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Submission to the Standing Committee on the Status of Women

March 13, 2008

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This Committee has an opportunity to engage and lead Canadians in focusing on what matters - quality of life. It is indisputable that equality of women is essential to our quality of life

Women are half the nation's electorate, and we make up almost half the nation's taxpayers, up from just 30% a generation ago. At last count we paid over \$42 billion in personal income taxes alone. We are a big constituency, and deserve a respected and equal place in every budget that every government in this nation prepares. Regrettably, women appear as an afterthought in this year's budget.

I read Budget 2008 as you requested, with a view to seeing what was in it for women. I have written a full report on this topic which I have submitted to the clerk of the committee, but let me cut to the chase. Women are mentioned a total of 6 times. Twice as fisherwomen, once as women veterans of war. But the pay dirt comes in the other 3 mentions – in a passage of 52 words in a 416 page document. The big budget news for women is a promise to come up with an action plan for women.

The thing is, there already *is* an Action Plan, crafted as the follow-through on Canada's signing the Beijing *Platform for Action* in 1995.

A decade old action plan that nobody's acted is clearly an *in*action plan. But not because it didn't have the right elements. Your commitment to come up with a new action plan does not need to reinvent the wheel. You need to focus on what will get that wheel turning.

It is up to committees like yours to decide how government should act, to make planned improvements lived realities for women. And you *can* act. In fact, it's long overdue that you *do* act.

We know what needs to happen to make progress on equality for women and improvements in Canada's quality of life. The Alternative Federal Budget has costed out many of these objectives. Along with actions on climate change, rebuilding community infrastructure, pharmacare, and addressing the needs of our First Nations, the bill comes to a total of \$17 billion for this year. If you think this is a lot, consider this: Budget 2008 alone just allocated \$43 billion in surplus to new spending, tax cuts, and debt reduction over a three year horizon—that's more than \$17 billion a year.

So doing something that would benefit Canadian women is totally affordable. BUT...

In order to do this, the federal government has to do two fundamental things – it has to open up some fiscal room so that money is available for focused new programs, and make sure that, in the design of these programs, women benefit.

This is a change in direction, but after almost 20 years of trying to get government out of the way it is a necessary and an overdue change.

The first objective of the 1995 plan was to integrate gender analysis in every policy initiative of government. Let me tell you why gender analysis of this, and every, budget is so important.

Gender budgeting is not just about the number of times women are mentioned, or focusing on measures that only benefit women.

Gendered analysis of a budget lifts the veil on what governments can achieve, and for whom. It reveals the high cost of a political agenda focused heavily on tax cuts, which we have had in place for a decade now.

For years women have asked for supports in the form of child care, affordable housing, affordable post-secondary education, better integration of immigrants and their skills, access to legal aid. In the 1990s we were told to wait, because of deficits. The deficit has long been slayed but years of budget surpluses have gone, not to programs that women have been waiting for, but to tax cuts.

Elected in January of 2006, this minority government has, in 25 short months, taken the federal purse from sustained multi-billion dollar surpluses – the likes of which have not occurred in any other advanced industrialized nation – to razor thin balances.

They did it by siphoning off the surplus for tax cuts and debt reduction. In fact, Budget 2008 sets a new bar for this approach: it offers Canadians seven dollars in tax cuts and debt reduction for every new dollar in spending.

Budget 2008 goes on to trumpet that, since elected, this minority government has scheduled almost \$200 billion in tax cuts and at least \$50 billion in debt reduction by 2012-13. I want to pause for a moment, folks, because we are talking about \$250 billion not available for tackling the big issues of our day: struggling cities, climate change, the toxic growth of inequality.

Why did we give away that opportunity to act? For the sake of tax cuts. And let's be very clear here: the tax cut agenda is not a neutral agenda. It favours the more affluent. It favours men.

Budget 2008 told us that \$3 billion in personal income tax cuts a year will go to individuals in the lowest tax bracket. The implication is that is a lot, and it goes to low-income Canadians.

In fact 58% of taxable Canadians don't get past that first tax bracket, which ends at \$37,884.

68% of women taxpayers fall in this category, only half of men.

That means the \$3 billion a year goes to the majority of taxable Canadian men and women. But wait. The budget said there was almost \$200 billion scheduled in tax cuts.

That means for every dollar in tax cuts that goes to majority (mostly women), there are \$12 that flow to the minority with higher incomes (mostly men) and corporations.

Some Canadians' incomes are so low as not to be taxable. Three-quarters of all Canadian men will get something from this year's tax cut agenda. But almost four in 10 women will get nothing at all out of income tax cuts. Why? Because they don't earn enough money to pay taxes. Tax cuts are meaningless to these Canadian women.

This addiction to tax cuts by successive governments has changed the landscape of how government revenues are collected, and from whom.

In the last fifteen years the richest one percent of taxpayers have seen a four-percentage point drop in their tax rate.

But the poorest 20 percent of taxpayers are now paying between three and five percentage points more in taxes.

And here's the kicker: A middle-income family now pays about six percentage points more in total taxes than a family in the richest one percent.

When you analyze the tax cut agenda through this lens, it gets harder and harder to defend every single year.

\$200 billion is a lot of money. And here's what that money didn't buy, and what the women's agenda has long sought: Liveable cities. Supports for families. Pathways of opportunity. Reduction of poverty. Freedom from violence. Access to basic justice. That's not just good for women. That's good for us all.

Budget 2008 – and the last three federal budgets -- does not speak to any of these concerns. These are budgets for the rich, not the rest of us.

Tax cuts cost a lot of money. They limit our resources and constrain our ability to act. They take for granted the investments made by our parents and under-invest in the legacy we pass on to the next generation. It doesn't take leadership to promise tax cuts. Tax cuts are easy.

Leadership – responsible leadership – is that thing you do when you hold a position of power and make sure you use it to lift up the most vulnerable in our midst. Leadership uses power to build cities that are healthy and vibrant for all. Cities that offer everyone the chance of getting ahead, of getting an education, of managing the twin demands of work and family life.

These are the concerns of the women of Canada. These are concerns that have, for too long, been neglected in the budgeting process of our federal government. I urge you today to think long and hard about what kind of budget you could deliver if you had women, and children, and families' well-being first and foremost in your mind.

This Government has promised the opportunity to craft just such a plan. We know what we need to do. We need the room to do it. That will require some serious re-thinking about what governments are for, and what taxes are for. But the very next steps are easy ones to take.

Here are four things you can start acting on tomorrow

- 1) Commit to gender budget analysis as a stock in trade for your committee's work. Ask the Department of Finance for a gender analysis of major budgetary initiatives - on both the tax and spend side. Ask them to tell you about the big picture too – what are the macro-economic costs and benefits of an agenda primarily focused on tax cuts, debt reduction or new spending on the types of programs women ask for.
- 2) Choose which income classes you are going to prioritize as beneficiaries of your plan. My strong suggestion is that you target people in the bottom tax bracket, those with taxable incomes less than \$38,000. That accounts for two-thirds of women and half of men.
- 3) This year pick three priorities for action and pick three action plans in each of these areas to discuss as a committee. Pick three more next year. My suggestions for this year:
 - a. Affordable housing (for the 68% of women that are in the bottom income bracket)
 - b. Child care (for the 74% of women who are in the workforce with young children)
 - c. Post-secondary education (for the 57% of female graduates, straddled with unprecedented levels of student debt)There are lots of ideas on how to make meaningful change in these areas. I highly recommend that you look at this year's Alternative Federal Budget for a costing on these, and other, objectives. I have left a copy with the Clerk of the Committee.
- 4) Prepare submissions telling your own caucuses what you want to see in the next budget that will improve the lives of women and their loved ones.

Much of the real work of government gets done in committees. I thank you for the opportunity to present to this committee, and look forward to your recommendations as to what should be in the action plan and how the government should approach its next budget.

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