

Women's Equality

Background

Sustainable economic policy must address the distinct roles of women and men within the economy and the distinct impact of economic crisis and recovery strategies on women and men. To do so is good fiscal sense and good public policy. The AFB will foster sustainable economic growth by ensuring that women are able to participate fully in the economic and social life of Canada. The AFB will address the key barriers to that participation: the wage and income gap between women and men; the lack of investment in social infrastructure; and the personal, social, and economic devastation caused by violence against women.

According to the OECD, “rising female participation in the labour force has been the mainstay of per capita real income growth [for Canada] over the last decade.”¹ Following the economic crisis of 2008, women were among the first to return to the post-recession labour force. Their return, however, did not lead to increased economic security for them or sustainable growth for Canada. The jobs women filled tended to be part-time or temporary, an ongoing trend in women’s employment.² In Canada, 27% of working women work part-time, compared to 12% of working men.³ This percentage has remained nearly unchanged over 30 years, from 26.1% in 1981 to 27% today. Closing the gap between women’s and men’s shares of paid work would not only increase women’s economic well-being and their access to economic supports, it would

also contribute to economic growth. A recent analysis of developed countries, estimates that closing the gap between male and female employment rates would boost GDP by at least 9%.⁴

The Canadian gender pay gap is the fifth-largest among 28 OECD countries.⁵ In Canada, women with full-time jobs earn 23% less than men. The pay gap is particularly pronounced among single mothers, racialized women, First Nations women, and women with disabilities. For these groups there is both a wage gap between women and men of the same group, and a significant gap between their earnings and the national average. For example, the average income for women with disabilities in Canada is 32% lower than women in Canada overall at \$22,013; their income is 33% lower than the income of men with disabilities and their income is 57% lower than men in Canada overall.⁶ Racialized women earn only 70.5% as much as racialized men, and First Nations women living off-reserve earn 68.5% as much as First Nations men living off-reserve.⁷ The average income for racialized women is \$22,993, and for First Nations women, living off-reserve, the average income is \$22,035. It is therefore unsurprising that, in spite of increasing levels of education and work experience, these women are disproportionately affected by the economic recession.⁸ Not only are these gaps a violation of the basic principle of equality and non-discrimination, but they represent a huge loss in potential revenue for governments at all levels. Even the most conservative estimates

state that closing the gender wage gap could increase Canada's GDP by as much as 10%.⁹

During a period of economic contraction and slow recovery, Canada cannot afford to leave such a large economic resource untapped. Closing the gap between women's and men's economic status in Canada will provide a significant engine for long-term economic growth, as well as an immediate increase in women's social and economic well-being.

Current Issues

The government's current economic policies come at a high price to women and the economy. They do not create jobs in industries where women work, they increase the tax burden on working women while decreasing access to pension and income supports, and they continue to undermine basic equality rights. Moreover, they do so in a manner that allows for little public debate or scrutiny.

Set to "fuel the next wave of job creation"¹⁰ the government's budget has depended on infrastructure projects to fill the tank.¹¹ Infrastructure projects have been successful in creating jobs, but they do so in the very industries in which women are least likely to find work. An equal investment in industries such as health care, child care, and education would yield a double benefit. It would create more jobs in sectors in which women are likely to be employed and would decrease the burden of unpaid work for both men and women by strengthening Canada's social infrastructure. A recent review by TD Economics reiterates the economic and social benefits of investing in child care and early childhood education: "it can help to foster greater labor force participation.... It

raises employment prospects and reduces duration of unemployment if it occurs.... It can also reduce poverty and help to address income inequality."¹²

The current budget is also looking to fuel job creation in the private sector while cutting jobs in the public sector. Yet the public sector has been the place where women have realized the greatest level of economic equality. These gains were significantly undermined in the 2009 budget, which stripped public employees of the right to pay equity — making equality rights subject to market forces. In 2012, Bill C-38 made similar changes to the Federal Contractors Program, leaving compliance with the Employment Equity Act for contractors of the federal government to the discretion of the Minister. Marjorie Griffin Cohen points out that "there would be no reason to change this legislation if the Minister intended to continue to apply the employment equity provisions."¹³

The current job cuts being rolled out in the public sector are having a disproportionate impact on women. Women working in the public sector earn an average of 4.5% more than their peers in the private sector.¹⁴ Women seeking comparable work in the private sector, even if economic stimulus were to generate those jobs in the private sector, would see an estimated \$2,000 reduction in their annual income.¹⁵ Overall, this means that women seeking paid work will have fewer employment choices, earn less income where they are able to secure employment, and experience no relief from their burden of unpaid work.

For women who do experience unemployment, there is little respite. The gap between men's and women's access to EI benefits continues to expand: "At the outset of the 2008/9

recession, when female employment rates were at an all-time high, the gender gap between women vs. men receiving EI benefits was only 2.3%, but grew to 14% during the recession.”¹⁶ The lack of affordable child care and the concentration of women in part-time work further decrease their access to EI. In the period immediately following the recession, married women lost the largest proportion of jobs: “176 percent of all jobs lost by women were lost by married women. Married men also lost the largest share of men’s jobs, but on a much smaller scale than married women (98 percent of all men’s jobs were lost by married men)...of the 176 percentage points of jobs lost by married women, 102 percent were lost from full time employment and 74 percent from part time employment. In contrast, while single women gained 230 percent of the number of women’s jobs lost during the recession, all these gains were in the form of *temporary* full time employment.”¹⁷

One final irony of the government’s current economic policies is that unemployed workers will likely have to wait longer to receive EI, if they do qualify, because public sector job cuts are diminishing Service Canada’s capacity to process EI claims.¹⁸

At the end of their working lives, women will also feel the impact of changes made in the 2012 and 2013 budgets. First, only 30% of women employed in the private sector have pensions of any kind. Second, everyone is going to have to work two years longer before they are eligible to receive OAS. However, because women’s earnings peak in their 40s, while men’s earnings peak in their 50s, the first generation of women to be affected by the phase in of the OAS changes (in 2023) will be less able to mitigate against the im-

pact on their incomes than will their male counterparts.¹⁹

For young women, the continued roll-back of equity guarantees, the changes to the age of retirement, and the failure to invest in industries where women work, mean that those women will have fewer job opportunities, will earn less, will work two years longer before they can access OAS, and will pay more for the privilege.

Inequality and Insecurity

Violence against women and girls is an endemic social ill and a violation of the basic rights of security of person and non-discrimination. Violence against women and girls is exacerbated by economic insecurity and is itself a cause of long-term economic insecurity. A recent study found that women who had left abusive domestic partners relied on food banks at nearly 20 times the rate of average Canadians, up to three years after leaving the abusive situation.²⁰

Current estimates suggest that intimate-partner violence alone costs the Canadian economy nearly \$7 billion per year.²¹ Although notoriously difficult to track, the violence directed at women and girls *because* they are women or girls is prevalent across the Canadian population. Statistics Canada reports that “6% of Canadians with a current or former spouse reported being physically or sexually victimized by their spouse in the [past] 5 years.”²² Eighty-three percent of victims of spousal violence are female. Government estimates suggest that as many as 70% of incidents of spousal violence are never reported.²³ Rates of sexual assault remain stable, with approximately 2 of every 100 Canadians over the age of 15 reporting that they have experienced a sexual assault in the previous

year.²⁴ However, only 1 in 10 sexual assaults is reported and police have recorded a further decrease in reporting over the past decade.²⁵ Rates of violence against women and girls vary by region and group, with Aboriginal women, women with disabilities, young women, and women living in northern Canada experiencing significantly higher than average rates of violence.²⁶

The federal government continues to make minimal investments in addressing a problem that directly affects at least 2.8 million Canadians.²⁷ Status of Women Canada currently spends an average of \$10 million per year. The mandate of Status of Women precludes advocacy and research, thus the \$10 million is directed largely at the provision of services for the 2.1 million Canadians experiencing domestic violence and the 0.7 million Canadians who have *reported* a sexual assault. Yet a longitudinal study of interventions to combat violence against women has demonstrated that support for civil society organizations and feminist activism has been the most significant factor in a successful public policy response to violence against women.²⁸

While Status of Women carries the mandate to address this issue, the Department of Aboriginal Affairs and Northern Development has spent over \$30 million per year over the past three years on grants and contributions to organizations addressing violence against women. Additional funds are dispersed by HRSDC and Health Canada. This scattershot approach is plainly inadequate. The United Nations Secretary General has called on all states to implement a national action plan to address violence against women by 2015.

AFB Actions

The AFB will:

- Invest in a National Action Plan to Address Violence Against Women (cost: \$380 million²⁹ over 3 years).
- Invest in social infrastructure, including a federal child care program (see the Early Childhood Education and Care chapter on page 58).
- Increase funding for Status of Women Canada and fund women's groups to carry out independent policy research and advocacy.
- Provide consistent and secure funding for a non-partisan, arm's length, independent research body to focus on issues and policies relating to and affecting women and that would be free to publish without ministerial consent.
- Take pro-active measures to ensure equal pay for work of equal value by repealing the Public Service Equitable Compensation Act, establishing pro-active pay equity legislation, and implementing the recommendations of the 2004 Pay Equity Task Force (cost: \$10 million/year).
- Eliminate inequitable tax breaks and tax policies that exacerbate women's economic insecurity, such as income-splitting measures for pension income (~\$1 billion savings), and including for Retirement Compensation Arrangements and Tax Free Savings Accounts (see the Tax chapter).
- Implement the recommendations of the 2009 Report of the Auditor General on gender-based analysis, including provid-

ing adequate human resources to conduct gender-based analysis in all government departments and agencies.

Notes

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- 3 "Full-Time and Part-Time Employment by Sex and Age Group." CANSIM table: 282-0002. Ottawa: Statistics Canada, last modified: January 6, 2012.
- 4 Daly, Kevin. (2007). "Gender Inequality, Growth and Global Ageing." *Global Economics Paper No. 154*. New York: Goldman Sachs Economic Research Group.
- 5 "Gender Wage Gap: Full Time Employees." OECD. Available online at: <http://www.oecd.org/gender/data/genderwagegap.htm>
- 6 *Disability in Canada: A 2006 Profile*. (2011). Ottawa: Human Resource and Skills Development Canada.; Galarneau, Diane and Marian Radulescu. (2009). *Employment Among the Disabled*. Ottawa: Statistics Canada.
- 7 "Average Incomes by Racialized Census Groups and Gender." (2007). *2006 Census of Population*. Ottawa: Statistics Canada.
- 8 "Study: Aboriginal People and the Labour Market." *The Daily*. Statistics Canada. November 23, 2011.
- 9 Oostendorp, Remco H. (2009). "Globalization and the Gender Wage Gap." *World Bank Economic Review*. 23(1): pp. 141–161.
- 10 *Jobs, Growth, and Long-Term Prosperity: Canada's Economic Action Plan 2012: The Budget in Brief*. Department of Finance, Government of Canada, 2012.
- 11 Infrastructure spending in the 2012 budget consists primarily of the \$33-billion Communities Infrastructure Fund. However, there are clear plans for further infrastructure spending in the near future, including the \$35-billion National Shipbuilding Procurement Strategy, over \$30 billion for shipyards contracts, \$5.2 billion for the Canadian Coast Guard fleet, and continued spending on the F-35 jets.
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- 15 Sanger, Toby (2011). *Battle of the Wages: Who Gets Paid More, Public or Private Sector Workers?* Ottawa: Canadian Union of Public Employees. cupe.ca/updir/Battle_of_the_Wage_ENG_Final-o.pdf
- 16 Lahey, Kathleen A (2012). *Canada's Gendered Budget 2012: Impact of Bills C-38 and C-45 on Women: A Technical Report*.
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- 18 Galloway, Gloria. (2012). "Growing backlog of EI claims forces Service Canada to boost staff." *Globe and Mail*. Jan. 13. www.theglobeandmail.com/news/politics/growing-backlog-of-ei-claims-forces-service-canada-to-boost-staff/article542476; Galloway, Gloria. (2012). "Pensioners, unemployed still facing long waits with Service Canada." *Globe and Mail*, Nov. 1. www.theglobeandmail.com/news/politics/pensioners-unemployed-still-facing-long-waits-with-service-canada/article4806279/
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- 28 Htun, Mala and S. Laurel Weldon (2012). *The Civic Origins of Progressive Policy Change: Combating Violence against Women in Global Perspective, 1975–2005*. American Political Science Review Vol. 106, No. 3.
- 29 Estimate based on current expenditures towards Ontario's action plans to address domestic violence and sexual violence — calculated on a per capita basis for Canada. Ontario currently spends \$141 million/year or \$11.06 per capita.