

# GETTING THERE

AFB 2018



Alternative Federal Budget 2018



# Gender Equality



ALTERNATIVE  
FEDERAL BUDGET  
2018

GENDER  
EQUALITY

## SITUATION

- The employment gap between men and women is costing our economy an estimated 4% in GDP growth.
- Women continue to perform 10 hours more per week of unpaid work in the home and make up 89% of workers taking parental leave.
- Women are now more likely to be a victim of a violent crime than men.

## DESTINATION

- Stimulate job growth in the sectors where women work and where they earn a living wage.
- Institute a universal child care program and a paternity leave policy for fathers on the model of the Quebec Parental Insurance Program.
- Fund organizations combatting violence against women and implement a fully resourced national action plan to end violence against women.

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#AFB2018

## Background

Underemploying and underpaying women is costing women and the Canadian economy billions of dollars annually. The International Monetary Fund estimates that “if the current gap of 7 percentage points between male and female labour force participation with high education attainment were eliminated, the level of real GDP could be about 4 per cent higher.”<sup>1</sup>

If the 670,000 women who were working part time for non-voluntary reasons in 2016 were able to find full-time work, they would have brought home an additional \$19.2 billion in wages.<sup>2</sup> If the women who worked full time last year earned the same hour-

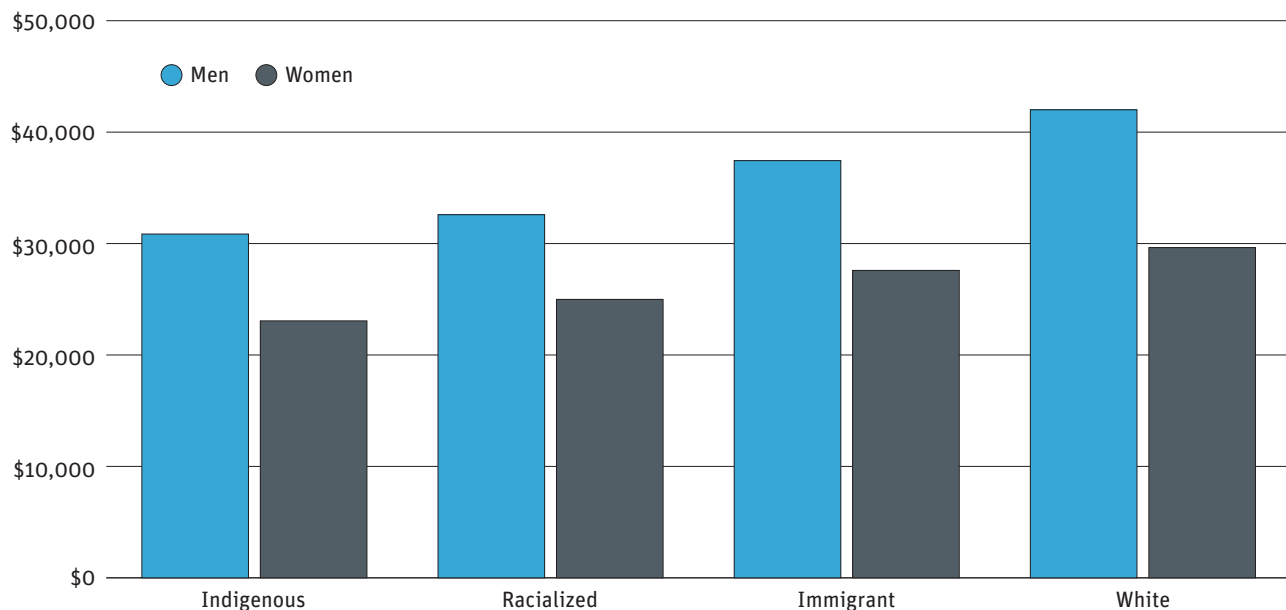
ly wage that their full-time male counterparts earned, they would have taken home an additional \$85.4 billion.<sup>3</sup>

The Bank of Canada is predicting a slowdown in labour productivity growth in Canada over the next five years.<sup>4</sup> That slowdown is not inevitable. The IMF and the OECD have pointed out that Canada could see increased productivity and growth with economic policies that do more for the female half of its labour force.<sup>5</sup>

## Economic policies

Canada’s female labour force is among the most educated in the world, with 72% of women aged 25–54 holding a post-second-

**FIGURE 7** Median employment incomes (2015)



Source: Census 2016

ary degree or diploma. While women and men have equal levels of education, women are consistently paid less and employed less often. The gaps in employment and income widen even further for Indigenous, racialized and immigrant women, as well as for women with disabilities.

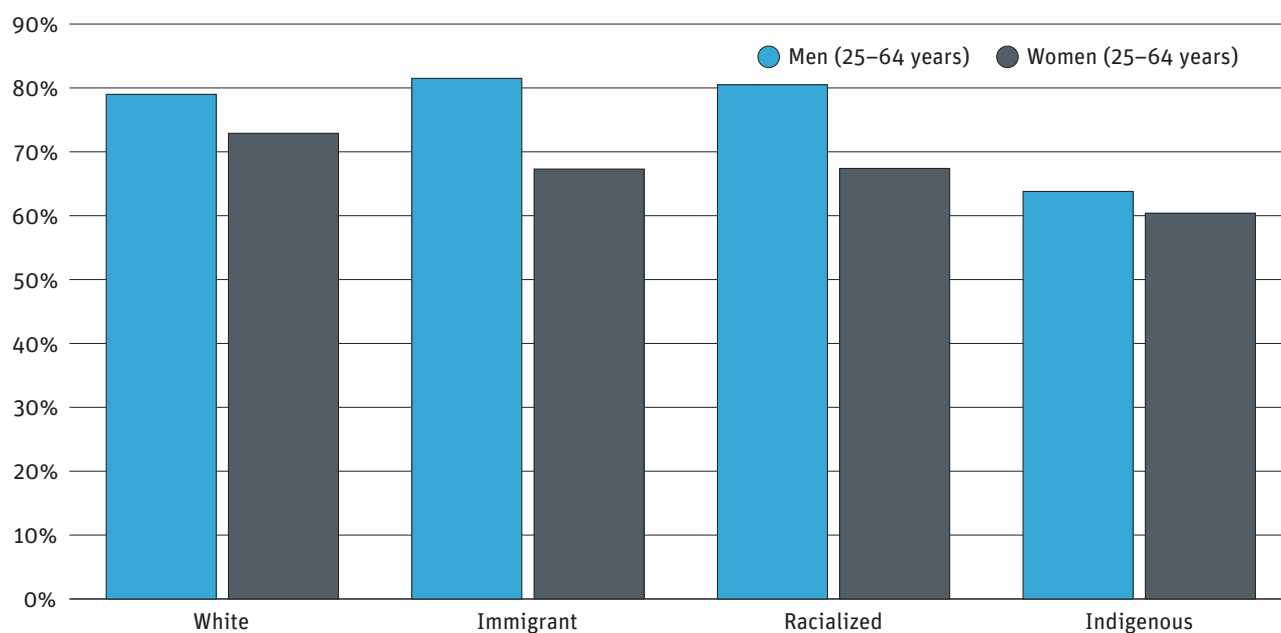
The wage gap for women working full time has barely budged in a decade. In 2016, women working full time, all year earned 81% of what their male counterparts earned — only a two-point improvement over the wage gap in 2007.<sup>6</sup> At this rate of change it will be nearly a century before the pay gap is closed.

Core working-age women have seen little change in their levels of full-time employment over the past decade. After a drop in employment post recession, women's employment stands today at its pre-recession

level of 77%.<sup>7</sup> The employment gap has closed slightly over the past decade, but only as a result of men's full-time employment rates failing to recover fully from the recession — not as a result of more women moving into full-time employment.

At the same time, women are disproportionately represented among part-time workers. The share of women in the labour force working part time remains the same today as it was a decade ago and is much higher for women aged 25–54 (18%) than for men the same age (5%). However, the share of women who report working part time as a matter of preference is at a historic low — falling from 28% to 21% in the past decade among the same age group. Among involuntary part-time workers, half cite child care as the reason they are not in full-time work and half cite business con-

**FIGURE 8** Employment rates (2015)



Source: Census 2016

ditions. This provides a clear direction for public policy intervention.

Accessible and affordable child care is the best lever the government has for supporting female labour force participation.<sup>8</sup> Affordable and available child care has had a demonstrable positive effect on women's employment levels and on the wage gap in similar high-income countries.<sup>9</sup> However, long waiting lists and high fees are leaving 275,300 women in involuntary part-time work.

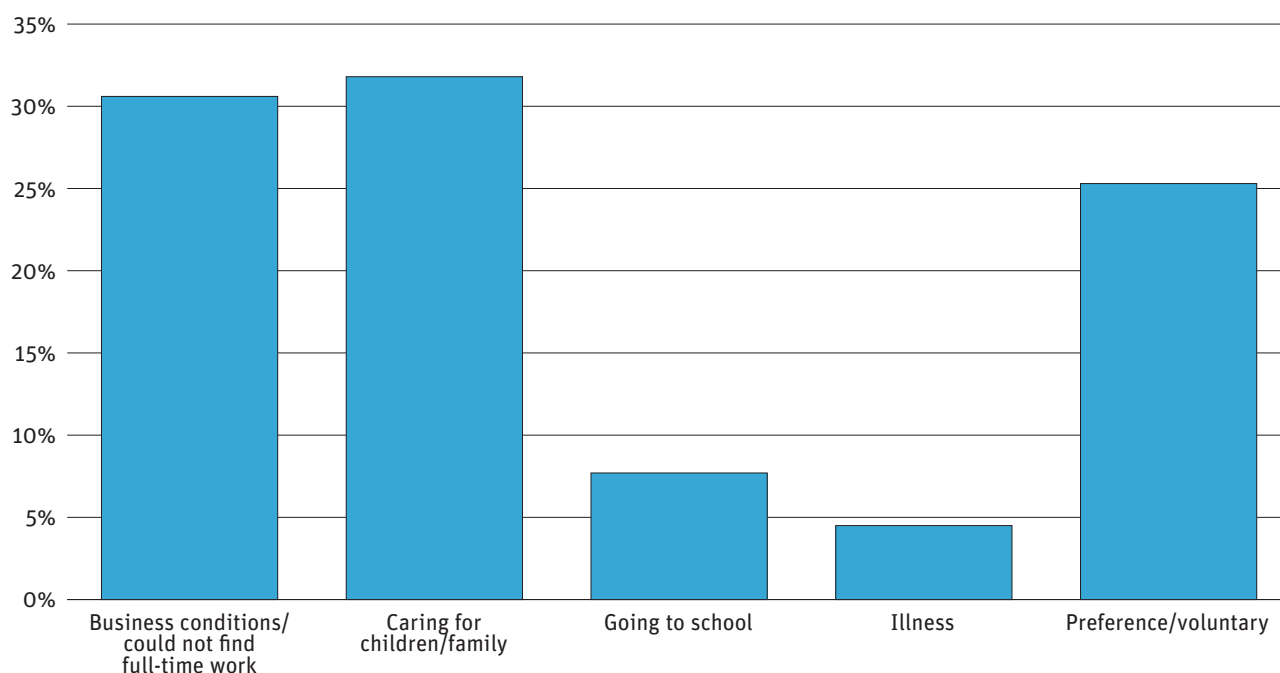
As a recent IMF study points out, outside of Quebec the high cost of child care means that, net all tax and other benefits, "the household's economy clearly worsens if the mother enters the labour market."<sup>10</sup> Extending parental leave to 18 months, as the government has done, is not a solution. Longer parental leaves have a nega-

tive impact, particularly for highly educated women — precisely the group the IMF identifies as a key solution to improving productivity and economic growth.<sup>11</sup>

It is also clear that employers need to be encouraged to lean in, particularly when it comes to hiring women who are returning from parental leave. Fertility rates have not declined in correlation with the entry of women into paid work.<sup>12</sup> However, women continue to make up the vast majority of those taking parental leave (89%) and continue to perform 10 more hours a week of unpaid work than men — work that is particularly uneven with respect to child care.<sup>13</sup>

The majority of women with children aged 2 and under are in the labour force (71%).<sup>14</sup> Fifty-two per cent of those women work full time; only 15% work part time. The share of

**FIGURE 9** Percentage in part-time work by reason, women (25–54 yrs) 2016



Source: Labour Force Survey

mothers working full time increases steadily with the age of their children — with 56% of mothers of children aged 3–5 working full time and 61% of mothers of children aged 6–17 working full time.<sup>15</sup> Rates of part-time work vary by less than 2% among these three groups. This suggests that as women move back into the workforce following the birth of a child their preference (by choice or necessity) is for full-time work.

It has been argued that women’s under-employment is the product of an oversupply of labour and a lack of demand in predominantly female occupations. The evidence does not support this theory. One in five women work in health and social services in Canada.<sup>16</sup> The share of women graduating with degrees in the health field tracks precisely

with employment levels in the field.<sup>17</sup> A similar pattern can be seen in financial and business services.

In all these fields women continue to be paid less than their male peers — even when adjusting for education, occupation and age. As women generally take less than a year’s parental leave, this should have a minimal impact on pay disparities over a 30-year career. And yet the gap in pay and employment remains evident throughout women’s working lives.

The government’s decision to table pay equity legislation in 2018 is welcome. The legislation should be proactive. Greater transparency from employers in both the public and private sector is needed as the evidence shows that tracking and transpar-

ency are key to closing the wage gap.<sup>18</sup> The government should implement the recommendations of the pay equity task force and the report of the special parliamentary committee on pay equity.

## Social policies

Violence against women, and sexual assault in particular, remain a persistent blight on the lives of women in Canada. Rates of sexual assault are nearly unchanged over the past two decades.<sup>19</sup> A mere 5% of incidents of sexual assault are reported to the police.<sup>20</sup>

Stagnant rates of sexual assault, set against a decline in every other violent crime over the past decade, mean that women are now more likely to be victims of a violent crime than men.<sup>21</sup> Women with disabilities experience higher than average levels of violence and Aboriginal women and girls experience over three times the rate of violent victimization experienced by non-Aboriginal women.

There is clear evidence that direct funding to women's organizations is one of the most effective means to lower rates of violence against women.<sup>22</sup> However, the only federal program that is devoted exclusively to providing direct funding to women's organizations is the Women's Program housed within Status of Women Canada. Funding to the Women's Program has remained stagnant over the past decade and amounts to a paltry few hundredths of a per cent of total federal program spending.

The government's decision to invest an additional \$100 million over five years is also welcome. However, it falls far short of current per capita spending on violence against

women by provinces such as Ontario, and the federal money appears largely intended to support other departments and agencies, not women's organizations.

When Canada invested in similar women's funds abroad the results were "the most successful mechanism we have found" for empowering women, according to a government evaluation.<sup>23</sup> Because of Canada's investments in women's funds in Pakistan, women were able to fight successfully for the same legal status as men when testifying in court. Because Canada invested in a women's fund in Paraguay, domestic violence is now a crime in that country. It is time to bring these lessons home.

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## AFB Actions

**Action:** Invest in the sectors where women are working today. More than one in five women in the labour force work in health and social services.<sup>24</sup> Women are also highly concentrated in occupations like nursing, teaching and the service industries — sectors that accommodate their disproportionate share of unpaid work, particularly child care. The federal government should be working closely with the provinces and territories to ensure that job stimulus is directed at the entire labour force, not just the 53% male part of it.

**Result:** Narrowing the gender employment gap, particularly among highly educated workers, will contribute an additional 4% in GDP growth, according to the IMF.<sup>25</sup> It will offset the challenges posed by an aging workforce and declines in productivity growth.

**Action:** Institute supports for women in involuntary part-time work. Work with employers to increase their uptake of female applicants and recognize the qualifications of women who have been out of the workforce caring for children and family members. Lower the threshold of hours required to qualify for employment insurance (see Employment Insurance chapter).

**Result:** If the 670,000 women who were working part time for non-voluntary reasons in 2016 were able to find full-time work, they would have brought home an additional \$19.2 billion in wages.<sup>26</sup> This would put much needed income into the hands of women and their families at a time when household debt is at an unprecedented high. It would also put additional money into the economy, stimulating growth.

**Action:** Invest in universal child care (see Child Care chapter) and institute paid paternity leave on the Quebec model. The Quebec Parental Insurance Program, which provides five weeks of “father only” leave, has demonstrated a significant unmet need – with 86% of men now taking parental leave in Quebec compared to 12% in the rest of Canada.<sup>27</sup> Return the parental leave window from 18 months to 12 months.

**Result:** The distribution of unpaid work will shift, leaving women better able to balance paid and unpaid work. The unmet need for parental leave for fathers will allow more fathers to take time off to spend with their children.

**Action:** Increase funding for Status of Women Canada and restore its mandate to fund

women’s groups to conduct independent policy research (cost: \$100 million annually).

**Result:** Federal policies will benefit women and men more equally. Decisions about funding for women’s services will be based on research. And the organizations and communities who respond to the needs of women on a daily basis will be empowered to share their insights into the programs and policies that work.

**Action:** Invest in a fully resourced national action plan to address violence against women, based on the Blueprint for a National Action Plan, bringing federal per capita spending on the issue in line with provincial spending (cost: \$500 million annually).<sup>28</sup> The action plan will include the following components:

- funding for annual, detailed national surveys on violence against women;
- support for an office to provide federal co-ordination;
- increased funding for prevention programs;
- increased funding for victims’ services, including long-term housing; and
- funding to support uniform access to specialized social, legal and health services, including domestic violence courts, sexual assault nurse examiners and crisis centres.

**Result:** Levels of violence experienced by women will begin to decline and survivors of violence will receive adequate support for their needs. The estimated \$12.2-billion-per-year cost of violence against women would be offset by declining crime rates.<sup>29</sup>



## Notes

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- 3 *Labour Force Survey*. Ottawa: Statistics Canada. Author's own calculations. (All numbers for core working age, 25–54 yrs, based on median weekly wages.)
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- 5 Petersson, Bengt et al. (2017). *Women are Key for Future Growth: Evidence from Canada*. Washington D.C.: International Monetary Fund. OECD (2017). "How Does Canada Compare?" in *The Pursuit of Gender Equality: An Uphill Battle*. Paris: OECD Publishing.
- 6 *Labour Force Survey*. Ottawa: Statistics Canada. (All numbers for core working age, 25–54 yrs, based on median weekly wages.)
- 7 *Labour Force Survey*. Ottawa: Statistics Canada.
- 8 See: Child Care chapter.
- 9 Plantenga, J. and C. Remery eds. (2006). *The Gender Pay Gap: Origins and Policy Responses: A comparative study of 30 European countries*. European Commission, Directorate.
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- 12 McInturff, Kate and David Macdonald (2015). *Time to Grow Up: Family Leave Policy for the Way We Live Now*. Ottawa: Canadian Centre for Policy Alternatives.
- 13 *General Social Survey: Time Use* (2015). Ottawa: Statistics Canada.
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- 17 CANSIM Table 477-0030: Postsecondary graduates, by program type, credential type, Classification of Instructional Programs, Primary Grouping (CIP\_PG) and sex, annual. Ottawa: Statistics Canada.
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- 19 *General Social Survey: Victimization*. Ottawa: Statistics Canada.
- 20 Rotenberg, Cristine (2017). *Police-reported Sexual Assaults in Canada, 2009 to 2014: A Statistical Profile*. Ottawa: Statistics Canada.
- 21 *General Social Survey: Victimization*. Ottawa: Statistics Canada.
- 22 Batliwala, Srilatha et al. (2013). *Women Moving Mountains: The Collective Impact of the Dutch MDG3 Fund*. Toronto: AWID. Htun, Mala and Lauren 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 August 2012.
- 23 *Evaluation of CIDA's Implementation of its Policy on Gender Equality: Benchmarking Report*, Performance and Knowledge Management Branch, CIDA, 2007.
- 24 *Labour Force Survey*. Ottawa: Statistics Canada.
- 25 Petersson, Bengt et al. (2017). *Women are Key for Future Growth: Evidence from Canada*. Washington D.C.: International Monetary Fund.
- 26 *Labour Force Survey*. Ottawa: Statistics Canada. Author's own calculations. (All numbers for core working age, 25–54 yrs, only.)
- 27 Dave McGinn, "Seeking balance as a working dad," *The Globe and Mail*, November 15, 2017: <https://www.theglobeandmail.com/life/parenting/new-parents-in-canada-will-soon-get-more-paid-leave-but-for-fathers-time-is-just-one-of-theobstacles-parenting/article36992989/>.
- 28 *A Blueprint for Canada's National Action Plan (NAP) on Violence Against Women and Girls*. <http://endvaw.ca/our-work/blueprint-for-canadas-national-action-plan-on-violence-against-women>.
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