had. The maximum CPP retirement pension for 2009 is \$908.75 a month.

Women in paid employment generally do not earn enough to be able to save for their retirement through RRSPs. Most of them are not covered by workplace pension plans. (Most men do not have workplace pension plans, either).

No efforts have been made by policy-makers to address the high rates of poverty among older women who are on their own. Increasing the amount of Guaranteed Income Supplement for single individuals would go some way towards helping these women, but there is no indication this is being considered. Instead, measures taken by the Harper government to help seniors have emphasized pension income-splitting, which was promoted as helping older women.

Pension income splitting and tax measures

In the 2007 federal budget, the Harper government announced it would allow senior couples to split their pension income and thus reduce their taxes. The concept seems to have left the impression that women in particular would be able to benefit from this provision. In fact, the opposite is likely. Canada's tax system is based on the taxation of individuals. For married or common-law couples, each spouse or partner files a separate tax return. Income-splitting, whether of pension income or total incomes, allows the higher-income spouse or partner — generally the husband — to transfer some of his tax liability to the lower-income spouse or partner — generally the wife.

In other words, the male partner reduces his tax liability, while the female partner's tax liability is increased. The splitting is only advantageous

if one spouse is in a lower tax bracket than the other, so that transferring some of the income to the spouse in the lower tax bracket will result in the income being taxed at a lower rate than if the higher-income spouse or partner declared the income for tax purposes. The bigger the difference in income between the spouses or partners, the greater the tax savings. Couples where one spouse is in a high tax bracket will benefit the most. It is noteworthy that this measure does nothing at all to help senior women who are on their own: the older women who need help most.

The theory behind pension income-splitting is that it will reduce the family's total tax liability, so both partners will benefit. The underlying assumption, of course, is that both spouses or partners have equal access to the family income. But there is increasing evidence that this is not necessarily the case. According to one study of control over money in marriage, partners with greater incomes have greater control over money. This study also found that younger spouses do better; but there is less income pooling when one partner, especially the man, has been married before [Woolley 2000: 2].

The federal government's pension income-splitting proposal became effective with the 2007 tax year and allows Canadian residents to allocate up to one-half of their income that qualifies for the pension income tax credit to their resident spouse or common-law partner for income tax purposes. Both partners must agree to the allocation in their tax returns for the year in question. Pension income qualifying for the pension income tax credit includes only income from a registered pension plan or RRSP. It does not include income from the public pension plans such as OAS, CPP or QPP, although CPP and QPP retirement pensions already can be shared between spouses when both reach retirement age.

It is significant that splitting eligible pension income for tax purposes does not have any effect on how or to whom the pension income is

paid, so it does not involve the payer of the pension. In other words, while the lower-income spouse — generally the wife — gets to pay tax on the higher-income spouse's income, she has no right to share in that income. In fact, transfer of part of the tax liability to her will increase the net income she declares for tax purposes and may then mean she is denied tax credits and benefits such as the age amount and the spouse or common-law partner amount that are calculated using one individual's net income.

More significantly, unless amounts transferred are calculated carefully, it could result in that person being subject to the OAS clawback — a provision that withdraws OAS benefits from individuals whose income exceeds a certain threshold. In other words, women who are generally the lower-income spouses could conceivably lose their entitlement to full OAS as a result of pension income splitting, but would not be entitled to receive any of the pension income that is being split for tax purposes [Canada Revenue Agency 2007: 3].

It is noteworthy that splitting of CPP or QPP retirement pensions, which couples can do when both reach retirement age, results in each spouse receiving a cheque in their own name.

Following the implementation of pension income-splitting, there has been increasing pressure for general income-splitting to be implemented, so one-earner couples could reduce the taxes paid by the income earner. Such a move would have major implications for the economic autonomy of women, promoting financial dependence on their male partners [Childcare Resource and Research Unit 2006]. It would also put pressure on women not to work outside the home in case the husband's taxes would be increased. As Lisa Phillips explains:

One effect of income-splitting is to raise the effective tax rate on the lower earner because that person's wages are averaged with a partner's higher earnings. This

TABLE 7 Low-income after-tax cut-offs (92 LICOs base) 2005 and 2008 By size of family unit, in dollars

| | 2005 | | 2008 | |
|-------------------------------------|------------|-------------|------------|-------------|
| | One person | Two persons | One person | Two persons |
| Rural areas | 11,271 | 13,718 | 12,019 | 14,628 |
| Community size — urban areas | | | | |
| Less than 30,000 | 12,899 | 15,700 | 13,754 | 16,741 |
| 30,000 to 99,999 | 14,389 | 17,514 | 15,344 | 18,676 |
| 100,000 to 499,999 | 14,571 | 17,734 | 15,538 | 18,911 |
| 500,000 and over | 17,230 | 20,969 | 18,373 | 22,361 |

SOURCE Statistics Canada: Income in Canada 2006 Catalogue no. 75-202-X and Catalogue no. 75F0002M

means, for example, that a woman who is deciding whether to re-enter paid labour after a parental leave would face a higher tax on any wages because she would already be “deemed” to be earnings half of her spouse’s income [Phillips 2006].

As well, Cleveland and Krashinsky note that:

Since the tax system can only tax income, it unfairly favours those who work producing services for their families. Since in practice it is not likely that we would ever tax household production, there will remain an inequity in the tax system that favours any family that has a disproportionately large amount of home production. That is, there will inevitably be discrimination in favour of households with stay-at-home parents [Cleveland and Krashinsky 2003: 37].

Incomes and pensions for Aboriginal, immigrant, and racialized women and women with disabilities ⁴

Income data for Aboriginal women, immigrants, racialized women, and women with disabilities are collected through the census, taken every five years. Data from the most recent Census of 2006 refer to incomes in 2005. It is noteworthy that, for the first time with the census data, the

low income rates can be calculated based on after-tax income. But that also means it is not possible to compare after-tax low-income rates in 2005 with earlier census years.

Published data from the 2006 Census generally do not include poverty rates for women and men. However, available data on incomes of various groups may be compared with Statistics Canada’s after-tax low-income cutoffs to give some idea of the likelihood of poverty among the various groups.

Aboriginal people

In general, Aboriginal people, both on- and off-reserve, have lower levels of income than their non-Aboriginal counterparts, reflecting the lower wages received by those Aboriginal people who are employed, higher levels of unemployment within the Aboriginal population, a higher percentage working part-time, and lower levels of participation in the labour force. In 2005, the median income of First Nations people was \$14,517 — about \$11,000 lower than the figure for the non-Aboriginal population (\$25,955).

Overall, First Nations people living on reserve had a lower median income than those living off reserve. In 2005, the median income of First Nations men without Registered Indian Status (\$23,221) was \$6,537 higher than that of their female counterparts (\$16,684). The median income

of off-reserve First Nations men with Registered status (\$18,732) was \$2,764 higher than that of women (\$15,968) [Gionet 2009: 57]. In contrast, the after-tax LICO for one person living in an urban area with a population of 100,000 to 499,999 in 2005 was \$14,571 (see Table 7).

Thanks to a 2007 Statistics Canada study of *Seniors in Canada*, we do have limited information about the incomes of older women in some of these communities [Turcotte and Schellenberg 2007] based on the previous Census of 2001, with incomes from 2000. For example, in 2000, the median income of Aboriginal seniors was 83% that of non-Aboriginal seniors [Turcotte and Schellenberg 2007: 238].

Aboriginal women seniors have lower incomes than other senior women as well as their male counterparts. In 2000, the median income of female Aboriginal seniors, at \$13,185, was 89% that of female non-Aboriginal seniors, and 82% that of male Aboriginal seniors. Aboriginal seniors are also more likely than non-Aboriginal seniors to rely on government transfers as their main source of income. As well, Aboriginal seniors not living with family are more likely to be living in low income than non-Aboriginal seniors. In 2000, for example, 50% of Aboriginal seniors not living with family had incomes below the LICO, compared with 40% of non-Aboriginal unattached individuals [Turcotte and Schellenberg 2007: 238].

Immigrants

Immigrants who landed in Canada during the early 1990s faced more economic difficulties than earlier immigrants. Compared with earlier cohorts of immigrants and with Canadian-born citizens of similar age and profile, recent immigrants experience higher unemployment rates, lower earnings, and greater difficulties in matching their qualifications with employment. Statistics Canada reports that, for immigrants who arrived in Canada in 2004, the after-tax low-income rate was 34.1%. This was more than

three times higher than the corresponding rate of 9.7% for people born in Canada. However, this gap closes with every additional year an immigrant has lived in Canada. For immigrants who had been in Canada for 10 years, the low income rate was 20.2%. After 15 years of residence, it dropped to 16.3% [Statistics Canada 2009g: 44]. No gender breakdown was published.

Using data from the 2001 census (based on income from 2000), CCSD estimated that 42.7% of immigrants who arrived between 1996 and 2001 had low incomes, compared with only 13.9% of immigrants who arrived prior to 1986. However, these numbers are based on before-tax incomes, and no gender breakdown was available [CCSD 2007a].

It should be noted that immigrants are a distinct group with particular problems when it comes to retirement incomes, depending on how long they have been in Canada. Public pension programs such as Old Age Security, for example, have residency requirements, and only those who have been in Canada for 40 years after age 18 are entitled to a full OAS pension. Canada Pension Plan benefits are also based on years of contributions. As well, it should be noted that well-being in one's sixties and beyond is in many cases influenced by well-being in one's pre-retirement years [Turcotte and Schellenberg 2007: 280].

Some immigrant seniors, especially those who arrived in Canada more recently, have had less time to save for retirement, and they may not be eligible for public pension plans such as OAS. While separate data on pension incomes of racialized women were not available, it is important to note that many recent immigrants come from racialized groups. For example, it is estimated that almost one-quarter of immigrant seniors in 2001 belonged to a racialized group, compared with only 0.8% of Canadian-born seniors. Among immigrant seniors who landed in Canada in 1991 or after, 75.6% belonged to a racialized group. This was the case for only 3%

of immigrant seniors who came to Canada before 1961 [Turcotte and Schellenberg 2007: 276].

Immigrant women seniors living on their own are also more likely than Canadian-born senior women to be living in low income. In 2000, for example, 71% of immigrant women aged 65 or older who were on their own were considered low income, compared with 42% of Canadian-born women aged 65 or older who were on their own. (These percentages are apparently based on the before-tax LICOs.) It is important to note, however, that, compared with Canadian-born women, very few immigrant women aged 65 or older were living on their own at the time of the 2001 Census. It was estimated that about 7,100 recent immigrant senior women lived alone, compared with about 625,000 Canadian-born women aged 65 and over who lived alone [Turcotte and Schellenberg 2007: 281]. Data from the 2006 census were not readily available.

Statistics Canada describes individuals living on their own as “unattached individuals,” defined as “a person living either alone or with others to whom he or she is unrelated, such as roommates or a lodger.” There is no way of knowing if older immigrant women continue to live with families for cultural reasons or because they are more likely than Canadian-born women to have inadequate sources of income. However, living with a family should not be taken to mean these women have less need for pensions of their own. Canada’s retirement income system provides a basic income guarantee for individual seniors, regardless of their family living arrangements — with the exception of GIS where eligibility and benefits for spouses in married couples are based on the joint income of the couple.

Racialized communities

There is little published information on the incomes of people from various racialized communities from the 2006 Census. The CCSD Urban Poverty report, referred to earlier, estimates that 28.2% of those from racialized communities

had incomes below the before-tax LICO in 2000. This report also found there was only a slight variation in poverty rates between women and men who were members of racialized groups. However, when compared with non-racialized women in large cities, women from racialized groups were more likely to have low incomes (29.6% versus 18%). In fact, they were more likely than immigrant women to live in poverty (29.6% versus 25.4%) [CCSD 2007b: 15].

Persons with disabilities

Recent information on incomes of women with disabilities is not readily available. However, according to the CCSD’s Urban Poverty Report:

The population with disabilities represents a very heterogeneous group. Disability type, severity of disability, and time of onset are all factors that can have a strong influence on income profiles. Some people with disabilities also require supports and services, ranging from assistance devices and medication to assistance with activities of daily living. Others may require modifications to their physical environment. For people with disabilities, the availability of supports and services can be an important factor in mediating the impact of low income [CCSD 2007b:16].

This report estimated about 23.4% of persons with disabilities had low incomes in 2000. It is important to note, however, that this report uses the before-tax LICO to measure poverty. According to the report, historically, working-age people with disabilities have been less likely than their non-disabled counterparts to have had any form of employment. CCSD also notes that its other research indicates 46.7% of Canadian women with disabilities did not work for pay at all during 2000, compared with only 22.5% of women without disabilities. The report also notes that, even among employed people, workers with disabilities face greater labour force challenges and

lower wage rates than those without disabilities [CCSD 2007a: 15].

There are also differences between those who have aged *into* disability and those who have aged *with* a disability. For seniors with disability onset after retirement, or even slightly before, disability is likely to have less of an impact on their pension income, which would be based on earnings obtained prior to disability. For those with disability onset much earlier in life, however, the economic disadvantages faced by working-age people with disabilities would be cumulative and their pension profiles are likely to be much less favourable, or even non-existent [CCSD 2007a: 15].

Strategies to address women's poverty

Almost all governments in Canada have a variety of policies and programs to address poverty, but few focus specifically on women's poverty. In many cases, these programs are not co-ordinated or integrated, and do not form part of a comprehensive strategy to combat poverty. As we have noted earlier, programs such as child benefits indirectly help to improve the financial situation of women who are lone-parent heads of families, but clearly such programs are not an adequate response to the poverty of this particular group of women since their low-income rate remains unacceptably high. Jurisdictions that emphasize getting a job as the solution to poverty generally don't seem to have considered the kinds of jobs women can find. As well, there seems to be little or no monitoring to see whether or not finding a job lifts these women out of poverty. As we have seen, provinces generally have failed to increase welfare rates or minimum wages on a regular basis, and pay equity laws are being abandoned.

However, over the past decade or so, a number of jurisdictions — particularly countries in Europe — have developed anti-poverty strategies using the wider definition of poverty adopted by the United Nations. Some Canadian provinces

have also implemented wide-ranging anti-poverty strategies. The UN emphasizes that equality and non-discrimination are essential elements in a human rights approach to poverty reduction. Most comprehensive strategies make special efforts to address gender equality and the needs of women. Such strategies probably offer the best potential for dealing with women's poverty. But, since these strategies were generally developed before the current economic downturn, it remains to be seen whether governments will proceed with their planned efforts to deal with poverty.

Comprehensive anti-poverty strategies

Countries such as Ireland and the United Kingdom have implemented comprehensive anti-poverty strategies, with targets and timelines, and are meeting with considerable success. Ireland, for example, was able to reduce the percentage of people experiencing consistent poverty from 8.3% in 1994 to 4.1% in 2001 — although the rate had crept back up to 5.1% by 2007 [Ireland 2008:7]. Ireland's target is now to reduce the percentage to between 2% and 4% by 2012, with the aim of eliminating consistent poverty by 2016 [European Union 2008a].

The U.K. says some 600,000 children have been lifted out of poverty between 1998 and 2007, and the risk of children living in poverty fell from 26% to 22% over the same period [United Kingdom 2008b]. However, some observers suggest the success of the anti-poverty strategies may be attributed to the fact that they were adopted during a period of strong economic growth. It is not clear whether their successes will be continued during the current period of economic downturn.

The European Union

Following a meeting in Lisbon in 2000, the European Union adopted a strategy to transform the single European market into the most com-

petitive market in the world by 2010. Addressing poverty and social exclusion was an important element of the Lisbon Strategy, and EU leaders established the Social Inclusion Process “to make a decisive impact on eradicating poverty by 2010.” A set of common indicators was adopted to help EU countries measure their progress in achieving social protection and social inclusion. The indicators cover areas such as income, levels of deprivation, early school leaving, jobless households, long-term unemployment, and life expectancy.

The EU has declared 2010 to be the European Year for Combatting Poverty and Social Exclusion — a commitment that was renewed at the end of 2008. Gender mainstreaming is being emphasized in the European Year activities, and Article 4 states:

The European Year shall take into account the different risks and dimensions of poverty and social exclusion experienced by women and men. The Community and member States should take account of gender mainstreaming in the implementation of the European Year [European Union 2009c].

The EU says that, in the field of social inclusion, its action has finally created a clear consensus about the following key changes:

- to eradicate child poverty by breaking the vicious circle of intergenerational inheritances;
- to make labour markets truly inclusive;
- to ensure decent housing for everyone;
- to overcome discrimination and increase the integration of people with disabilities, ethnic minorities and immigrants; and
- to tackle financial exclusion and over-indebtedness. [European Union 2009].

Gender equality is a key element of the EU’s strategy for anti-poverty and social inclusion. As

well, the emphasis on social inclusion underlines the adoption of the broad human rights definition of poverty adopted by the United Nations. The EU PROGRESS program, initiated in 2007, will run until 2013 and replaces four previous programs covering actions against discrimination, equality between men and women, employment measures, and the fight against social exclusion. The Commission says the new program “will ensure that EU social policy remains on course to face the key policy challenges and concentrate on actions that need a combined European effort. It will work to support member states to ensure they deliver on their commitments to create more and better jobs, to guarantee equal opportunities for all and to implement EU laws uniformly” [European Union 2009a].

Ireland

Ireland implemented a comprehensive anti-poverty strategy in the mid-1990s. The second phase of that strategy was launched in 2007 and focused on building an inclusive society. Ireland has identified four priority policy objectives:

- child poverty;
- access to quality work and learning opportunities (activation measures);
- integration of immigrants; and
- access to quality services.

Ireland says its approach recognizes the multi-faceted nature of poverty and the need for a coordinated multi-policy response across government. It has been informed by widespread consultation with stakeholders, including people experiencing poverty. Social partnership agreements have been the main vehicle for securing consensus on many of the key commitments made in the strategies. [Ireland 2006].

Ireland has set specific targets and timelines for its key objectives. As well, the Irish Office for Social Inclusion has been charged with monitoring

and reporting on social inclusion matters across the range of strategies, and it will coordinate a single national social inclusion report on an annual basis [National Council of Welfare 2007].

Results so far have been impressive. The most recent report shows consistent poverty rates for lone-parent households had dropped from 33.9% in 2006 to 20.1% in 2007. However, there was an increase in the risk-of-poverty rate for older people from 13.6% in 2006 to 16.6% in 2007 [Ireland 2008].

“Consistent poverty” is a measure which identifies the proportion of people, from those with an income below a certain threshold — less than 60% of median income — who are deprived of two or more goods or services considered essential for a basic standard of living. (The list includes decent clothes, including strong shoes, a warm home, good meals, and so on). While the indicator has been updated recently, the objective is now to reduce the number of those experiencing consistent poverty to between 2% and 4% by 2012, and to eliminate consistent poverty completely by 2016.

However, Ireland’s anti-poverty strategy is not without its critics. For example, it has been suggested it is not clear what contribution the strategy actually made to the reduction in consistent poverty. Many suggest it was economic growth that brought about the progress, and that the anti-poverty strategy was simply incidental to that progress [Quinn 2008: 4]. This, of course, raises the question of what will happen to the strategy as a result of the current worldwide recession.

As well, it is also suggested that economic growth has been accompanied by growth in inequality. Poverty proofing guidelines integrated into the anti-poverty strategy, and intended to make poverty impact assessments a mainstream practice, require attention to be paid to particular target groups, of which women are one. But it appears official commitment to poverty proofing leaves something to be desired [Quinn 2008: 5].

The United Kingdom

As part of its comprehensive anti-poverty strategy, the United Kingdom’s target for eliminating child poverty is to halve the number of children living in relative low-income households between 1998–99 and 2010–11, and to eradicate child poverty by 2020. It now plans to enshrine this pledge in legislation.

Other targets include:

- reduce health inequalities by 10% by 2010 as measured by infant mortality and life expectancy at birth;
- increase the employment rates of disadvantaged groups (lone parents, ethnic minorities, people aged 50 and over, those with the lowest qualifications, and those living in the local authority wards with the poorest initial labour market position); and
- bring about measurable improvements in gender equality.

The U.K. government believes preventative policies are critical in breaking the transmission of disadvantage across generations. Providing high-quality public services from the start of a child’s life, right through school and beyond, it says, is the key to the success of its strategy. For example, it now has a growing national network of Children’s Centres building on Sure Start local programs and other high-quality early-years’ provision “to bring together a range of integrated early learning, health and parental services, and to promote the physical, intellectual, and social development of young children.”

The U.K. government has also committed to narrowing the gender pay gap in a public service agreement. Over the three-year period from 2008–11, it aims to reduce further the gender pay gap between women and men through a broad program of work involving departments across government. It also plans to introduce an Equality Bill in 2009 to strengthen protection against discrimination, as well as to simplify existing laws.

The government's latest progress report, released in the fall of 2008, acknowledges a statement from the Fawcett Society — an organization campaigning for equality between women and men — that:

Mothers are at greater risk of poverty in the U.K. than in any other western European country. Women's inequality and the disadvantages they face in the workplace are key causes of this risk, with ethnic minority women facing particular challenges. The government must therefore address the disadvantage faced by mothers in the workplace as part of any anti-poverty initiative and its strategy to end child poverty in particular [United Kingdom 2008b].

The U.K. measures its progress towards the goals and objectives it has set for its anti-poverty strategy on the basis of 40 separate indicators, grouped into four categories:

- children and young people;
- people of working age;
- people in later life; and
- communities.

It issues an annual report called *Opportunities for All* to document its progress. The most recent report, for example, said that, of those indicators for which a trend can be identified, the majority exhibited a positive trend. However, apparently it was not possible to determine a trend for 22 of the 40 indicators. The report said 11 indicators were “moving in the right direction” — including improvements in the percentage of people at risk of persistent poverty; life expectancy, and healthy life expectancy [United Kingdom 2008b].

There were three indicators for which data were not moving in the right direction, including the rate of children at risk of poverty and the adult at-risk-of-poverty rate. The government plans to introduce a country-wide piece

of legislation in 2009 to spur further progress in tackling child poverty. It says the intention of the legislation is to provide a clear framework for national and devolved governments, as well as regionally and locally, to tackle both the causes and consequences of inter-generational poverty [United Kingdom 2008a].

The government observes that poverty and social exclusion are deep-rooted problems that take time and effort to combat. Many of the causes of poverty are deeply embedded, it notes, and it says it is committed to a long-term strategy to address them. “We will continue to build on our success so far and ensure that a coordinated approach is taken across all the key policies” [Department of Work and Pensions 2006b: 36].

Key elements of successful anti-poverty strategies

There are several elements common to those international jurisdictions that are meeting with success in their efforts to prevent, alleviate, and reduce poverty:

- Their strategies are transparent and publicly promoted.
- Initiatives have been developed with the active participation of stakeholders — and in particular with the participation of those from disadvantaged groups and people living in low income.
- Clear and specific goals and targets with timelines have been established.
- Progress is measured regularly and reported on publicly.
- Accountability in making progress towards the goals and targets is built into the strategy.
- An effort is made to make sure there is a coordinated approach across all policies or initiatives, and that policies do not work at cross-purposes.

Taken together, these elements, in effect, represent “best practice” in terms of anti-poverty policies. Canadian jurisdictions that have included these elements in their strategies or initiatives are more likely to be successful in their efforts to prevent, alleviate, or reduce poverty.

Anti-poverty strategies of Canadian jurisdictions

Canadian jurisdictions have adopted a variety of initiatives to address poverty, but only two jurisdictions — Québec and Newfoundland and Labrador — have comprehensive anti-poverty strategies similar to those adopted by the European countries. Ontario announced a poverty reduction strategy in December 2008, focusing on reducing child poverty. Nova Scotia released a limited Poverty Reduction Strategy in April 2009, and New Brunswick is developing a poverty reduction plan it expects to have in place by the end of 2009.

It is important, however, to note that most of these strategies were announced before the current economic situation became evident. In some cases, provincial politicians have suggested that economic conditions could result in an interruption in the implementation of anti-poverty efforts. For instance, in early March 2009, Ontario’s Minister of Children and Youth Services told a House of Commons Committee: “Things have changed and I don’t for a minute underestimate the difficult economic challenges that are going to be faced” [Toronto Star, March 13, 2009]. However, Ontario’s 2009 budget did retain some anti-poverty measures, and the government said it would review social assistance and affordable housing.

For the most part, Canadian jurisdictions have chosen to address poverty through a variety of individual initiatives, from child care subsidies to training programs and income support programs such as social assistance and top-ups for low-income seniors. While some of these initia-

tives set targets and timelines, most do not. Various measures of “poverty” are used to set targets and measure results. Some provinces use their own versions of the MBM; some use Statistics Canada’s LIM; and some use the after-tax LICOS. Comparisons between provinces must therefore be treated with caution.

Among those jurisdictions which have implemented a variety of initiatives to address poverty, there are several common elements:

- Many initiatives are focused on reducing social assistance caseloads — generally by encouraging clients of these programs to enter the paid workforce. While many such programs offer additional supports to help social assistance clients enter paid employment without losing benefits such as dental care, prescription drugs, and so on (overcoming the “welfare wall”), there appears to be little follow-up to see if clients who find employment are actually better off financially. It seems possible that some of them may have simply become working poor.
- Emphasis on employment as a solution to poverty seems to be common to many jurisdictions, but is often not accompanied by an effort to tackle the conditions affecting the working poor, such as limited improvements in minimum wages and working conditions, and lack of commitment to investments in labour market measures [Collin 2007: 9].
- Some initiatives are directly focused on reducing measured poverty or low income. For example, child benefit programs were designed to supplement the income of low-income families with children; and income support measures for seniors such as the federal Old Age Security and Guaranteed Income Supplement are intended to prevent poverty among seniors.

- It appears almost no jurisdictions undertake a gender analysis of measures to address poverty — Québec being a notable exception. Its comprehensive anti-poverty strategy requires the province to take into account realities specific to women and men, in particular through gender-based analysis. According to the United Nations, equality and non-discrimination are essential elements in a human rights approach to poverty reduction.
- For some initiatives, particular groups intended to benefit from the initiative actually seem to fall through the cracks. Examples of this are older women on their own who have very high rates of low income despite the fact that the federal OAS/GIS program has successfully reduced poverty rates for other seniors.
- Monitoring to see if objectives are being met generally does not seem to be carried out.

Québec

The Québec government introduced a comprehensive anti-poverty strategy with its 2004 *Act to Combat Poverty and Social Exclusion*. Enshrining an anti-poverty strategy in legislation is unique in the anti-poverty initiatives adopted by Canadian jurisdictions. The idea of a framework law for the elimination of poverty was initiated by a broad-based citizens' movement called The Collective for a Poverty-Free Québec (Le Collectif pour Québec sans pauvreté) [Collin 2007: 2].

In its 2004–2005 budget, the Québec government committed to invest \$2.5 billion over five years to increase the incomes of employment-assistance recipients and low-income earners in four different ways:

- by fully indexing social assistance benefits for those with significant employment limitations;

- by creating a Participation premium for social assistance recipients who are able to work, in addition to partially indexing their benefits;
- by establishing a Work Premium for low-income earners; and
- by enhancing financial support to low-income families through a new Child Assistance program [Québec 2004: 21].

The target population for the program includes anyone who falls under a broad definition of poverty: “the condition of a human being who is deprived of the resources, means, choices, and power necessary to acquire and maintain economic self-sufficiency to facilitate integration and participation in society.” It is notable that Québec’s strategy adopts a broad definition of poverty along the lines of the human rights definition described earlier.

Québec’s poverty reduction strategy is based on principles of social inclusion and collaboration, and has followed the key elements that constitute best practices for addressing poverty:

- The development of the strategy involved input from all the social partners. An advisory committee on the prevention of poverty and social exclusion called the “Comité consultatif de lutte contre la pauvreté et l’exclusion sociale” has been established. It consists of 17 members, appointed by the government, on the recommendation of the Minister, with representatives from bodies or groups involved in the fight against poverty and social exclusion, at least three of whom must also be persons for whose benefit those bodies or groups work, and 10 persons from management, organized labour, municipal, community, and other sectors of the civil society.
- The Committee is required to set targets for improving the income of persons in

situations of poverty and to determine the most effective means for achieving them, with the goal, as explicitly stated in the Act, of progressively making Québec one of the industrialized nations having the least number of persons in situations of poverty by 2013.

- The Act also includes accountability mechanisms (indicators, evaluations, and annual progress reports) that cover the broad scope of initiatives designed to reduce poverty and social exclusion.
- Ensuring consistent, coherent action is specifically mentioned as a key part of the government's plans to implement its strategy [Québec 2004: 17].

Since April 2004, the province has implemented a variety of measures, including annual increases in the minimum wage; the introduction of a minimum benefit protected against any reduction due to a failure to participate in job-entry measures; major investments in social housing with the goal of 20,000 social and community housing units by 2009; and a Youth Alternative Program which helps young people under 25 acquire or regain personal, social, and vocational self-sufficiency.

A new action plan to be launched in 2009 was prepared. Among the issues identified for attention in the new plan are the aging of the population; changes in the nature of households (more independent adults, single-parent families, and elderly people with reduced autonomy); the combination of obstacles to social and vocational integration (low education and skill levels, specific ethnic and family characteristics); and the concentration of poverty in certain areas and neighborhoods.

Gender analysis is integral to the strategy, and the government is required to take into account realities specific to women and men, in particular through gender-based analysis, as well as the greater incidences of poverty in certain re-

gions or areas, and the specific needs of certain groups in society having particular difficulties, particularly because of their age, ethnic origin, or an impairment or disability.

Results so far include:

- between March 2003 and March 2007, a 14.2% reduction in the number of child members of families receiving benefits under last-resort financial assistance programs;
- a 6.1% decrease in the number of adult recipients of last-resort financial assistance in the same period;
- a significant improvement in the disposable income of poor families; (for example, a single-parent family with a three-year-old child where the parent works full-time at minimum wage experienced a 23.3% increase in disposable income);
- improvement in the secondary school graduation rate to 86.4% in 2005–2006, the highest since 1996; and
- a decline in the school drop-out rate.

Based on the after-tax LICO, the overall proportion of people living on low incomes in Québec went from 19.3% in 1997 to 11.8% in 2005, and the proportion of children living in low-income families decreased from 22.4% in 1997 to 9.6% in 2005. Observers note the main factor contributing to the decline in the number of people living in low incomes and those relying on social assistance benefits has been economic growth. Only people capable of integrating into the labour market have been able to take advantage of this phenomenon [Collin 2007: 7].

However, the Fédération des femmes du Québec has called for an assessment of the gender impact of anti-poverty measures and wants the provincial government to increase its efforts to combat poverty among women in general, and the vulnerable groups of women in particular. According to the Fédération, basic benefits paid

to people receiving social assistance do not cover their essential needs. And, while social assistance benefits paid to people with employment constraints are indexed for inflation, indexation in the case of people who are considered able to work is partial and limited to 50% of the maximum indexation available for people with employment constraints [Fédération des femmes du Québec 2008]. Limited indexation like this may become particularly important during a recession when women who can't qualify for EI benefits may have to rely on social assistance instead.

In its 2009 budget, the Québec government said its family policy is especially generous for the province's lowest income families and has directly contributed to the fight against poverty. For example, in 2006, the low-income rate of children (based on the MBM) was 9.4% in Québec compared with 14.4% in Canada, even though the real GDP per capita is higher in Canada as a whole than in Québec. As well, the budget reported the number of single-parent families receiving last-resort financial assistance dropped by half in the ten-year period from 1998 to 2008, from 87,000 to 45,000. The low-income rate for single-parent families fell from 36% to 21% over the same period [Québec 2009].

Newfoundland and Labrador

Newfoundland and Labrador became the second jurisdiction in Canada to address poverty reduction with a comprehensive and integrated strategy. Implementation of such a policy was promised by the Progressive Conservative party during the 2003 election campaign. In a 2005 Speech from the Throne, the government of the province affirmed a commitment to transform Newfoundland and Labrador from "a province with the most poverty to a province with the least poverty" [Newfoundland and Labrador 2006: vi]. The overall poverty rate for the province in 2007 was 6.5%, and the child poverty rate was also 6.5% based on Statistics Canada's after-tax

low-income cut-offs (LICOs) [Statistics Canada 2009d: 91].

The poverty reduction strategy of Newfoundland and Labrador is based on principles of social inclusion and collaboration, and has followed most of the key elements that constitute best practices for addressing poverty:

- Input was received from the social partners, including individuals living in poverty, community-based groups, business and labour. The province notes it is important to the success of its poverty reduction strategy that all of the partners continue to be involved.
- Goals and objectives were set for the next four years. The five medium-term objectives were 1) improved access and coordination of services for those with low incomes; 2) a stronger social safety net; 3) improved earned incomes; 4) increased emphasis on early childhood development; and 5) a better educated population.
- Measurable outcomes have been established and will be reported on regularly. There will be a written report on the program every second year. While many outcomes cannot yet be measured, monitoring and tracking mechanisms are being put in place.
- Accountability mechanisms have also been put in place, and the strategy will be guided by a ministerial committee supported by a deputy ministers' committee and an inter-departmental working group.
- A coordinated and integrated approach is being followed that engages community partners, as well as all orders of government. The government says such an approach is essential to ensuring its policies and programs are available to those who need them and to ensure they have their intended course.

For 2006/07, an investment of \$30.5 million was made to develop an independent and integrated package of 20 initiatives. The government of the province has invested over \$90 million annually in new funding to prevent, reduce, and alleviate poverty. In its 2009 budget, the government announced 18 further initiatives and an investment of \$132.2 million to help individuals and families with low incomes. This includes \$16 million to support targeted low-income tax reduction measures and \$3 million to support early childhood development initiatives. The Minister said, “These budget 2009 investments further our aim to prevent, reduce, and alleviate poverty and speak to the importance this government places on making improvements to programs and services to help vulnerable individuals and families in low income” [Newfoundland and Labrador 2009].

Focus areas have included the working poor, school-aged children, and at-risk youth, women, Income Support clients, and persons with disabilities. Examples of investments include providing prescription drug coverage to those working for low wages, eliminating school fees, and providing free textbooks to all grades, raising Income Support rates and then indexing the rates so clients do not become worse off over time, and enhancing Adult Basic Education (ABE) offerings. The government also says it is reducing barriers for Income Support clients to work, better supporting low-wage workers, and increasing the inclusiveness of its education system to enable more people to enter the workforce and achieve self-reliance.

Newfoundland and Labrador said ongoing research and policy development work would be a necessary and important part of its poverty reduction strategy. In its 2006 report, the government had identified several key priorities:

- research to gain a better understanding of the causes of poverty for those aged 55 to 64 and develop solutions; (the province

says that, of all age groups, those aged 55–64 are most likely to live in poverty, with an estimated 20% falling below the after-tax LICO);

- development of mechanisms and tools to analyze combined impacts of programs on an ongoing basis, including tax implications;
- review and policy development work on access to essential services such as dental care and medical transportation;
- review of earnings exemptions for Income Support clients to continue to remove barriers for Income Support clients to work;
- research minimum wage to keep mandatory rates on par with the rest of Atlantic Canada;
- review of employment skill programming need for groups vulnerable to poverty; and
- removal of barriers to post-secondary education, with an increased focus on academic upgrading.

The province says critical to the success of its poverty reduction program has been working together with many stakeholders and community groups who are engaged in poverty prevention, reduction, and alleviation. Also of key importance has been taking an integrated and horizontal approach to policy development. One of the limitations of past attempts to make a significant difference in this complex social policy area, the government says, has been that departments have acted in isolation.

The policy has also faced challenges. For example, uptake of its new low-income prescription drug plan has been lower than expected. While improving access and awareness has been one of the strategy’s five main goals from the beginning, the extent to which this is a problem and the challenge of meeting this goal has been greater than was anticipated.

However, while not all outcomes of the strategy can yet be measured, there has been a reduction in the number of people in low income in Newfoundland and Labrador. The Income Support caseload has gone down by 7.8% since the first set of Poverty Reduction Strategy initiatives were implemented in 2006, and a greater proportion of Income Support clients are starting to work.

Ontario

In December 2008, the Ontario government released a report entitled *Breaking the Cycle: Ontario's Poverty Reduction Strategy*. According to the government, the strategy was designed “to harness the potential of Ontarians, create opportunity, and build a stronger economy so that every Ontarian has a chance to enjoy a better quality of life” [Ontario 2008].

A key objective of the strategy is to reduce the number of children living in poverty by 25% over the next five years — generally referred to as “25 in 5.” The target will be based on Statistics Canada’s Low Income Measure (LIM) which is calculated as 50% of median income. However, the government acknowledged that “breaking the cycle of poverty cannot be achieved if the dedication, resourcefulness and talent of Ontario women remain untapped” [Ontario 2008: 26].

The strategy included measures that would be particularly helpful to women. For example, a commitment — made earlier — to gradually increase the minimum wage to reach \$10.25 by 2010; improvement in enforcement of the Employment Standards Act; proposed legislation to regulate temporary help agencies; and improvement in the Ontario Child Benefit [Ontario 2008: 2].

The province’s 2009 budget, released on March 26, 2009, implemented some of the measures promised in the anti-poverty strategy, but was criticized by a number of organizations for not going far enough. In particular, the province was urged to begin the Social Assistance Review

promised in the poverty reduction strategy. The budget announced a 2% increase in social assistance rates, but it did not deal with the requirement that applicants for social assistance are required to divest themselves of assets such as RRSPs and savings before they can receive social assistance benefits. As well, the budget did not include any new funding for early learning and child care.

In a statement released along with the 2009 budget, the Ontario government said that meeting the goal of the poverty reduction strategy “depends on having a willing partner in the federal government as well as a growing economy.” But it also said that, with the measures announced in the 2009 budget, “The government is proposing to accelerate the strategy’s implementation so that Ontario’s most vulnerable have the best chance to weather this economic storm” [Ontario 2009].

In early May 2009, the Ontario legislature unanimously passed the Poverty Reduction Act, which requires successive governments to draft poverty-fighting strategies with specific goals every five years and to report annually to the legislature on progress [Toronto Star 2009c].

Nova Scotia

Nova Scotia released a somewhat limited Poverty Reduction Strategy on April 3, 2009, focusing on training low-skilled workers, increasing affordable housing, and improving benefits for low-income families. The announcement of the strategy followed the release of a report from the Nova Scotia Poverty Reduction Working Group. However, in early May, the government was defeated on a budget vote of confidence and an election was called. As a result, the future of the poverty reduction strategy is unclear.

The federal government

Women's poverty is clearly not high on the policy agenda of the current federal government. In fact, since coming to power in 2006, initiatives taken by the Harper Conservatives have seriously undermined progress towards achieving equality for women and reducing women's poverty. Status of Women Canada's mandate to promote women's equality was withdrawn — implying these activities were considered no longer necessary. Funding for research activities designed to document women's inequality has also been withdrawn. The research activities of Status of Women Canada were terminated; the Law Commission of Canada was abolished; the Canadian Labour and Business Centre was closed. The Court Challenges Program that financed women (and other equality seekers) to take legal action to secure their equality rights was abolished, and funding cuts forced the National Association of Women and the Law that helped women with these issues to close. The Harper government has restricted the right to pay equity of women employed in the federal public service, and it has reneged on signed agreements between the federal government and the provinces to establish a national system of early learning and child care.

It has done nothing to address the ongoing high rates of poverty among older women on their own and, although it has made some changes to the EI program, it has refused to address the inequalities in the Employment Insurance system that leave the majority of unemployed women without benefits, in spite of numerous reports, committee hearings, and pressure from all sides — although a joint Liberal/Conservative committee of six Members of Parliament has been set up to look at possible changes to the program and to report back by September 2009.

A comprehensive strategy to address women's poverty

Clearly, a comprehensive strategy to address women's poverty would require the cooperation of federal and provincial governments to develop a long-term plan dealing with the issues outlined in this paper. Among the policies needed:

- Make the necessary changes to the Employment Insurance program to provide equality of access to women and men and to address the problems outlined earlier in this report. Detailed recommendations may be found in the report *Women and the Employment Insurance Program* published in 2007 by the Canadian Centre for Policy Alternatives [Townson and Hayes 2007b].
- Bring minimum wages up to at least \$10 an hour and index them for inflation.
- Address the income needs of older women on their own by increasing the Guaranteed Income Supplement for single individuals.
- Review social assistance rates and bring them at least up to the after-tax LICO for lone parents and others.
- Give special attention to the income needs — and especially the retirement income needs — of certain groups such as persons with disabilities, Aboriginal persons, recent immigrants, and women from racialized communities.
- Restore the funding and structure agreed upon between the federal government and the provinces for a national system of early learning and child care.
- Develop strategies to address non-standard work issues — for example, regulating temporary help agencies.
- Make sure policies and programs — for example, tax measures — respect and promote women's economic autonomy.

- Commit to an effective monitoring system to measure progress, with clear and concrete targets and timelines. (Gender analysis of data is needed).

Canada without Poverty (formerly the National Anti-Poverty Organization), as well as Citizens for Public Justice, have launched a national call for a federal poverty reduction plan called Dignity For All. And The National Council of Welfare has called for a national anti-poverty strategy. But, to date, the federal government has shown little interest in developing any kind of comprehensive program. In its 2007 report, *Solving Poverty: Four Cornerstones of a Workable National Strategy for Canada*, the National Council of Welfare set out the four most important and workable steps that need to be taken:

1. a national anti-poverty strategy with a long-term vision and measurable targets and timelines;
2. a plan of action and budget that coordinates initiatives within and across governments and other partners;
3. a government accountability structure for ensuring results and for consulting Canadians in

the design, implementation, and evaluation of the actions that will affect them; and

4. a set of agreed poverty indicators that will be used to plan, monitor change, and assess progress.

The Council also said:

If there is no long-term vision, no plan, no one accountable for carrying out the plan, no resources assigned and no accepted measure of results, we will continue to be mired in poverty for generations [National Council of Welfare 2007: 17].

The issue of women's equality must be put back on the policy agenda. We cannot use the current economic recession as an excuse to postpone taking action on the continuing poverty in which many women find themselves. In these uncertain times, our commitment to protect those who are most vulnerable matters more than ever. Moreover, as was indicated by the IMF, economies can best be stimulated by putting money into the pockets of those who need it the most and thus those who will spend it.

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Notes

¹ Statistics Canada uses the term “visible minority” in its data because the agency is required to collect data on “visible minority” groups so that compliance with the federal Employment Equity Act can be measured. The Act defines “visible minority” as “persons other than Aboriginal peoples, who are non-Caucasian in race or non-white in colour.” We use the term “racialized workers” to indicate workers who are in a visible minority.

² Employment in a small firm is a good indicator of precarious employment because larger firms are more

likely to pay higher wages, have higher unionization rates, pension plan coverage and other fringe benefits, and have lower risks of permanent layoffs (Cranford *et al.* 2003; Morrisette 1991).

³ For convenience, in the rest of this paper we will refer only to the Canada Pension Plan, although provisions of the QPP generally match those of the CPP.

⁴ This section is partly based on *Financial Security for Women Seniors in Canada* prepared by the author for the Canadian Association of Social Workers in September 2007.

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