

A Report Card on Women and Poverty

by Monica Townson

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The feminization of poverty is a concept that has been around for a long time—according to some accounts, since the late 1970s. It describes a situation where the number of women in poverty is increasing at a much faster rate than for men, so that poor people are disproportionately female.

It's not something we have heard much about recently. Yet women remain among the poorest of the poor in Canada. Over the past two decades, the percentage of women living in poverty has been climbing steadily. As Canada enters the 21st century, almost 19% of adult women are poor—the highest rate of women's poverty in two decades. About 2.2 million adult women are now counted as low-income, compared with 1.8 million who had low incomes in 1980.¹

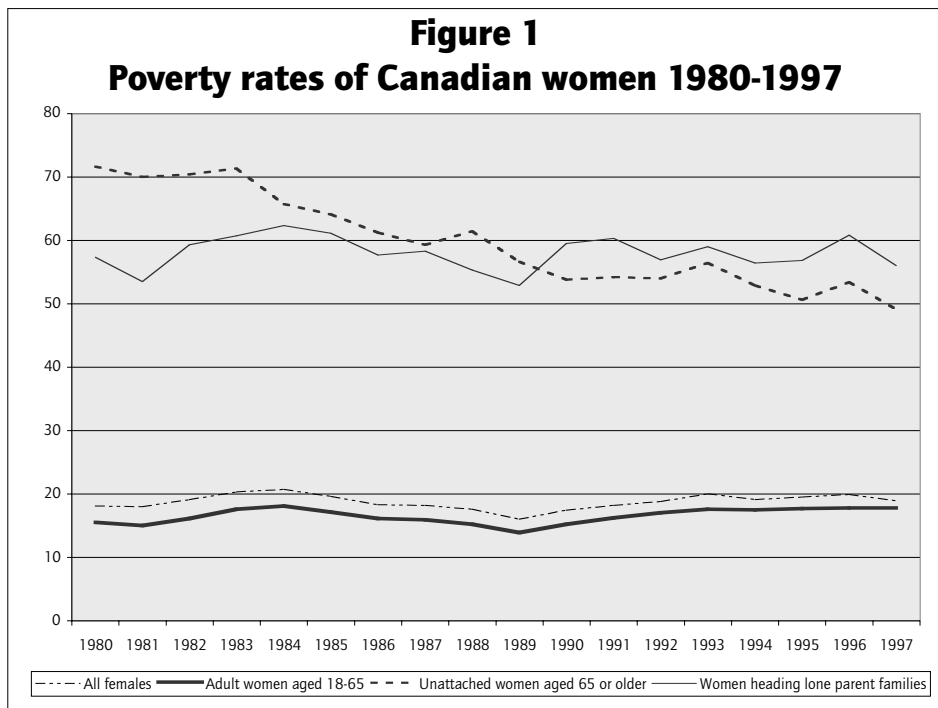
When the Royal Commission on the Status of Women issued its report, some 30 years ago, 47% of women under 65 who were on their own were considered low-income. In the three decades since then, the poverty rate of this group has scarcely changed. The most recent numbers show that 41% of women in this category have low incomes.

The Royal Commission reported that almost 52% of families with children headed by sole-support mothers were poor. Today, that percentage, which went as high as 62% in 1984, now stands at 56%. In fact, the rate has been consistently above 50% since the early 1980s

As for older women, there has been little change there either. In 1967, the Royal Commission said about half of all women aged 65 or older who were on their own were in the low-income group. Thirty years later, the percentage remains the same: 49% of unattached women aged 65 or older have low incomes.

In fact, poverty rates among older unattached women were as high as 72% in 1980, but they have declined steadily since then, thanks to improvements in government programs such as Old Age Security (OAS) and the Guaranteed Income Supplement (GIS), as well as the maturing of the Canada/Quebec Pension Plan (CPP/QPP). (The term “unattached” refers to a person living alone or in a household where she is not related to other household members.)

Addressing women's poverty no longer seems to be a high priority among policy-makers—if indeed it ever was. But while Canadians are justifiably concerned about the increasing numbers of children growing up in poverty, we have tended to overlook the fact that children are poor because their parents are poor. And it is the poverty of women that is behind the poverty of so many of our children. About 20% of low-income women are mothers heading lone-parent families. Another 51% are spouses in poor families, while 29% are on their own—many of them older women.



Measuring poverty with Low-Income Cut-Offs

Canada does not have any kind of official “poverty line.” But Statistics Canada produces low-income rates for different family sizes in different-sized cities and rural areas, based on a measure called the “Low-Income Cut-Off” (LICO). The LICOs define “low income” in relative terms, based on the percentage of income that individuals and families spend on the basic needs of food, clothing and shelter in comparison with the rest of the population. Families and individuals who spend a disproportionate amount of their income on these necessities are considered low-income.

StatsCan calculates both before-tax and after-tax LICOs, and it has always emphasized that, while the low-income-cut-offs are commonly referred to as poverty lines, “they have no officially recognized status, nor does Statistics Canada promote their use as poverty lines.” However, the agency also notes that the LICOs do “reflect a consistent and well-defined methodology which identifies those who are substantially worse off than the average.”

Since Statistics Canada’s LICOs are still the most widely used measure of low income

in Canada, we have used them here to document the extent of women’s poverty. The LICOs used in this report are based on 1992 family spending patterns. We use the terms “poverty” and “poor” to refer to those whose incomes are below the pre-tax LICOs.

The depth of poverty

Most poor people live thousands of dollars below the poverty line. In fact, the National Council of Welfare reports that the number of people living at less than 50% of the poverty line has grown dramatically in recent years, from 143,000 families and 287,000 unattached individuals in 1989 to 277,000 families and 456,000 unattached individuals in 1997.²

Statistics Canada produces a measure that gauges the depth of poverty and is referred to as the “average income deficiency.” The table below can be used as an indication of just how severe poverty is for different groups of women. It shows the “poverty gap,” or how much additional income would be needed to raise them above the low-income line.

For example, 49% of older women on their own were poor in 1997, and their average incomes were \$3,000 below the poverty line. But,

Table 1: The Poverty Gap
Average income deficiency in constant (1997) dollars
Low income families and individuals

	1980	1985	1990	1997
Two-parent families with children	\$8,917	\$8,582	\$9,034	\$10,057
Elderly married couples	\$3,467	\$3,146	\$3,210	\$3,705
Unattached non-elderly women	\$8,131	\$7,538	\$6,889	\$7,350
Unattached elderly women	\$4,887	\$4,157	\$3,461	\$2,993
Female lone-parent families	\$10,103	\$10,249	\$8,960	\$9,036

Source: Statistics Canada, *Income Distributions by Size in Canada, 1997*. Catalogue 13-207-XPB. Text Table V.

while 56% of women heading lone-parent families were poor in the same year, their depth of poverty, at just over \$9,000, was three times greater.

Transfer payments have played a crucial role in providing income security for older women. In fact, about 64% of the income of women aged 65 or older in 1997 came from government transfers of all kinds, which was an increase from the year before. Public pension programs have been responsible for reducing the “depth of poverty” in which older women find themselves—especially in comparison with women who are lone-parent heads of families and who do not generally receive such benefits.

But, as some observers have noted, many seniors have been lifted just barely above the poverty level by the various income programs. Instead of being poor, they are now simply “near poor.” In the case of elderly women on their own, those who are still poor are not quite as poor as they used to be.

What is noteworthy about the table is how the depth of poverty has increased for those for whom the poverty gap was already the worst. The National Council of Welfare, in its latest *Poverty Profile*, published in the autumn

of 1999, says it was shocked to discover that the number of families and individuals living at less than half the poverty line actually increased in 1997. Clearly, there has been a sharp increase in the ranks of the poorest of the poor since 1989, says the Council, as governments at all levels cut back services and income supports to poor people. “Cuts in welfare by provincial and territorial governments and cuts in unemployment insurance by the federal government probably go a long way to explaining this tragic state of affairs,” the Council said.

Is the wage gap closing?

Many people have assumed that, as more and more women entered the paid labour force, their earnings would lift them and their families out of poverty. Indeed, it’s true that the earnings of married women have done much to keep family poverty rates down. Based on special tabulations by Statistics Canada, the National Council of Welfare says that, while 10.8% of all husband-and-wife families were poor in 1997, that percentage would have jumped to 22.1% without the earnings of wives. The number of families living in pov-

erty would have more than doubled. In effect, without paid employment, many more women would be living in poor families.

It's also true that the wage gap between women and men is closing—at least for those who work full-time for a full year. In 1997, for instance, full-time women workers earned an average 72.5% of the earnings of men employed full-time for a full year. That compares with just 66.1% in 1987.³

The slope of the lines in Figure 2 shows how the wage gap is closing slowly. To close the gap completely would require women's wages as a percentage of men's to reach 100%. Periods where the line is sloping downward indicate a widening of the wage gap.

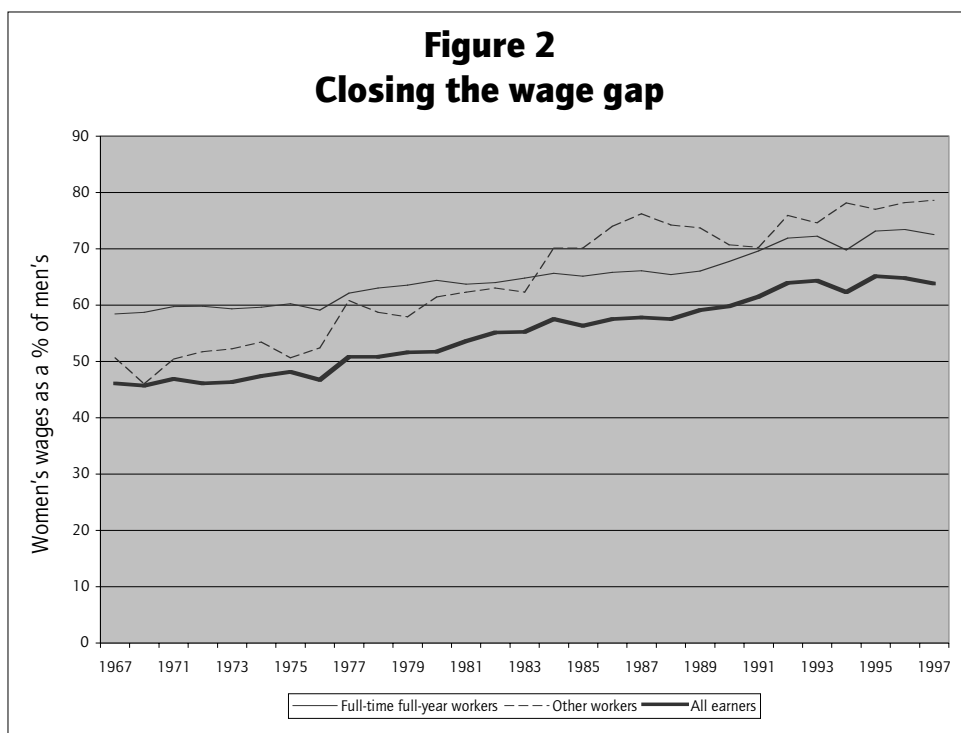
But the apparent improvement should be treated with caution. The percentages are based on average earnings and tell us nothing about where women are on the earnings scale. Not all women have shared equally in these gains. Katherine Scott and Clarence Lochhead, in a 1997 paper called *Are Women Catching Up in the Earnings Race?* published by the Canadian Council of Social Development (CCSD), observed that men still dominate the higher-earnings groups and make up

a relatively small portion of workers in the lowest earnings categories.

The majority of women, on the other hand, remain in the lowest earnings categories. The improved earnings position for women, these authors say, was restricted largely to members of the baby boom generation: that is, those 40 to 54 years of age. For women in other age groups, their position within the earnings distribution remained unchanged, and for some it grew worse. Young women were worse off in 1994 than they had been in 1984.

As well, there is evidence that the wage gap is closing, not so much because many more women are getting better-paid jobs, but because men's wages have failed to increase. Since 1980, for example, the average earnings of women who worked full-time for a full year have increased by 57%, while the average earnings of men working full-time rose by just 14%.

The CCSD study found that the women who made wage gains over the decade from 1984 to 1994 were the beneficiaries of a growing pool of good jobs in the health, education, and social service sectors. As good opportu-



nities opened up in traditional areas of women's employment, these authors say, a portion of these women benefited from rising earnings. Men's average wages remained static because they lost high-paying jobs in the goods-producing sectors as a result of economic restructuring.

These authors also warn that, as the structure of the economy continues to change, with the continuing polarization of job opportunities, there is a real danger that women's economic advances will be halted. "Such a situation," they say, "would herald greater economic insecurity for all Canadians."

Continued government cutbacks, downsizing and privatization could also reduce the pool of good public sector jobs that have fuelled the overall improvement in women's average earnings. Persistent differences in the levels of male and female earnings, say the authors of the CCSD report, combined with the relatively small gains made by some women over the decade, led them to conclude that it will be many years before women's labour market earnings catch up to men's. In other words, the wage gap will be with us for the foreseeable future.

Non-standard work and women's earnings

Another reason to be concerned about the continuing wage gap is the fact that more and more women are now working part-time—increasingly, because they have not been able to find full-time jobs—and in other kinds of non-standard jobs such as temporary, part-year and contract work, as well as self-employment. It has been estimated that 40% of women's paid jobs, compared with 27% of men's jobs, are now of this type.⁴

Many of these jobs do not provide women with the kind of financial security they need to support their families and provide for their future. That could result in higher rates of

women's poverty down the road. For example, Statistics Canada reports that the male/female earnings gap is larger among the self-employed than within the employee population, even after taking into account that part-time employment is higher among women. Among full-time, full-year workers, self-employed women earned 64% of the average earnings of self-employed men, compared with 73% among employees.

Often women have no choice about accepting this kind of work. Lack of better employment opportunities; lack of accessible and affordable child-care arrangements; and family caregiving responsibilities may leave them with few options. In 1997, for example, 34% of women in the age group 25 to 54 who had part-time jobs would have preferred to be working full-time.

As more and more women are employed in these non-standard jobs, a more realistic assessment of the wage gap would be to look at a comparison of the earnings of all women and all men—including those who work part-time or who are employed in other non-standard jobs, such as temporary and part-year jobs. On this basis, the average earnings of women in 1997 were 63.8% of men's. In fact, the wage gap between all women and all men has actually been increasing over the past three years—perhaps a reflection of the fact that women are increasingly employed in non-standard jobs where earnings are lower.

Gender inequality and poverty

Statistics on women's low incomes don't tell the full story of women's poverty. The most recent United Nations Report on Poverty, issued in 1998, notes that a broad range of public and private organizations throughout the world have vowed to eradicate poverty. "If they are to succeed in this endeavour," the UN says, "they will need to adopt a comprehensive view of poverty: one that recognizes that

it is more than a shortage of income.”⁵ This new concept of human poverty focuses on “the denial of opportunities and choices most basic to human development—to lead a long, healthy, creative life and to enjoy a decent standard of living, freedom, dignity, self-esteem, and the respect of others.”

Human poverty, the UN *Poverty Report* notes, also recognizes the critical effects of gender inequality which perpetuates poverty both within and across generations. Income poverty, the UN says, is usually measured at the household level, ignoring disparities within the household. The gendered approach to human poverty, by contrast, makes it possible to look within the household at the ways in which resources such as food, education or health services, as well as productive assets, are distributed among family members. It emphasizes that it is within households that capabilities are provided or denied—and through its structure that public and private resources are channelled.

Recent studies in Canada have also suggested it would be misleading to assume that income within a family is pooled so that all family members have equal access to it. For example, the Women and Taxation Working Group of the Ontario Fair Tax Commission, reporting in November 1992, said this is particularly true in families where wife abuse occurs. In such families, said the Working Group, forms of economic abuse may include forcing the wife to ask for money, giving the wife an allowance, taking the wife’s money away, and not letting the wife know about or have access to family income.

Observers have concluded that, even if family income is above the poverty line, it cannot be assumed that all members of the family are equally well-off. That’s why proposals to base income-tested benefits on family income—such as the now-abandoned Seniors Benefit—can have such a significant impact on women. As many women know only too

well, they are “only one man away from welfare.”

Canadian studies have also pointed out that the causes of women’s poverty differ in many ways from the causes of men’s poverty. In a 1990 study of *Women and Labour Market Poverty*,⁶ for example, Morley Gunderson, Leon Muszynski and Jennifer Keck noted that the poverty of individual men can often be linked directly to the labour market, where they may be employed in certain jobs with low wages, or may not be able to find work at all. While women in the paid work force may have similar problems, they also face barriers as a group—such as confinement to low-wage job ghettos and lack of access to well-paid employment.

But women’s poverty, these authors note, also springs from the complex interplay of such factors as divorce and separation, as well as women’s unique roles as mothers, homemakers, caregivers, and nurturers. “These social factors place limitations on the paid work that women have been offered or permitted to do, and they are one explanation given for the discriminatory practices of employers,” according to these authors.

A more comprehensive approach to dealing with poverty—such as that envisaged by the UN *Poverty Report*—would take these gender differences into account. It would look at how women’s financial security may be undermined because they must combine paid work with unpaid family responsibilities; how lack of quality affordable child-care limits the ability of women to earn wages and support their families; and it would look at how government policies—such as the Ontario government’s decision to slash social assistance rates, or the federal government’s recent changes in the unemployment insurance program—have an adverse impact on women, denying them income support when they are most in need.

In addition, using a deeper and broader analysis of poverty, says the UN, sets it more

firmly in a political context. Here, poverty is not merely a grave social and economic problem, but also constitutes a violation of human rights. Poverty and inequality are a threat to social stability and also a threat to civil and political rights, says the UN. The UN acknowledges that this broader concept of poverty is more difficult to measure using the quantitative techniques typically employed in household income and expenditure surveys. These surveys have to be supplemented with qualitative data.

In Canada, attempts have been made to develop broader measures of women's inequality—although such efforts are still in their infancy. And nothing has yet been done through public policy to link these measures to the intractable problem of women's poverty. Nor has there been any attempt at the policy level to address women's poverty specifically.

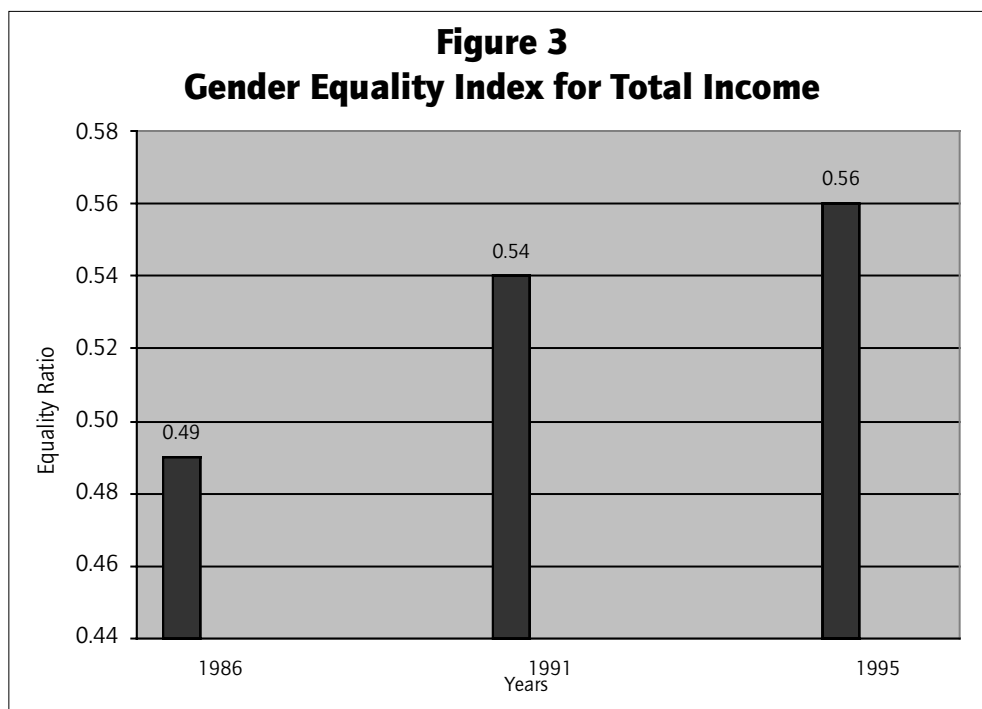
Federal, provincial and territorial ministers responsible for the Status of Women recently issued economic gender equality indicators, developed by Statistics Canada within a framework established by the Ministers. They include a gender equality index for total income that reflects the income gap be-

tween women and men, after adjustments that take into account key differences between women and men—such as age, training and the presence of children—that affect their earnings.

Gender Equality indexes use ratios of women to men. A ratio of 1.0 is the point where women and men are equal in relation to that index. Below 1.0, women's income and earnings are less than men's; above 1.0, they would be greater. Looking at the years 1986, 1991 and 1995, this report concludes that there has been gradual improvement in the gender equality index for total income from 1986 to 1995, but a large gap still remains.

The report also notes that even when statistical adjustments are made to the income indexes to help understand the gender gaps—by taking into account male and female differences in age, education, occupation, employment and family status—large gaps remain unexplained.

As Figure 3 shows, in 1995, with a ratio at only 0.56, women were still very far from reaching equality. Policies to close the gap will have to include much more than just labour market policies, the report emphasizes. They will have to include greater sharing of paid and unpaid work between women and men;



provisions which recognize specific needs based on sex such as maternity and lactation; and measures which help ensure that individuals, women or men, who provide unpaid care for others, do not bear its costs alone. This approach, says the report, recognizes similarities and differences, and more equitably values women's and men's contributions.

The UN *Poverty Report* points out that increasing women's work outside the home may give women greater control over income within the household—though at the expense of even greater pressure on their time. Poor people face many trade-offs between different dimensions of poverty, says the UN, but women face many more than men, and they experience poverty differently—and often more acutely.

A fuller understanding of poverty, says the UN, sees it as a social malaise created by intersecting inequalities. Gender inequalities, it says, are not just damaging to the interests of women, but also to people's livelihood as a whole. To be successful, the UN emphasizes, anti-poverty strategies must deal with issues related to women's low status and lack of empowerment.

Government policies contribute to women's poverty

Governments in Canada have not developed strategies to deal with women's poverty. In fact, many of the policies they have implemented recently have exacerbated the problem and have undoubtedly contributed to increasing poverty rates for women. Changes have been made or proposed in key income support programs that ostensibly are intended to prevent poverty by providing financial support for people when they are most vulnerable—including women who are sole support mothers; older women; and those who have lost their jobs. Instead of strengthening these programs, governments have undermined

their effectiveness and made it even more likely that women's poverty will continue to increase in future.

Cuts in social assistance

There have been savage cuts in social assistance rates over the past decade, for example. The National Council of Welfare says that "The millions of children, women and men who were on welfare some time during the 1990s have suffered greatly at the hands of the federal, provincial and territorial governments. Squeezing dollars out of the poorest of the poor," says the Council, "is a record that can only be described as shameful."⁸

The Council points out that the federal government set the stage for a wholesale assault on welfare with its infamous "cap on CAP" in 1990, when it cut federal support under the Canada Assistance Plan to Ontario, Alberta and British Columbia. Ottawa killed CAP outright in 1996, replacing it with the Canada Health and Social Transfer (CHST). The new system, says the Council, made it all but impossible for provinces and territories to make long-overdue improvements in their welfare systems.

Not only were the improvements not made, but the provinces had already embarked on plans to make eligibility for welfare even tighter and more demeaning, the Council notes. One of the very first measures taken by the Harris government in Ontario when it came to power in 1995 was to slash welfare benefits for all recipients except the aged and the disabled by 21.6%. Not long afterwards, Harris eliminated a nutritional supplement for poor pregnant mothers because he claimed they would only spend the money on beer.

People on welfare have seen cuts in their welfare rates almost everywhere. And benefits for most categories of recipients in most provinces are nowhere near the poverty line. Total

welfare income for a single employable person in Newfoundland, for example, is only 9% of the poverty level. The Council estimates that total welfare income in 1998 for a single parent with one child ranges from a low of 50% of the poverty level in Alberta to a high of 69% in Newfoundland. For couples with two children, welfare incomes average around 50-55% of the poverty level.

Not only is the system harsher than it was at the start of the decade, says the Council, it is also much more complex and less logical. The lack of subsidized child-care is an example that has particular consequences for women. As the Council points out, "Governments everywhere are trying to get people off welfare—including parents—and into the paid labour force. Yet they steadfastly refuse to provide suitable child-care: the one program that is absolutely essential to helping families with children escape from welfare."

Attacking the elderly poor

Older women on their own have one of the highest rates of poverty of any group of women in Canada. But in the past few years, the government has proposed changes to the public pension system that would almost certainly have resulted in an even greater number of women ending their days in poverty. Ultimately, many of the proposed changes were not adopted. But the fact that policy-makers could have overlooked such a potentially devastating impact on women is evidence that poverty among older women is not even a consideration in policy development.

For example, in the February 1996 Information Paper that served as the basis for consultation on changes to the Canada Pension Plan, the government's proposals included cutting benefits for surviving spouses; changing the structure of the child-rearing drop-out; limiting inflation indexing; increasing the age of eligibility for retirement pensions; and

eliminating the year's basic exemption so that even low-income workers would be required to contribute to the CPP from the first dollar of their earnings.

All of these changes would have had a much greater impact on women than on men—but that was nowhere acknowledged. In fact, the government did not even bother to do a gender analysis of its proposals, even though it has made a formal commitment to undertake such an analysis of any policy proposals it makes. There was no attempt to assess the impact the proposed changes might have had on the incomes of older women in the future. Nor was there any consideration of the potential for the proposed changes to increase the future rate of poverty among older women.

Fortunately, these proposals were not adopted. But there is nothing to prevent them from being raised again when the operation of the CPP is reviewed every three years, as the new legislation requires. The government is also under pressure to abolish the CPP and replace it with a system of mandatory savings accounts; or to allow people to opt out of the plan and have their contributions directed to private savings accounts instead. With their lower earnings, greater incidence of insecure paid employment, and their need to combine paid and unpaid work, women would be seriously disadvantaged by such proposals for privatization. If these policies were to be adopted, they could also lead to higher rates of poverty among older women in future.

Changing the unemployment insurance program

The Canadian Labour Congress has documented how recent changes in the Unemployment Insurance program—now euphemistically called "Employment Insurance"—discriminate against women. In its 1999 report *Left Out in the Cold: The End of UI for Canadian*

Workers, the Congress found that the percentage of unemployed workers covered by UI in 1997 was less than half what it was in 1989—falling from 74% of the unemployed to 36%. But UI coverage for women is even lower. Only 32% of unemployed women received UI in 1997. These figures refer only to regular benefits; they do not include changes in coverage for maternity or parental leave, sickness, benefits for fishers, for training, or other employment benefits.

As a result of government changes to the program, the weeks and hours of work needed to qualify for Unemployment Insurance nearly tripled from 1990 to 1996. At the same time, part-time and temporary jobs kept increasing. The number of weekly hours required to qualify for UI jumped from 15 to 35 in 1997. And since most part-time and temporary jobs are filled by women, the change had an immediate impact on them. In a single year, says the Congress, coverage fell by 15%.

More recent data showed that the number of women receiving UI “layoff” benefits in 1998 had dropped by 10.7% from the year before. The number of men receiving benefits dropped by 2.7%. The steep drop in the number of women receiving UI is not because fewer women were unemployed, the Congress says. The proportion of unemployed women receiving UI actually dropped from 32% to 30%. The proportion of unemployed men getting UI increased in 1998 from 39% to 41%.

The Congress notes a number of features of the program that particularly hurt women—including the fact that part-time workers and temporary contract employees working 15 to 30 hours a week cannot get enough weeks in a 12-month period to qualify for benefits; that part-time, temporary and part-year workers—jobs predominantly held by women—are penalized with a lower benefit rate; and the fact that unfair and very severe penalties imposed on workers forced to

leave or quit their jobs also fall disproportionately on women.

This is yet another example of policy-making that ignores the differential impact on women and the potential of the policy to contribute to further increases in women’s poverty.

Defining poverty away

Not only have governments been unwilling to acknowledge the extent of women’s poverty, but they now seem to be embarked on a course to “define” it away. They are developing a poverty measure that they claim would be more “credible with respect to the severity of poverty” than the low-income cut-offs generally used to determine the extent of poverty.

Corporate-funded research institutes, such as the Fraser Institute, along with the business press, have long argued that Statistics Canada’s LICOs do not really reflect poverty because they measure low income in relative terms. People whose incomes are below the LICOs are only poor in relation to the rest of the population, they claim. What is needed, they say, is an absolute measure of poverty. Essentially, this approach would determine a specific assortment of goods and services—sometimes referred to as a “basket of goods”—that would constitute the basic necessities of life for individuals and families. Only those without sufficient income to purchase these minimal basic necessities would then be considered “poor.”

Researcher Christopher Sarlo, of Nipissing University in North Bay, Ontario, uses this approach to calculate “poverty lines” for the corporate-sponsored Fraser Institute. He argues that “the income cut-offs do not appear to correspond to widely held notions of deprivation.”⁹ His budgets seem to be designed to define “poverty” as being on the borderline of deprivation. Needless to say, such a stringent definition of the basic neces-

sities needed for survival makes it possible largely to eliminate poverty by defining it away. For example, Sarlo estimates that only 8.64% of all unattached individuals were “poor” in 1993, while Statistics Canada’s LICOs indicated 37.14% of all unattached individuals had incomes below the cut-offs.

The National Council of Welfare says Sarlo’s poverty lines “reflect a mean-spirited view of life that regards people as poor only if they can be shown to be visibly and strikingly different from the rest of society.” The Council points out that the Sarlo food basket contains no coffee or tea. There are no health care items in the basket on the grounds that poor people should be able to get charity dental services from dentists in the community and they should be able to pick up free eye-glasses from the local Lions Club.

“Poverty rate” calculations such as these seem to be designed to convince the general public that the extent of poverty in Canada has been greatly exaggerated and that there is really no need for governments to take action or for public policies to be developed to deal with poverty. Are policy-makers likely to be convinced? Could they be persuaded that there is no need to develop policies to address the poverty of women because most women are not really “poor”?

As far-fetched as that may seem, it is perhaps significant that, at the request of the provincial and territorial Ministers of Social Services, Human Resources Development Canada (HRDC) is now developing a “needs-based” measure of poverty, called the Market Basket Measure (MBM). This calculation takes the same approach as Sarlo does—although it doesn’t go to the same extremes in restricting the amounts allocated for basic necessities.

The collaboration between HRDC and the provinces apparently originated because provinces were interested in measuring the success of the National Child Benefit in reducing child poverty. Cynical observers might say

the objective of the exercise is to reduce the reported rate of child poverty and thus to minimize the challenge that policies on child poverty have to meet. There seems to be a strong possibility that the new MBM will become the government’s preferred measure of poverty used for social policy purposes. It will almost certainly result in much lower measured rates of poverty among all groups, including women.

In a recent paper on measuring poverty, for instance, the National Council of Welfare estimates that, when the before-tax LICOs are compared with HRDC’s after-tax MBMs, poverty rates for all persons in 1996 would have increased by 4% in Newfoundland, but in all other provinces would have dropped by anywhere from 18% in Nova Scotia to 49% in Quebec.¹⁰ The Council also says that poverty among seniors could fall noticeably if poverty were to be measured by the new MBM. Seniors tend to have incomes that are very close to the current low-income cut-offs, the Council says. “Even a modest drop in the poverty lines under a shift to market basket measures could lead to a further decline in the poverty rates of seniors.”

Defining away poverty in this way absolves the government of the obligation to provide support for those who are falling behind. The use of absolute measures of poverty imply that policy-makers need not be concerned if women—or any other low-income groups—fall far behind the rest of the population. Observers have pointed out that it is part of the new wave of thinking about poverty based on an “agenda of disentanglement” that has shaped social policy in the 1990s. Welfare cuts, described earlier, are an obvious manifestation of this approach. To be poor, in this view of poverty, means to be excluded from the normal activities which others enjoy and to be denied full access and participation in the community and society. As

one observer notes, it is to relegate the poor to the margins of economic survival.

It is also directly at odds with the more comprehensive approach to poverty called for by the United Nations in its *Poverty Report*, mentioned earlier. A multi-dimensional concept of poverty, says the UN, basically mirrors an integrated understanding of human rights in which civil and political rights are indivisible from social, economic and cultural rights. Ending all forms of discrimination based on social status, gender, religion, race or ethnicity would go a long way to eliminating some of the main causes of poverty, the UN says.

Where does Canada stand on women's poverty?

Politicians continue to repeat that the United Nations rates Canada as the best country in the world in which to live. But the UN Human Development Index (HDI) on which this statement is based looks at only three measures: life expectancy at birth; literacy; and per capita income, which it suggests reflects a "decent standard of living." The per capita income measure takes the country's gross domestic product and divides it by the total population. But this is simply an average measure that tells us nothing about how the country's income (GDP) is distributed. Nor does it tell us what is really happening when we take into account other developments, such as high unemployment, deteriorating public services, and increasing poverty.

An Index of Social Health (ISH) constructed by Satya Brink and Allen Zeeman of Human Resources Development Canada showed that, while Canada's GDP per capita continued to climb throughout the period from 1970 to 1995, the ISH did not follow the same pattern. It dropped sharply between 1980 and 1983; then went through a period where it was relatively stable; after which it

flattened out at the level experienced in the 1970s.¹¹ In other words, the social well-being of Canadians—as measured by this Index—is no better now than it was 30 years ago, in spite of a steadily increasing GDP per capita.

The ISH uses a set of socioeconomic indicators dealing with health, mortality, poverty, unemployment, inequality, and access to services. Declines in the Index in the early 1980s and 1990s appear to be linked to the recession experienced in those time periods. The authors say declines may be attributed to higher rates of unemployment, falling real wages, and increases in child poverty. But the key point to note, they say, is that a recovery in the GDP is not reflected in the ISH because unemployment continued to be high and real wages continued to slide.

It is obvious that, while Canada's GDP per capita has continued to increase, not all Canadians have shared in the expansion. In fact, on the UN's Human Poverty Index (IHPI) Canada ranks 9th, behind Sweden, the Netherlands, Germany, Norway, Italy, Finland, France, and Japan.¹² According to this index, Canada's rate of human poverty in 1997 was 12.0%. The highest rate was 16.5% in the United States, closely followed by 15.3% in Ireland, and 15.1% in the United Kingdom.

The UN statistics on human poverty in industrialized countries list a number of variables, including one indicating the percentage of the population below an income poverty line. The numbers show that 11.7% of the Canadian population has incomes below 50% of the median income. (The median income is the point at which half the population is below the amount and half is above. Where it is available, social policy analysts prefer to use the median rather than the average figure, because an average might reflect a great many people with low incomes, and a relative few with high incomes, which distorts the reality).

In most of the European countries, between 5% and 7% of the population lives on income less than 50% of the median. In the United States, however, 19.1% of the population has an income less than 50% of the median.

Income inequality in Canada has continued to increase since the early 1980s. Traditionally, transfers from government and a progressive tax system have been able to lower inequality within any given year. But in 1996, Statistics Canada reported that inequality after transfers also increased. This disturbing trend was attributed to cuts in government transfers—in particular, unemployment insurance benefits and social assistance. There was some improvement in 1997, thanks to an improving labour market, but still not enough to make a significant dent in the overall poverty of women.

In reports for the Centre for Social Justice, Armine Yalnizyan has documented the growing inequality between rich and poor in Canada.¹³ She notes that what governments have done, or chosen not to do, in the 1990s had a tremendous impact on the growing gap between rich and poor: the after-tax gap grew more rapidly between 1994 and 1997—a period of economic recovery—than at any time since the early 1990s. She says that the gap between rich and poor, and Canadians' slippery slope towards the bottom, is driven primarily by market-induced changes. But to see economic change as the primary variable, says Yalnizyan, blinds us to the power of collective action, within and beyond politics. Political choice plays a big role in closing the growing gap, she says.

Political choice will also determine whether we do anything to address the growing poverty of women. But that's not necessarily a comforting thought. Federal politi-

cians passed a resolution in 1989 to eliminate child poverty by the year 2000. Since the resolution passed, the number of children living in poverty has increased from 934,000 to 1.4 million, and the child poverty rate has risen from 14.5% to 19.6%.

A neoliberal agenda now dominates policy-making in Canada, with the emphasis on reducing the role of the state and moving away from collective responsibility to individual initiative. Will we continue to cut transfers and support for those who are most vulnerable? Will we cut taxes, locking in the already-reduced role of government and making state intervention even more difficult? Clearly, increased reliance on "the marketplace" has led to increasing inequality. In fact, progressive analysts would argue that increasing inequality, where some members of society become increasingly wealthy while rates of poverty also continue to increase, is a predictable result of capitalist economies.

The issue of women's inequality has to be addressed if we are to make any headway against women's poverty. But neither seems to be anywhere on the public policy agenda as Canada begins a new century. The World March of Women 2000 is demanding international action to achieve equality and justice for women. It is a march that links 3,000 organizations from 143 countries to protest poverty and violence in women's lives. Three levels of action began on International Women's Day, March 8, 2000, and will end on October 17, 2000, which is the International Day for the Eradication of Poverty.

The message must not be lost on policy-makers in this country. For it is surely time—30 years after the Royal Commission on the Status of Women—to end the feminization of poverty in Canada.

Endnotes

- 1 Statistics on low income in this report are taken mainly from the Statistics Canada publication *Income Distributions by Size In Canada, 1997*. Catalogue No. 13-207-XPB, April 1999.
- 2 National Council of Welfare, (1999) *Poverty Profile 1997*. Ottawa: Autumn 1999.
- 3 Statistics Canada (1999) *Earnings of Men and Women*. Catalogue No.13-217-XIB.
- 4 Townson, Monica (2000) *Reducing Poverty Among Older Women: The Potential of Retirement Incomes Policies*. Ottawa: Status of Women Canada's Independent Research Fund. (forthcoming).
- 5 United Nations Development Programme, (1998) *Overcoming Human Poverty*. New York: United Nations Publications.
- 6 Gunderson, Morley, Leon Muszynski and Jennifer Keck (1990) *Women and Labour Market Poverty*: Ottawa: Canadian Advisory Council on the Status of Women.
- 7 Federal-Provincial/Territorial Ministers responsible for the Status of Women (1997) *Economic Gender Equality Indicators*. Ottawa: Status of Women Canada.
- 8 National Council of Welfare (2000) *Welfare Incomes 1997 and 1998*. Ottawa: Winter 1999-2000.
- 9 Sarlo, Christopher (1996) *Poverty in Canada*. 2nd. Edition. Vancouver, British Columbia: The Fraser Institute.
- 10 National Council of Welfare (1999) *A New Poverty Line: Yes, No or Maybe?* Ottawa; Winter 1998-99.
- 11 Brink, Satya and Allen Zeesman (1997) *Measuring Social Well-Being: An Index of Social Health for Canada*. Ottawa: Human Resources Development Canada, Applied Research Branch, Strategic Policy.
- 12 United Nations (1999) *Human Development Report 1999*. New York: Oxford University Press for the United Nations Development Programme.
- 13 Yalnizyan, Armine (1998) *The Growing Gap: A report on growing inequality between the rich and poor in Canada*. and (2000) *Canada's Great Divide: The politics of the growing gap between the rich and poor in the 1990s*. Toronto: Centre for Social Justice.

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