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Chair

Ms. Yasmin Ratansi

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•(1535)

[English]

The Chair (Ms. Yasmin Ratansi (Don Valley East, Lib.)): We'll bring the meeting to order.

We have our witnesses before us. We're continuing our study on the economic security of women. We have Beverley Smith, who is appearing as an individual; Monica Lysack and Emily King, representing the Child Care Advocacy Association of Canada; and Michelle Harris-Genge, Women's Network of Prince Edward Island.

I guess it's been communicated to you that as a group, so if you're a partnership of two, you have 10 minutes to present—and we are watch watchers, because we have to watch time. Once the 10 minutes are up, the bell will ring on its own, so please look at me; I'll be waving my hands away. Then there'll be an opportunity, after all presentations have been made, for the committee members to ask you questions. So whatever you haven't covered, you probably will be able to cover during Q and A, and at the end I'll give you one minute to wrap up.

We have votes at 5:30. Are the bells going to ring at 5:30, committee members, or is it votes at 5:30? Okay, the bells will ring at 5:15, so we will have to stop the moment the bells ring. We will be disappearing. We'll close the meeting.

Ms. Smith, would you like to go first for 10 minutes? I can ask Emily to go first. What would you like, Ms. Smith? Would you like somebody else to start?

Ms. Beverley Smith (As an Individual): I can do it.

[Translation]

Thank you for inviting me here. I'm going to talk about women whose work is unpaid or lowly paid.

[English]

My focus is on women's unpaid and lowly paid work.

When governments survey the economic situation of women, they discover that women have less income than men through most of their adult lives and in retirement are much more likely to be in poverty than are men.

You have asked how we can assure the economic security of women, security being not just the current income level but a regular flow of money over the course of a life. The common response of economists of the past has been to help women earn more today through pay equity and affirmative action, so that they can get the jobs that have higher pay. Many of these moves have been very

successful, and discrimination in hiring or promotion based on gender alone is now a contravention of human rights.

The second response has been to move women out of a mode of vulnerability, principally by getting them to not depend on some other source of income or on another earner who may be unreliable. This continues to be the argument some women's groups make today. Law professor Kathleen Lahey of Queen's University has said, for instance, that all women, for economic security, should work outside the home. The rationale is, as above, for their own good—so they have financial independence and economic security.

Governments responded, and slowly funding for the at-home role of women was eroded, along with a concept of any family wage, with the removal of the child dependent deduction and the family allowance. Slowly incentives were put in place to reward women who did find paid work outside the home, including not only a salary of their own, but also dental and health care, pension benefits, sick leave, and holiday pay, none of which women could get on their own if they were not in paid employment. We have made great progress and are halfway there.

Pay equity is nearly achieved for many women. What we have not done is recognize the care role. Since it's not possible to be in two places at once, however well you dance backwards in high heels, women were conflicted, and it was not gender that was the reason for their dilemma; it was caregiving.

Caregiving has strong historic ties to gender. Legally we would say it's analogous to gender, since pregnancy, labour, and breastfeeding are female roles. When tax systems degrade caregiving, they are degrading women.

In early societies women tended the hearth, fed the young, made the meals, gardened, and tended the sick. Men went off to be hunter-gatherers. The two roles were mutually interdependent. Later, as money was given to some roles, what a coincidence, it was only given to the men. Even the word "work" was given only to men; it was used only to describe what men did. This shift was the first way that women's roles were degraded.

Seen in this light, the liberation of women to enter paid labour, to not depend on men, and to have financial independence is half a liberation. We must also insist that our care roles be valued.

Governments have sought advice from economists like Drs. Cleveland and Krashinsky, who argue that women are not contributing to society unless they earn money. As an activist for women's rights, I noticed the women's struggle for equality has recently taken a new direction in seeking solutions to this caregiving impasse. Those who argue for women to have tax breaks to work outside the home are doing a good thing, and they make a good case, but those who are doing the care role at home also make valid arguments. The common ground women have is the right to choose how to contribute to society, and the state's role should be to respect what we choose and to enable it.

If women get funding for care of a child independent of the presence of a male and regardless of his ability to earn income, they're no longer dependent on him to the point of vulnerability. If we really want child poverty to end, the most efficient means is to fund caregiving. Fund the child wherever the child is, unconditional of the marital status of the parent or the paid employment status of the parent. If we really want a creative 21st century solution to this caregiving impasse, we must value the care role and let funding flow to whoever is the caregiver. When women are assured this will happen, they will have economic security.

It is in how we treat single mothers that we see crystallized how government values the care role. When a woman takes care of a small child in the absence of a man or any income source, government treats this role with contempt.

That's what they think of single mothers. That is the biggest insult to caregiving.

- (1540)

Pension laws that promise to not count caregiving years into the formula—well, we won't count it against you then. You stayed home for a while with your kid. We won't count that against you. Those are condescending laws to women because they assume they're being generous. This is far from valuing the role for itself. Italy gives pensions for the homemaking years.

It is appropriate that pension splitting is now a reality for seniors. Their taxes will be reduced to recognize the value of the non-earner or the lower earner as part of a full partnership. We have not yet recognized the care role and the lower earner role, however, before retirement. We must.

We have created tax benefits for caregiving—as if we care about caregiving—specifically to exclude caregivers. We tie maternity benefits, parental leave, and palliative care leave to how much you earned. We value unpaid labour based on your paid labour. That's valuing you as an orange based on your qualifications as an apple. This has been a devaluing of the care role. We have let government assess our care role based on how much we earn, not providing care. We have tolerated what should not be tolerated.

Women must stand up for their equality rights, not just to enter paid work, which we all know we can do, but also to have our unpaid work valued. We can ask for national child care, but that's not going to solve this problem. That would still only value paid work.

We have to value caregiving itself, whether it happens in a day care, with a nanny, at home, with dad, with mum, or with a home-based office.

Recently, the Supreme Court has recognized on divorce that the care role at home is a vital part of the economics of the household and the woman is entitled to half of the assets.

More women are creating their own businesses at home-based offices—telecommuting. This is the wave of the future. Women are not working outside the home from nine to five; they're creative. So let's notice that.

The care role of aging parents is now a dominant factor for women. Middle-aged women are caring for a lot of their parents, and they're becoming aware that this equal rights movement for women has to recognize this new care role too.

In 1995, at Beijing, Canada joined all other member UN nations to promise to value unpaid care. We didn't used to count it. We promised to count it. We are overdue to keep that promise.

Early women's rights activists did not want women forced out of the home. The right to vote was for all women, homemakers or not. Nellie McClung defended bearing children as an important role of social benefit. The Royal Commission on the Status of Women in 1970 said women merit financial support for their caregiving.

Feminists of the third wave have been asking for more status for the care role for many years, so here are some quick suggestions of how to do that: one, this is the revolution—redefine work—and we have to stop letting people say work only exists if you're paid money for it; two, income splitting for those who would like to admit they are sharing income and this income is spreading over several people; three, pension benefits for the caregiving years; four, maternity benefits based on maternity; five, universal benefits for care of a child, wherever that care happens, flowing with the child; six, tax breaks for those who use day care and for those who do not; and seven, continued funding of activist groups such as Status of Women and any legal rights groups that promote all of the equality rights of women.

We have to be courageous as women. I'm not a male hater, I think men are wonderful, but we have let ourselves be sucked into the male ethic of traditional economics that only paid work matters. We have to challenge that unpaid work does too.

• (1545)

The Chair: Thank you very much.

We now go to Michelle Harris-Genge, for 10 minutes.

Ms. Michelle Harris-Genge (Co-Executive Director, Women's Network Prince Edward Island): Hello. My name is Michelle Harris-Genge and I'm the co-executive director at Women's Network P.E.I. Women's Network P.E.I. is a not-for-profit organization that works to strengthen and support the efforts of P.E.I. women to improve the status of women in our society.

I'm very pleased and appreciative to be here to speak with you about the economic security of women. I'll speak primarily to how it relates to the current maternity and parental—

The Chair: Slow down, please. The translation takes time. If you speak fast, they won't be able to translate that fast.

Ms. Michelle Harris-Genge: Do you want me to start over? No? Okay.

When I had my daughter, I had a job that allowed me a comfortable income while I took my maternity leave. The year I had with my daughter was incredible. I was able to breastfeed without any worries, and I didn't have any overwhelming financial stresses to take away from the joy I experienced every single day with her. I was able to witness her first crawl, her first walk, her first bite of solid food, and her first word.

My encounter with the new extended leave was wonderful. I never had to get up early the next day for work or day care after a night with no sleep. I wasn't forced to forgo breastfeeding because I'd be away from my baby for extended periods, and I never felt stressed, fatigued, or anxious because I didn't know how to pay the bills that kept coming in, even though my paycheques were cut almost in half.

I also never realized that my experience was possibly the exception. I assumed that everyone had the same benefits, and I never really cared to look outside the box. A year off work with your new baby—how could anyone complain about that? I had a wonderful new caregiving experience with my new daughter.

For many people, when asked to conjure an image of caregiving, the image of a mother with her new baby comes to mind. For

newborns, caregiving is of the ultimate necessity. Caregiving is a matter of survival. The maternity and parental benefits program was extended to one year so that our mothers and babies and fathers could have the best possible start in their new lives. It is a positive step for our future, but only for those who are able to use it. Unfortunately, there are many Canadian women who cannot access this valuable resource. Upon closer examination, the policy does not prove equitable for all women, especially those with non-standard work arrangements.

In early 2001, one of our board members at Women's Network had become pregnant, and everyone was excited that the new parental benefits legislation had just been extended and that she would have a year at home with her new baby. She was quick to point out that this wasn't true. She was a self-employed contract worker, so she would not qualify for benefits.

Interestingly, the board of Women's Network, as many Canadians, assumed at that time that if you had a baby you had a year off with pay, and didn't realize what the qualifiers for benefits were. So in reflecting on this woman's situation, the board quickly realized that many women would be in the same situation of not qualifying. Women's Network P.E.I. began research and consultation with Atlantic Canadian parents and equality-seeking women's organizations. We wanted to examine whether the maternity and parental benefits policy currently employed by HRSDC is equitable for all women.

Something we do as Canadians is assume. We assume that women have equal access to benefits, but in regard to benefits, men are more likely to be eligible for parental leave than women are. Although statistics show that mothers are far more likely to take leave from work to care for a new baby and in general to take on the role of primary caregiver to children, men are more likely to be eligible for parental leave.

We assume that mothers who are eligible have a full year of benefits. We hear that it is a year, but in reality, two weeks of this year is actually unpaid. Canada is one of the only countries that has a waiting period for maternity leave. We assume that all working women are eligible for benefits. Self-employed women cannot access maternity and parental benefits in Canada.

So who are the women excluded from receiving benefits? Women who have non-standard work arrangements are not eligible or can find it extremely difficult to be eligible for maternity and parental benefits. In 2003, at least 35% of new mothers were not eligible for maternity and parental leave.

Women's economic security is disadvantaged within the employment insurance program through the quantity of unpaid work they do in the family as caregivers. Maternity and parental benefits do not reflect the realities of the role of mothers within Canadian families, and as a result, mothers are less likely than others to qualify. With each child a woman has, her likelihood of receiving benefits decreases.

Finally, as I mentioned before, self-employed women are not eligible.

In 2001, approximately one in four women had not participated in the labour market in the 12 months preceding the birth of a child, which excluded them from eligibility for benefits. In some instances, EI-eligible mothers have become pregnant again while on leave, making it extremely challenging to get enough hours to qualify for EI and significantly reducing the likelihood that they'll be eligible for benefits following the birth of their next child.

Allowing a reach-back, similar to that allowed in the self-employment benefit program, would increase eligibility for EI benefits for those women who have had a break in their paid work. This could also be a mechanism that would include a portion of women who are currently self-employed.

• (1550)

Canada needs to support new parents by taking into account the changing realities of the labour market and by helping balance work and family obligations. Women-owned businesses are the fastest-growing part of the business sector in Canada, with women creating twice as many new businesses as men. The majority of these, at 59%, were between the ages of 20 and 45—child-bearing age. Under the current program, self-employed workers, with the exception of self-employed fishers, are not eligible for EI. This stipulation excludes them from accessing maternity and parental benefits.

One in three self-employed women return to work within two months after having a child, compared to 5% of paid workers. Canada is one of the only countries that has a two-week waiting period for maternity and parental benefits. The two weeks without pay before receiving just 55% of your regular income for the remainder of the year places a huge financial burden on many women. The logic behind this policy, which is the elimination of short weeks of paid unemployment, simply doesn't apply for maternity benefits. The two-week waiting period must be eliminated to improve the economic security of women.

Canada has one of the lowest wage replacement levels in both developed and developing countries, placing a hardship on women at

both high- and low-income levels. Due to the wage gap between women and men, women will generally have an even lower wage replacement than men. The wage replacement rate must be raised from 55% to make these benefits a true option for many mothers.

Maternity and parental benefits are a vehicle for both economic security and caregiving capacity. Our research into maternity and parental benefits in other countries shows that there are many progressive policies that can serve as models for Canadian policy-makers. There are many countries that recognize that family life is essential for the well-being of children, and for that reason they have adopted explicit family policies. These policies generally focus on compensating for the economic costs of rearing children, giving people the economic resources to have children when they want to, redistributing income so as to ensure an adequate standard of living for all, and the reconciling of work and family life. The family policies of these countries are closely tied to workplace gender equity policies. Some emerged out of a concern for a low birth rate, and through our research we have found countries that have enhanced their maternity and parental benefits specifically to address declining fertility rates.

In closing, it is vital to Canada's future to work towards a caring society that takes into account the economic security of women. The two are not separate, and in doing so we will create a more equitable society for all. Thank you.

The Chair: Thank you very much.

We now go on to—who's speaking first? Monica?

Are you sharing time?

Ms. Monica Lysack (Executive Director, Child Care Advocacy Association of Canada): Yes, we are.

The Chair: Okay, so I'll give you a total of 10 minutes, whoever speaks.

Ms. Monica Lysack: Okay. We probably won't even take the full 10, though I've said that before.

Good afternoon. My name is Monica Lysack. I'm the executive director of the Child Care Advocacy Association of Canada, and with me today is Emily King, an economist and policy analyst with the CCAAC.

It's our pleasure to be here today to speak on behalf of our organization and indeed the four million Canadians affiliated with the CCAAC. This year the Child Care Advocacy Association of Canada celebrates 25 years of advocacy for quality universal child care. We're a non-profit, membership-based, and regionally representative organization dedicated to promoting quality publicly funded child care that is accessible to all. Our membership reaches more than four million Canadians, including parents, caregivers, researchers, and students, as well as women's anti-poverty, labour, social justice, disability, and rural organizations at the provincial, territorial, regional, and pan-Canadian levels.

We envision a Canada where families are supported in their very important role of parenting by community-based quality child care services that are publicly funded and are a natural and expected part of our neighbourhoods, available, accessible, and affordable for all those who choose to use them. A pan-Canadian publicly funded, universal, non-profit child care system is fundamental to the advancement of women's equality and has been a central demand of the Canadian women's movement since before the Royal Commission on the Status of Women 35 years ago.

• (1555)

Ms. Emily King (Senior Policy Analyst, Child Care Advocacy Association of Canada): Women in Canada wear many hats. Often they are mothers, they are partners, and they are workers. Quality child care supports women in these multiple roles. It supports the 72% of women who are in the paid labour force, it supports women who are studying or doing job training, and it supports women who work in the home and want early learning and education opportunities for their children.

Quality child care is an essential component to women's ongoing economic security. First, it helps women to balance work and family.

There continues to be a gendered wage gap. Women earn only about 73% of what men earn. Part of that equation is the fact that women must take time off work for family responsibilities much more often than men.

Quality child care can help to address poverty for women and their children by improving opportunities for jobs and training. This is especially true for the more than 50% of female lone parents who are poor or those women and children who are economically trapped in abusive relationships, but quality child care strengthens the economic independence of all women.

Here in Canada we must ask ourselves how we value children, how we value mothering and traditional women's work, and how we value women's equality. Child care workers earn 45% less than other occupations, on average. This statistic is emblematic of the continued undervaluation of traditional women's work in Canada, such as child care.

Internationally speaking, this and other statistics on child care put Canada far behind the curve. According to the Organisation for Economic Co-operation and Development, Canada ranks last out of 14 countries in public spending on child care programs as a percentage of gross domestic product and last again in terms of access for three- to six-year-olds to quality child care programs, this time out of 20 countries.

Indeed, child care in most of Canada, outside of Quebec, is a patchwork of generally underfunded services that are neither affordable nor available to the majority of Canadians and typically pay low wages to the child care workforce. There are not enough spaces to meet the demand of families, fees are high, and quality is inconsistent at best.

Quebec is the exception to this observation, as its \$7-per-day child care system provides 43% of Canada's regulated child care spaces, even though the province has only 23% of Canada's children under 13 years of age. Furthermore, since the 1997 introduction of its family policy, including universal child care services, Quebec has been the only province to show consistent declines in its child poverty rate.

Child care pays for itself over time, as demonstrated in Quebec, where research showed there was a 40% return on the investment of child care services in the first year.

Unfortunately, the cancellation of the agreements in principle on early learning and child care, the bilateral agreements, signalled an abandonment of a federal commitment to system building for child care in provinces and territories. These agreements have been replaced with \$250 million in annual federal transfers to provinces and territories, with no clear spending guidelines. This translates to a \$950 million reduction, almost 80%, from the commitment made by the previous federal government for 2007.

While the current federal government has instead implemented modest income supports for families, this action does not address the reality that in most of Canada quality child care services are either prohibitively expensive or simply cannot be found.

• (1600)

Ms. Monica Lysack: The CCAAC vision for child care is one where quality child care services are publicly funded, like schools and libraries, and accessible to all who choose to use them. Services will be totally inclusive, mindful of different families' varying needs and the valuable diversity of our communities.

Licensed family child care homes and centres will be staffed by qualified personnel who are fairly compensated for the vital services they provide. The money for the system must flow to provinces and be used accountably to improve access to quality affordable services. This would include not only making spaces available, but also using public funds to ensure the availability of qualified staff receiving wages that are on par with other professions, and these goals must be enshrined in national legislation.

The CCAAC believes this vision is not only possible, it's affordable. With public funding in place, a quality universal child care system can be developed that would provide services for children ages three to five by 2010 and for all children 12 and under by 2017.

The advancement of women's equality in Canada and the advancement of child care in Canada cannot be seen as being separate from one another. They are two sides of the same coin. Economic security for women depends on the availability of quality, affordable early learning and child care services. Without it, true equality for women in Canada remains unattainable.

Thank you.

The Chair: Thank you very much.

We will now go to the first round of questions, for seven minutes.

Ms. Minna.

Hon. Maria Minna (Beaches—East York, Lib.): Thank you, Madam Chair.

Thanks to all of you. The presentations were very interesting, terrific. Excellent documents have been presented, too.

I want to start off by apologizing on behalf of the committee, if I may, to Monica Lysack for the abuse she took in the House of Commons. I know she has no recourse, and I tried on your behalf—

Ms. Monica Lysack: Thank you. I appreciate that.

Hon. Maria Minna: But as you do not have recourse from the House, then I will do it here. It is not acceptable to take liberties with people when they have no recourse. We have privilege, but it's not fair for you.

I wanted to say that to you, because you've come here again today—you're courageous—to share your information with us. I think the least we can do is not only listen but respect the time you've taken.

Having said that, I want to start with some questions. I have tons for everybody, but I know that I'm limited by the chair to seven minutes.

First of all to the P.E.I. group, your document is excellent and the recommendations you're making are excellent. You may have heard of or may have seen what we call “the pink book”. To some degree it is very much the same. Part of what we on this side are suggesting is that maybe parental leave should be taken out of the EI system and into something else, a bit as in the Quebec system, so that we can actually be much more flexible.

Is that something you would recommend?

Ms. Michelle Harris-Genge: Speaking specifically to the economic security of women, we feel that it's very important that

it remain in the federal realm. There are provinces, such as Prince Edward Island, that simply couldn't afford to provide—

Hon. Maria Minna: I meant that it stay in the federal realm but not necessarily be tied to the rules under EI, because that is limiting.

Ms. Michelle Harris-Genge: Oh, yes. That actually speaks to our —

Hon. Maria Minna: That is what you're saying here in many ways.

Ms. Michelle Harris-Genge: Yes, definitely.

Hon. Maria Minna: I know that part-time women, self-employed women, the number of hours, the amount of money—all of that—I personally would like to see it go to two years.

Ms. Michelle Harris-Genge: That would be welcome as well, especially if we address the eligibility issue. If it's two years, but women are not eligible in the first place, it's not really of great benefit.

But our last recommendation is for a national caregiver strategy.

● (1605)

Hon. Maria Minna: That was my next question, and then I want to go to Ms. Smith about something.

In the national caregiver strategy, you're talking about both parental leave for children and also compassionate care for looking after a child or a sick parent or a relative. Is that right?

Ms. Michelle Harris-Genge: It would be more encompassing, yes.

Hon. Maria Minna: All right. So we're looking at a broader caregiver program, but a national one.

Ms. Michelle Harris-Genge: Yes. Being a caregiver goes from the beginning of life, with maternity and parental benefits, to taking care of an elderly parent. A caregiver strategy would address that.

Hon. Maria Minna: I agree with you, because first you start out looking after children and then you're looking after others, and by the time you're in and out of the labour force and are finished—I've always said that today's caregivers are tomorrow's poor seniors, because we just don't have the ability to build up a proper pension—that is, for women. So I agree with you.

I want to go to Ms. Smith for a minute. Could you expand for me very briefly on the Italian structure? I have a few questions for you, but take that one. You say in your recommendation on pension benefits for caregivers, "as in Italy". Can you tell me what that means, how it works exactly? We haven't looked at other models, and we should do that. But since you're here—

Ms. Beverley Smith: I wish I could give you a better answer. I don't know. I'm in touch with UNICA, in Rome, and they lobbied—Italian women are very feisty—and they had parades, and they got pension benefits. The government has been slow to follow through, but at least they got the theory going. I don't know how it's going to work. They've been frustrated with their government, but they're working on it.

Hon. Maria Minna: I'll call my friends there, then. Since I come from there, I go back quite frequently, so I'll try to follow up. Maybe our researchers could do some of that too.

Number six is interesting for me. This is something I've been very strong about for some time. You're talking about increasing the child tax benefit from \$4,000 to \$5,000.

Would you put the \$1,200, which is called a universal child care benefit, but which you and I know is not a universal child care program—the \$1,200 that was allocated in the budget a year ago, which is taxed in the hands of the lower-income earner, which means they do not receive \$100 but are actually receiving less, and there are no child care spaces.... Do you know which one I'm talking about? Okay.

Would you put the \$1,200 to the base, against the child tax benefit, which would actually increase the child tax benefit? Right now it's taxable; it's not non-taxable income.

Ms. Beverley Smith: I think Michelle and I were talking globally. If we had a caregiving ministry—I don't want to speak for you, but we were talking about it—that focuses on it, we could actually revolutionize a bunch of stuff.

And this is me talking, not her. I don't want to speak for her.

Hon. Maria Minna: Revolution is good. Go ahead.

Ms. Beverley Smith: Thanks. Here we go.

Let's roll together a lot of these piecemeal caregiving benefits. We have the \$1,200, which is very small; the child tax benefit, which is, unfortunately, not universal and is dependent on household income; and the day care amount, which is \$10,000 per child per year. Let's put that all together, see how much is in the bucket, and then give everybody a universal benefit.

Hon. Maria Minna: So you're recommending that the child tax benefit go up to \$5,000, at least?

Ms. Beverley Smith: Yes.

Hon. Maria Minna: I agree with you on the amount. I have no quibble with that. I was merely referring to the \$1,200 that resulted a year ago—

Ms. Beverley Smith: Put it in there.

• (1610)

Hon. Maria Minna: Put it in there as well. Okay. That is what I thought you were saying, but I just wanted to clear that up.

Could I go to income splitting for a minute? Help me understand how it would be equitable, especially for singles. I'm looking at the pension splitting that was done in the most recent budget. There, the people who benefit from the splitting the most—The higher the pensions, the more the benefit, because it's a couple splitting only. Singles cannot split, and there's no provision for widowers or single seniors, for instance. We're talking about seniors now. So it's private pensions or pensionable income that is split.

If your pensionable income is high, the higher it is, the more of a tax break you get. The lower it is, the less you get, and for the modest couples who actually have little to no pension income, they get nothing to split, really.

So tell me how it would work for singles in your scenario.

Ms. Beverley Smith: In France they have a nice formula where you count children as people you share with, and the single-income family could use that.

In the United States they have head of household. You can be a single parent and you can share with your children. So a single parent can benefit from that.

The other thing I think, if we talk about the current system, is that it's very imbalanced. The wealthy end up wealthy. Basically, if we're talking about adjusting it, it may be that the adjustment will be unequal in order to get an equality. I don't think we should look at the inequality of the adjustment as a problem.

I mean, if low-income people get anything, it's better than what they have. Income splitting would help day care workers who are low paid.

The Chair: Thank you.

Ms. Smith, do you have any models that are analytical models that you can provide to us so we can visually see what you're talking about?

Ms. Beverley Smith: Do you mean for the two income-splitting things?

The Chair: Yes.

Ms. Beverley Smith: We had a conference in this building in January, and we had some great speakers on that, and there was also a pension-splitting conference in October. Jack Mintz was speaking there, and David Murrell, from the University of New Brunswick. They're economists. I'm not an economist. They have the models. They're out there. They're fantastic. They've done great analysis of how this could work. Yes.

The Chair: Thank you.

We now go to Madame Deschamps for seven minutes.

[Translation]

Ms. Johanne Deschamps (Laurentides—Labelle, BQ): Thank you, Madam Chair.

First, I'd like to thank you for being here today. Thanks as well for your presentations, which will no doubt further enlighten us .

I'd like to go back to the question of the employment insurance system. In my opinion, in its current state, it is a discriminatory system, particularly against women. Furthermore, the system is funded only by employees and employers, and the government doesn't pay a cent into it.

During this Parliament, I had the opportunity to introduce a bill designed to improve the employment insurance system. It is at the third reading stage, and it would be very desirable if it could receive the approval of all members in the House so that this system is improved and better suited to the needs and situation of workers today.

The whole thing depends on what the government wants. I'm from a region north of Montreal where a lot of women are at the mercy of seasonal work. It's often not by choice, or, if it is, there's only that kind of work that they can do.

I'm going to tell you about the amendments currently provided for in Bill C-269, because, among other things, they are further to the recommendations appearing in your brief, Ms. Harris.

For example, we recommend that the qualifying period be reduced to 360 hours of work; that the benefit period, which is generally 45 weeks long, be increased to 50 weeks; that the weekly benefit rate be raised to 60%, which is one of your recommendations; that the two-week waiting period be repealed; that the distinction between individuals who are entering the labour force for the first time and those who are returning be eliminated; that maximum annual insurable earnings be increased; that the benefit be calculated on the basis of the average of the 12 highest paid weeks worked during the year; and, lastly, that self-employed workers be able to access the employment insurance system on a voluntary basis.

I'd like to hear what you have to say on the importance of passing this bill during this Parliament. In my opinion, that would be consistent with the expectations and situations of women, youths and also men.

[English]

Ms. Michelle Harris-Genge: As far as you were saying, it speaks specifically to a lot of the things we're putting forward, especially the option for self-employed women and men to pay into the system. That would be of great benefit to many families. The elimination of the two-week waiting period would financially help so many Canadians. What was it...the 45 weeks? Could you explain that one to me?

•(1615)

[Translation]

Ms. Johanne Deschamps: The benefit period is generally 45 weeks. In the bill, we're asking that the period increase from 45 to 50 weeks. So that's an addition of five weeks for all claimants.

[English]

Ms. Michelle Harris-Genge: Yes, that would be definitely—

I'm from Prince Edward Island, where there is also a high unemployment rate. Seasonal workers are definitely implicated as far as being able to qualify for EI. It's much more difficult. As you were saying, it's not always a choice. Where you live dictates the choice of employment that you actually have. As far as a mother who is working at a fish plant and finds that she becomes pregnant at a time where maybe it doesn't work best for her financially... Seasonal work has huge implications on the caregiving capacity and the ability for parents to take maternity and parental leave.

We also have the recommendation as far as the reach-back over the three- to five-year period is concerned that I think would definitely help for a lot of people in seasonal work, as well as a lower amount of time, like reducing the hours.

[Translation]

Ms. Johanne Deschamps: In the brief you presented to us, you made certain recommendations that appear at the end of the document. One of those recommendations, among others, calls for continued funding of efforts that support equality struggles for women. You say that it is very important, and I quote:

[...] that all women's rights are fought for, that inclusiveness and equality are watchwords not just between men and women but between women themselves.

We know that Status of Women Canada has undergone major funding cuts.

Can you make a comment on that subject? Could the fact that the Women's Program, the WP, was modified have a negative impact on the actions or means—

La présidente: Ms. Deschamps, please ask your question.

Ms. Johanne Deschamps: Can she answer?

The Chair: Yes.

Ms. Beverley Smith: If I correctly understand the question—

Ms. Johanne Deschamps: Are these cuts having a negative impact on the advances or the efforts that women's groups are making in the struggle for women's rights?

Ms. Beverley Smith: When funds are cut?

Ms. Johanne Deschamps: Yes.

Ms. Beverley Smith: Absolutely. However, it must be admitted that the funds were not always correctly invested because they only met a few of women's desires and needs.

However, you have to meet all needs. So the analysis of the situation of women who work at home was very well done, but we didn't do enough to acknowledge that of other women. Funds have to be given to everyone.

Ms. Johanne Deschamps: Thank you, Ms. Smith.

[English]

The Chair: Thank you.

We now go to Ms. Grewal for seven minutes.

Mrs. Nina Grewal (Fleetwood—Port Kells, CPC): Thank you, Madam Chair.

Thank you to all the witnesses for taking time to come here. Thank you for your presentations.

My question goes to Madam Smith.

Beverley, during your testimony before the Senate human rights committee in September, you said, “current policy massively favours one care style, institutional daycare, by non-blood relatives of the child”. Could you please elaborate a bit on this statement and explain why such a policy may be shortsighted?

Ms. Beverley Smith: Well, Canada has signed the UN Convention on the Rights of the Child, which has some articles in it that say a child has the right to the care of the parents wherever possible or to those people whom the parents have chosen; that the parents are in the best position to know the best interests of the child. There's nothing in that convention that is against day care. As a matter of fact, it supports finding third-party care when you need it, but the one to make the biggest decisions, to be trusted the most, is the parent. I think Ms. Lysack also actually says that.

I'm just saying what she doesn't quite say. I'm just saying that the most efficient way to do that is to fund the parent and let them make those choices. I'm not going to argue that it's bad to have day care, because I don't buy into that anti-day care sentiment. We do know that bad care happens everywhere and good care happens everywhere, so let's go to where there's good care and let the parents decide where there's good care. I am for parents having those rights.

You can't put love into legislation. Put the kid where someone loves him, and believe me, that's the first thing the kid cares about. I don't know how we can write that into the law, but we have to make it so that the funding flows to where the kid will be loved.

• (1620)

Mrs. Nina Grewal: Caregivers care for children, the sick, the disabled, and seniors. Could you identify challenges that are common to people engaged in all these types of caregiving? This question goes to all. Anyone can answer this question.

Just identify the challenges that are unique to specific groups of caregivers.

Ms. Beverley Smith: All people in life at some point are care receivers and most end up caregivers. During the care receiving, we're usually in a position of vulnerability—we can't do it for ourselves. That's a universal state from time to time in our lives. That's what they have in common.

Most seniors and handicapped people still want some autonomy about, “Okay, so I can't walk and I can't feed myself, but I sure want to have some choice in my life, so could you let me at least choose my caregiver?” In B.C. they had a Human Rights Tribunal case, the Hutchinson case, a few years ago. The government there would fund anybody but the dad to take care of her. The Human Rights Tribunal

said, “Excuse me, we have to fund the dad if that's who she wants.” What they have in common are the rights of the care receiver.

Mrs. Nina Grewal: Does anybody else want to answer this question?

Ms. Monica Lysack: I just want to respond.

Yes, of course, I think all of us would recognize that parents always are the first and primary caregivers for their children. No one questions that, no one doubts that, and certainly when my children are in school during the day, I'm still their primary caregiver. As we share care for other responsibilities, in some cases I might care for a family member or parent, but I might not always be able to do that. So of course there is a community approach to that, and we've organized ourselves as a society to be able to do that.

But what I think is really important to acknowledge here is that there needs to be choice. In order for that choice to be available, certainly from the child care perspective, we have to make sure that the services are available for people to access. That means having a system, and right now we don't have a system. We have a patchwork of things that people can put together, but there is really not a system like there is in Quebec that families can access.

If I were to make an analogy, it might be a bit like saying to university students, post-secondary students, “Here's \$10,000 a year; organize yourselves and see if you can find somebody who knows something about health sciences and maybe you could have the lady down the block coordinate that.” We don't do that.

When we talk about institutions, institutions aren't bad things. They're things that we've organized to help us support our work as citizens.

Anyway, I'll stop there.

Mrs. Nina Grewal: Madam Chair, do I have some more time?

The Chair: Yes, you have about a minute and a half.

Mrs. Nina Grewal: You can go ahead with your question.

Mrs. Patricia Davidson (Sarnia—Lambton, CPC): Okay. I guess I'm taking the remainder of her time.

First of all, I'd just like to thank each of you for your presentations. I think they've been very good today, and I think we've heard some excellent suggestions. It's great to hear the suggestions and not just the problems reiterated, so I thank each of you for that.

I just want to share a little bit of information with you before I ask you the first question.

We talk about child care and the federal involvement, and I think, Monica and Emily, you particularly addressed it and categorized it as the federal abandonment of child care.

My municipality was one of the pilot projects for rural child care under the Best Start program in Ontario, a very, very successful program. I took the time to speak with the director of that program for two counties, and he's just so pleased with it, so very pleased.

I was concerned that there would be a stop in that pilot project and that things would not be continuing as they were. They took the initiative to deal with the province, knowing that there was still federal money coming to the provinces, and they've been very successful. That project has continued on the way it was planned initially.

He also went on to say that with the money in the 2007 federal budget, they don't feel that there will be any problem implementing the entire program.

So I just want you to know that, that everything isn't doom and gloom. Some people have managed to make things work. They've made partnerships and they've carried on.

• (1625)

The Chair: Do you have a question? Your time is almost up.

Mrs. Patricia Davidson: I was planning on using my five minutes for questions, so—

The Chair: Okay, that's fine. We'll come back to you then.

Mrs. Patricia Davidson: Yes, please do. Thank you.

Ms. Monica Lysack: Should I reply to this?

The Chair: She doesn't have a question. She has made a statement.

Mrs. Patricia Davidson: I was just making a statement to you. I was going to ask a question after, but I'll do that next time.

Ms. Monica Lysack: I just had additional information about the rural—

The Chair: You will be given an opportunity in the next round.

Ms. Mathysen, for seven minutes.

Mrs. Irene Mathysen (London—Fanshawe, NDP): Thank you, Madam Chair, and thank you very much for the wonderful information that you've provided.

I'd like to start with Ms. King and with Ms. Lysack. I was quite intrigued by the information you provided. You said that in Quebec, which has a very excellent universal, regulated child care program, we've seen a reduction in child poverty, and that there is a return on the investment in terms of what the government has invested.

I was doing some other research and I found data that said that for every \$1 invested in child care, between \$2 and \$17 is returned to the community. Children at risk benefit greatly from the investment. Ultimately, it has a cost benefit to the entire community. It's like our health care system; it provides a profound and noticeable benefit.

I wonder if you could just expand on that. I was quite interested in it.

Ms. Monica Lysack: That return of \$2 to \$17 on the investment of every dollar seems like a huge range, doesn't it? There are a number of factors to be considered in that.

Around the issue of child poverty, I just want to first of all acknowledge that somehow we are very sympathetic to the term "child poverty", but let's face it, children are only poor because their mothers are poor and their families are poor. Most often it is lone-parent families with mothers whose children suffer the most, so this is an important related question.

Women's economic security is greatly tied to the well-being of their children. Child care can address that in two ways. It can ameliorate the effects of poverty in homes in which the resources are not available to provide as much stimulation and opportunity to children as there might be in other higher-income families. It's hard to spend a lot of time reading to your children when you're looking for food and wondering where your next meal is coming from. That's an important consideration.

That range of \$2 to \$17 is certainly very much reflected in the fact that the highest return is for those in the most vulnerable circumstances. The lowest return—the \$2 return in the Canadian U of T study I think is probably what you're referring to—was really a very conservative estimate around tax returns and very much less on the social returns. It really didn't consider the impact on vulnerable families; all families were treated more or less the same in the research.

It is astounding to think of Quebec. For every dollar that it cost Quebec to provide that universal child care system in that first year, 40¢ was returned, mainly through women's increased economic security. So here we have a really strong argument for supporting women's economic security through child care.

• (1630)

Mrs. Irene Mathysen: I wanted to take it one step further. We've talked about the parents and economic security of the family, and of course that's important in terms of the quality of life and the opportunities that the child experiences, but I come from the education system, and one of the things I was very interested in, or noted as an educator, was the disparity in preparedness among those children coming in. I taught at the secondary level, so by the time I saw these little souls, they were pretty well hard-wired, for better or for worse.

Further to that, we know that the first six years of a child's life are absolutely critical in terms of laying the foundation for their success. One of the things I saw was that by the time they came into my classroom, the learning disabilities, the problems in terms of coping and making adjustments for whatever challenges they might face were gone.

In your brief you talked about the patchwork of services across the country—excluding Quebec, of course—and the fact that this inconsistency exists. It brings me back to the concern about children and the benefits of child care and early childhood education. I'm wondering, does the current federal child care plan, the arrangement that's in place now, contribute to these inconsistencies? Does it undermine the possibility, or our hope, that children have a better foundation so that they can be contributors?

Ms. Monica Lysack: Absolutely.

First of all, it's important to note that there is a tremendous amount of inequity in the patchwork we have out there. We don't have a system; we do have a patchwork. Another committee, the HUMA committee, is meeting right now and considering child care legislation, Bill C-303, that will provide a legislative framework to guarantee standards around investments, so that the progress made through the bilateral agreements would not be lost and a new government couldn't simply come in and stop that progress.

You raised the question about whether the current investment is contributing to the patchwork. Even though there's an investment, \$950 million was basically taken away, leaving \$250 million, so it's not like a new investment, but a cut. Then that \$250 million, because it's not part of a framework or there's no accountability for it, gets thrown into these one-off initiatives that don't actually deliver results. Some of the tools we've been working on at the CCAAC are policy tools that help us measure what happens if a province invests money in subsidies and whether that actually addresses affordability. In fact, we're finding it doesn't, necessarily, because fees will go up. So it's really important not only to have good solid investments, but to have those investments within a framework guided by the QUAD principles or something similar.

The Chair: Thank you.

We're going to the second round.

Ms. Neville, for five minutes.

Hon. Anita Neville: Thank you very much.

Thank you all for coming today, and thank you for the very substantial briefs you've brought forward.

I have a number of questions. I'll put them out, and if I have more time, I'll ask others.

Ms. Smith, I want to follow up with you—Ms. Minna raised it—on the pension benefits for caregivers that you identified. You referenced Italy, and you have some knowledge of it.

Have you looked at the Canadian system that is currently in place—our CPP? Is there a way that caregivers could benefit from the CPP through voluntary contributions, if one has the capacity to make that? Have you looked at that as an option? Have you looked at any other options through the tax system whereby caregivers could benefit? I'd be interested in your comments.

Ms. Harris-Genge, I'm interested in your comments, particularly on the importance of self-employed workers. You may be aware that this committee began a study of self-employed workers and how to provide benefits for them. It's not as straightforward as we thought it would be. It doesn't appear that EI is the way, but rather setting up a

separate structure for it. I'm curious to know if you've done any more work on that and if you have any thoughts on what that structure should look like for self-employed women. I know my own daughters have dealt with that issue and it's a challenge.

I'm also interested in this issue of flexibility that you're promoting. While I support it in principle, I'm wondering how it's funded and if you've given some thought to that. I'll stop there and come back if I have time.

• (1635)

Ms. Michelle Harris-Genge: I can answer first. As far as further research into self-employed workers, we haven't been able to do so. But speaking to the option for self-employed workers to pay in, that was something that was brought forward as far as our consultations with women and their equality-seeking organizations. We heard that women would prefer that—an opt-in, opt-out. As far as the mechanisms that can be put forward, I'm not really sure how to answer that.

One thing that could really help self-employed women is the reach-back program, which I spoke to in one of our recommendations. If there were a three- to five-year reach-back period, that would encompass a number of women who have recently become self-employed.

Hon. Anita Neville: So that would reach back to a period when they were employees.

Ms. Michelle Harris-Genge: When they were employees, yes.

There is a mechanism that is currently in place. It's called the self-employment benefit program. You could utilize that mechanism to help self-employed women get EI benefits for maternity and parental leave.

Hon. Anita Neville: I'll come to you in a minute, Ms. Smith.

In our own party we had a task force on female entrepreneurs. The two issues that came up over and over again were the importance of child care, the availability of quality child care, and the issue of self-employment and paying into the benefits.

I only have five minutes, so Ms. Smith—

Ms. Beverley Smith: Just to whip right through some of those points, a lot of female entrepreneurs are in the home because they want to be with their children. Child care does not address their need.

On the EI flexibility, have you considered having a man's contribution qualify the wife to be at home with the child? Hers qualifies him, because the child is both of theirs.

I spoke on a New York talk show. With regard to the pension question, they apparently give pensions for soldier years because that was service to the nation. The government pays those pension benefits. It could be something we could think about. Parenting is a societal benefit, and maybe the state should pay the contributor's portion during those early years of the child.

I even talked to Paul Martin on a radio show. I couldn't believe it. I said, "Would you let us contribute?" No. We're not allowed to contribute, as homemakers. They won't even take our money, so that's how low we're considered. We have to fix that problem.

If you'll give me one more second, the reason I stayed home with my children was to provide early education. Even though day cares provide it, all parents provide it, and some of us provide the absolute Cadillac version. That's why we're home.

The Chair: Thank you.

We now go to Ms. Davidson for five minutes.

Mrs. Patricia Davidson: Thank you, Madam Chair, and again thanks to each of the presenters this afternoon.

I want to go to Ms. Smith, if I could, please.

In the brief you gave us, you say that in 1995 at Beijing we joined all the other member UN nations and promised to start to tally in the value of the unpaid care roles, and so on. Then you talk about Nellie McClung in 1915. I think it drives home the fact that we've talked about this, and for years we've indicated that we were going to move and we just haven't done it. We just haven't been able to get there.

I'm really hopeful that something is going to come out of this committee this time. I think we've all researched it. My colleague talks about different groups that came together and talked about entrepreneurial women and so on. I think that's great. There should be lots of data that we can draw on, and hopefully we can come to some conclusions. Again, I really thank you for the results you've given us and the possible solutions. I think there's some great information here.

You go on to say that feminists for over 10 years have been asking for more status for the care role and how vital it is that we extend our recognition of choice and dignity to caregiving. I couldn't agree more. I think that's very important. You also say there is no such thing as a non-working mother, and all of us as women know that as well. I was fortunate enough to be able to stay home and raise my child and not have to go out to child care—not that I don't think child care is good, but that was my choice, and I think it's very important that parents have the ability to have that choice.

I would like to go down to number 7, where you talk about tax breaks for those who use day care and for those who do not use day care. I think that is something we've been overlooking. We've talked about the day care end of it, but we've not talked a whole lot about those who would prefer to provide the service themselves. As we look around this room, we can see that there is a wide divergence in thought on that. Some of us would prefer to provide the service ourselves if we can; some would prefer not to; and let's be honest,

there are some who probably would be better to go outside for child care, if we want to be very honest about the situation.

You talk about funding day care spaces from the top down for creation, infrastructure, and so on, and how we have to not fight against day care, but fund both day care and non-day care equally. How would you envision that would be done? You talked a bit about tax breaks and funding per child. Could you elaborate more on the process that we could look at to do this?

● (1640)

Ms. Beverley Smith: I would approve of funding a significant amount of money, for example, \$5,000 to \$10,000 per child, and let the parents purchase or arrange their child care things.

I know that the day care movement has been so strong, so powerful a lobby, that it actually has the ear of government, and it's hard to deny their case. You are well down that road anyway, and you are probably obliged to fund day care itself, but what I would ask for then is to fund non-day care also. They do that in Europe. When we compare our day care systems to theirs, we forget a few key things.

In Germany, from what I hear, women work only part-time; the day care is right down the street and they see the kids over the noon hour. It's quite a different situation. In Calgary, for example, you may be driving to a different suburb, and you don't see your kid for the next 10 hours. We have to look at options, but if you're going to fund—you're asking me for the formula—obviously we're going to have to fund some day care and fund parents.

Mrs. Patricia Davidson: Is Germany a model, or Norway? You mention Norway in your brief. Which one do you think we should look to?

Ms. Beverley Smith: I think you can look to all of them. Austria has vouchers for parents. Norway has funding for parents at home. I just read something today about Czechoslovakia, I think it was, that it gives a three-year maternity leave. Why don't we look at Europe, because they actually do understand how to balance it. They are leaders in child care, but they are also leaders in recognizing the value of home care. Sweden, the role model, the poster government for national day care, just fell. That government just fell, so the people want more than just funding day care.

The Chair: Thank you.

We now go to Madam Demers, *cinq minutes, s'il vous plaît*.

[Translation]

Ms. Nicole Demers (Laval, BQ): Thank you, Madam Chair.

Thank you for being here.

Ms. Harris, are you familiar with Quebec's family policy?

•(1645)

[English]

Ms. Michelle Harris-Genge: Yes.

[Translation]

Ms. Nicole Demers: Earlier you talked about replacement income for a couple that has, for example, one child. You only talk about the family policies of other countries, such as Norway and France, which have family policies similar to that of Quebec. However, you say that you wouldn't want a program similar to Quebec's because you want a federal program.

I don't understand. Quebec's family policy, which includes the child care system and parental leave program, made it possible to increase births by 6% this year. We expect an 8% increase next year. Birthing centres are filled to capacity; the number of births is incredible.

Don't you believe that a measure such as this might help to improve the situation in your province?

[English]

Ms. Michelle Harris-Genge: Yes, definitely. I think Quebec has shown itself to be a model for the rest of Canada.

[Translation]

Ms. Nicole Demers: Ms. Smith, I entirely agree with you when you say that parents should have the choice whether to stay at home with their children or to put them in child care.

Don't you think that giving parents such small amounts of money makes them think that women are cheap labour? We're talking about \$1,200 a year per child under six years of age.

You also referred to the election promise made by Mr. Dumont's Action démocratique du Québec to pay families that take care of their own children the sum of \$5,200 a year per child of preschool age. Women who stay at home do so because they want to give their children everything they can, but they also want to have the choice. I find it hard to understand what you said earlier.

Can you explain your position on the subject?

Ms. Beverley Smith: A mother at home is given virtually nothing. So \$5,000 is a lot. On the contrary, I get the impression it's being proposed that people who put their children in child care be given \$10,000.

Ms. Nicole Demers: We're proposing that they be given more.

Ms. Beverley Smith: The proposal is to give more to them, but to give nothing to people whose children aren't in child care. That's unfair. I agree that \$5,000 per child isn't a lot. However, if you have two or three children, it's enough. Right now in Canada, but perhaps not in Quebec, if you have three children, the government will help you put your children in child care and will pay more than you would earn working half time. It would cost less to let the mother stay at home.

Ms. Nicole Demers: I have a lot of trouble understanding your equation. We all know that, to have a good child care system, you first have to have a structured system. The people who work there also have to be able to get high-quality training and have good working conditions, so that the children can have a relationship with people outside the home that is also a loving relationship and a relationship that will nourish them. Even if you want to do what you can at home, you can't always be there.

I find it hard to understand why you favour one system over another, when we should favour both systems and, through a comprehensive family policy, enable women to stay at home while feeling valued, not being considered as cheap labour. We should have a family policy that also makes it possible, if we want, to place our children in a child care centre that provides good service.

Ms. Beverley Smith: And what do you propose?

Ms. Nicole Demers: I don't know, madam. That's why we've invited you here, so you can give us ideas and make suggestions to us for improving the situation. Giving \$1,200 a year per child doesn't improve the situation.

•(1650)

Ms. Beverley Smith: Five thousand dollars is a lot more than nothing.

Ms. Nicole Demers: That amount is taxable. Consequently, a person who stays at home with three children ultimately earns less money in one year than what she would receive from social assistance. That makes no sense.

[English]

An hon. member: A point of order—[Inaudible—Editor]

The Chair: She's not badgering. She's asking for a response. She's asking for clarification.

Ms. Nicole Demers: I'm not badgering.

[Translation]

I want to understand.

Ms. Beverley Smith: What I want is a kind of morality. If we establish child care centres that pay good wages, we also need good wages for women at home. We agree.

Ms. Nicole Demers: Absolutely.

Ms. Beverley Smith: So we should ask for more.

Ms. Nicole Demers: Absolutely, madam. Thank you.

[English]

The Chair: *Merci beaucoup.*

We'll go to Ms. Mathysen, for five minutes.

Mrs. Irene Mathysen: Thank you very much, Madam Chair.

I have a couple of questions. I had hoped to ask everyone a question, but I'm not being very good about that.

Ms. Smith, you talk in your brief about income splitting, and you said you did some work on income splitting and also on pension splitting. I'm concerned about that inasmuch as it says in the brief that this will not be a windfall for the rich.

I've been doing some background reading. One of the concerns comes from information or research done by the Canadian Labour Congress. They took a look at exactly how many single-income earners there were. Apparently, 2.8 million Canadians live in single-earner families. They are the ones most likely to gain from income splitting. However, of that 2.8 million, most have a family income of about \$36,000 or less. They would only save about \$200 through income splitting—a \$200 difference between that and the spousal tax credit—whereas a single-earner family with an income of \$230,000 would retain an extra \$9,000.

Similarly, we had a group that came in and talked about pension splitting, and they actually gave us a chart. I have the chart here. It showed that a couple making about \$21,000 a year would get no benefit from pension splitting and a couple making \$121,000 a year would benefit by just under \$9,000.

That concerns me inasmuch as it would cost the federal government about \$5 billion a year to have income splitting. That's the calculation that's been done. My concern is that it would reduce the amount of federal dollars available to provide the kinds of services that benefit all Canadians.

So I wondered about this disparity and why you think income splitting is a positive thing, when there is this contradiction.

Ms. Beverley Smith: Thanks for your question.

There are many ways to do income splitting. In the United States they have tax brackets, so the wealthy do pay more than the poor. That helps address some of that concern you have about a windfall for the rich. The other suggestion has been to put a cap on it, so it would not be available for people above a certain income or for households above a certain income, I suppose. The other is that you make it voluntary. I suppose that might help a little bit.

It's seems to me that maybe there's a misperception that income splitting is for the single-income family. Income splitting is for all families, most of which are dual-income. If you earn only a little bit of money and someone else you are living with earns a lot more money, you're actually probably living at the same living standard because you share the same home. So it's ridiculous to not treat you as if you are partners. Currently, the tax law treats you as an earner and a useless dependant, if you have no income, or an earner and a

lot less worthy person. The psychological message of income splitting is that you're equal, you're sharing, you're partners. You're not dependent on each other, you're interdependent. So it's a big, powerful message of women's equality. That's one point.

I think, too, when you look at it as what it would cost the government, that's a very financial way of looking at something that is basically, as Ms. Lysack points out, an investment. If you are able to recognize caregiving—and that's one way to do it—you're saving billions of dollars in the health care system. You're keeping some of the handicapped in their own homes and able to get loving care and keeping children, teenagers, for example, off the streets and maybe reducing your criminal justice costs.

So to look at it as only a cost is not the whole picture, I think.

Mrs. Irene Mathysen: It's interesting. We talk about the disabled. I have done a great deal of work with constituents who have severely disabled children. The message I'm getting back is that there isn't the support and they simply can't cope. So we're going to have to do a whole lot better than we're doing in terms of taking a look at the whole picture.

I'm glad you recommend more tax brackets. I think losing all those tax brackets certainly put an unfair load on lower-income people.

• (1655)

The Chair: Ms. Mathysen, *fini*.

Mrs. Irene Mathysen: But, Madame Chair, I have so many more questions.

The Chair: I know. We all do.

We now have Mr. Stanton, for five minutes.

Mr. Bruce Stanton (Simcoe North, CPC): Thank you, Madam Chair, and thank you to our witnesses this afternoon for your presentations.

I guess I have one comment on what I observed generally through most of your presentations. And I take no exception at all to what I think are some very valid points around how especially caregivers and those who are taking on important responsibilities in the home could be better compensated, to come at this question of equality from the standpoint of incomes, and as you know, we're looking at it specifically from the question of economic security.

Through the course of all of your presentations I was struck with the notion, though, that at the end of the day—for example, Ms. Smith's eight-point plan, as I look through that—the fiscal cost, the fiscal weight, of those proposals would be significant. It left me with the question as to how one would come at footing the bill.

Again, I'm not talking philosophically. I'm not opposed to what you're trying to drive at, but we're in a country where we've got to strike a balance between what's borne on the public purse, if you will, whether it's provincial or federal—in this case it's a bit of a split—and at a time when the country is faced with a whole set of priorities, not the least of which is dealing with a reduction in greenhouse gases and a whole host of public policy initiatives.

How do we come at this question of how we pay for it? We're talking about billions of dollars here, potentially \$15 billion to \$30 billion per year. Income taxes in Canada at the federal level are around \$75 billion a year, so we're talking about substantial increases in taxes or we're talking about axing other programs. I wonder if you could—and perhaps each of the three witnesses here—give us a comment on how you would expect the public purse to pay for this ultimately, or is there a model you've looked at that would actually make this fiscally possible?

Ms. Monica Lysack: I can start.

Thank you. I think that's a really important question, and particularly from the child care perspective, when we look at this, we've been talking about a price tag of about \$10 billion a year to have a fully accessible, universal, high-quality child care system that is inclusive and meets all needs. So that does seem like a really hefty price tag, but the important thing is to look beyond the price tag, to begin to look at it as a whole and look at the return. Certainly again, the evidence we're seeing in Quebec is very encouraging in terms of why we would want to do that. It doesn't just pay for itself. In fact, it will support other programs.

In terms of the examples that were given, it's true that many European countries do provide additional allowances or financial contributions to families who don't use the public system of early learning and child care, and—

Mr. Bruce Stanton: I'm sorry, what would they be, those additional allowances? What's an example?

Ms. Monica Lysack: Finland is a good example of this, and I had an opportunity to speak to a member of the Finnish government who was involved in the development of policy around this. Because they have a universal program, anyone who wants early learning and child care programs in Finland can access them. So because that has supported them economically, they are able to say, for families who aren't choosing that, here is—in a sense it's like a rebate, I suppose.

I was in Alberta two weeks ago and I learned that the Government of Alberta has offered a payment to families—I don't know the details of this, I just heard about it—of \$100 if they are not applying for a child care subsidy. Very few people have taken them up on it because people are looking for the service first. So there's a great unmet need there, but once that need is met, then—

• (1700)

Mr. Bruce Stanton: So they can, in a way, transfer that benefit to someone else. Is that it? It's not necessarily universal. If someone

doesn't need that particular benefit, it somehow can be moved to someone else who is in need? Am I getting the point?

Anyway, I'll have a look at the blues after the meeting. I appreciate it. I did want to hear from Madame Harris again, and I'd appreciate that. We haven't heard too much from you this afternoon, so perhaps we could give her 30 seconds.

The Chair: Sorry, Mr. Stanton, your time is up, but we'll give her 30 seconds.

Ms. Harris.

Ms. Michelle Harris-Genge: Speaking specifically to maternity and parental benefits, as they are still tied to the EI system, it would come out of the EI surplus.

The Chair: Thank you.

We now go to round three, and I will be able to manage two questions.

Ms. Minna, for five minutes.

Hon. Maria Minna: Thank you, Madam Chair.

A lot of things have been said today, and some really good stuff. From my perspective, we're talking about women's economic security. So we're talking about how we make women secure financially, in their early years, during their work years, and when they retire. So we're looking at a national caregiver program to acknowledge the unpaid work at home, whether it's looking after a family member who is ill, or a child, as we're trying to do through parental leave and professional care. Neither are very effective; they're not working very well.

For professional care, we don't have dropout for CPP, so the pension buildup is gone. The jobs...women are in and out of the workforce, and I don't have to give you all the scenarios that affect the income security situation of women and ultimately their retirement income.

I want to look at what we've been talking about. I call it early education and child care. The Best Start program, which Madam Davidson referred to earlier, was established by the Government of Ontario. It was part of the \$5 billion national child care program, which Ontario chose to call the Best Start program, but a lot of it was being negotiated and was going to be delivered through elementary schools, being flexible with rural communities that chose some different delivery mechanisms, because of course the province had done a great deal of consultation.

My questions to Ms. Harris or Monica or Emily... To my way of thinking, Canada's best assets are its people, and then you work from there. To give every single child the best possible start from the moment they're born.... Tell me, is the universal early education and child care program the best way to go, as we have it in elementary schools? We have universally accessible elementary education across the country. Some choose to go to private schools, but they have money. But every child gets to go to elementary school. We didn't say you get to have a \$100 voucher; we said this is fundamentally important to our society.

It seems to me that would be the same approach in early education and early development. I just need to clarify. Am I on the wrong track here?

Ms. Monica Lysack: I certainly don't think so. What defines us as Canadians is our public health care system, our public education system. When we look at public education, 90% of us have gone through the public education system even if, as you say, there are other mechanisms in place where there are vouchers or you can be supported to choose something else. So we believe that a public early learning and child care system is a part of what will define us as Canadians, and that all children have access to it. And we know that parents who are not employed outside the home also access those programs for their children. They think they're important. Of course, it's a good thing. When we look at Fraser Mustard's brain malleability and where we're investing, why are we investing so little at the beginning of life and so much more in adulthood when we know the brain is so much more vulnerable in those early years and that we can do so much more that will have a lasting impact?

• (1705)

Hon. Maria Minna: You just said something important that I picked up on. In my riding, one of the most popular programs is called the Early Years program. Interestingly enough, it's only accessed by stay-at-home mums, or if they work part-time. If you're working full-time, you can't leave your child there. You just go for the half day or the day. There are five major centres in my riding. They're from the \$500 million that was established back in 2000, and they're very popular. Stay-at-home parents, mums in most cases, really like it because it gives their child that kind of stimulation early on.

So for me, early education and child care is a blend of the two. Providing it in an elementary school structure in larger centres—in rural Canada it's probably different—is a great way to do it because then you identify issues for the child as they go through and before they start kindergarten part-time. Do you see what I'm saying? That's the model.

The Chair: Thank you, Ms. Minna.

To be fair, I said I would give three minutes to the other party.

Ms. Smith, for five minutes.

You will have your wrap-up remarks.

Mrs. Joy Smith (Kildonan—St. Paul, CPC): Thank you so much. I want to thank everyone for coming and for some very insightful comments.

Ms. Smith, I'm really interested in what you have to say, to come here to this committee as an individual, with no vested interest in

anything except the caregiving and the well-being of children and caregivers.

I was very interested in what you said about valuing caregiving. I know in our family my sister stayed home with the children all the time. I sent my children to day care, and yet the work my sister did was totally, in my view, undervalued in many ways. She was a great mom, she did lots of things, but there was nothing out there for her.

Also, on what you're saying about the income splitting and the benefits of equality for women in terms of someone who's a very low-income earner as opposed to another one who's a very high-income earner, there's equality there, because often it's the woman who's the low-income earner, and the sense of dignity and the sense of investment and partnership.

Could you expand a little more? I could have listened to you all day, I really could have, because I thought you hit on some really important things that I've heard all across this country.

Could you comment? I don't want to take your time. I'll just leave it up to you generally.

Ms. Beverley Smith: Wow. Thanks.

I actually like the Early Years program. My daughter uses them, and I'm not against that. What I am against is that to access the Early Years program or the day care, you have to pay someone else. It still doesn't put one penny in the pockets of the mother.

I made the analogy when I was asked to comment on Dr. Mustard's study that you can go to a centre and get a lot of advice about how to take care of your kid, but if your kid needs food, reading a brochure about food is not going to feed your child. I really believe a democracy owes parents the funding going to them, and then they can go to the free Early Years centre, which is fantastic, which their taxes are paying for, let's face it, or the child care centre, which their taxes are massively paying for whether they choose to use it or not.

So I think we need to give people choices, but the choice should be with the parent. Monica and I have used the same words, but the choice is only a real choice if the parent has money to make the choice.

Mrs. Joy Smith: On what you were saying, too, in terms of value, I know there was a recent study done on the fact, as you said, of taking the child to the person who loves the child. Some parents are dysfunctional in some areas. Most parents, I would say, always love their children, no matter what, whether they're dysfunctional or not, and they want the best for them.

Could you comment on the cost savings if we did put more emphasis on the caregiving aspect? Could you comment on the savings we would have in terms of the crime element, where the child is valued?

Ms. Beverley Smith: The reason I keep referring to Ms. Lysack is that I don't know if you understand that we are interpreted by the media as warring factions, and we actually have a lot in common. We have never been in the same room before, because people thought bombs would go off.

• (1710)

Ms. Monica Lysack: Actually, we were. We were at a round table that Ken Dryden hosted with—

Ms. Beverley Smith: Oh, were you there? I didn't know.

Ms. Monica Lysack: I guess I made a big impression.

Ms. Beverley Smith: Well, there were 19 day care people and me.

Anyway, I think Mr. Stanton asked a really good question about how to pay for this, and I think we are both concerned about that. But you have to understand that women's work has been one-third of the GDP that has been ignored. Adjusting it will actually be noticed, and it is going to cost some money.

I think we both make the argument, too, that it's an investment that you will get back, because we have so many kids now diagnosed with bullying and attention deficient disorder and stuff.

Mrs. Joy Smith: [*Inaudible—Editor*]—on the crime element—because I've been working with people who have had children go into gangs and things like that—in terms of, if they'd had the proper caregiving, would that impact on that?

Ms. Beverley Smith: There are two answers to that.

The Senate did a study called *Child at Risk* some years ago, and it found that the two elements of taking care of a child that keep them out of the criminal justice system are the same caregiver for the first three years of their life; it can be a day care worker, it can be a nanny, it can be a mom, it can be a dad, or whatever—the same person, though, stability. That person should be someone who cares about that child, because kids know the difference.

Secondly, there has been a thing called peer attachment disorder, which has been found when little kids have caregivers that change every six months or year. They stop counting on the caregiver to be the stability, so they go to the buddies.

[*Translation*]

Ms. Johanne Deschamps: I'd like to go back to the example that you gave, Ms. Lysack. You compare this subsidy with the idea of giving postsecondary students \$10,000 and telling them that now they'll have to make do on their own, find the educational services they need and try to find their way through the labyrinth of the education system.

I mention that in order to go back to the Quebec child care services model, the early childhood centres. I was there at their birth, I saw them grow, and I also saw the children who attended them. We've acquired experience that shows us the benefits of those services for the children who are now of school age.

You know that, in our child care services, we also have technicians who are trained not only to take care of children, but also to stimulate them, socialize them and even detect deficiencies or difficulties, already at that age, so that, when they reach preschool age, we can help them function better.

I think it's important to establish or put in place a universal child care system. What we're told and what we now notice is that there is a significant increase in the number of family child care services. I believe we noted a 54% increase between 2001 and 2003, and the costs vary among certain areas and certain regions, just as service can vary. In my view, it's important for the welfare of the children to ensure a certain degree of universality in the services we offer. Quebec's early childhood centres are a good model for the delivery of services to children.

[*English*]

Ms. Monica Lysack: I absolutely agree that the Quebec child care model is an excellent one. It's not without its own challenges, and it certainly experienced growing pains. So many people wanted it immediately, and of course there weren't enough facilities and not enough trained caregivers. So it has taken some time to develop and grow, but the biggest complaint is that there isn't enough, that it needs to expand to meet the growing need.

I think it's also important to note that it's very popular with families that are not employed outside of the home. I think it supports that notion that if families are given choices at a reasonable cost, then they make those choices. So it does support all.

The Chair: *Merci beaucoup.*

Ms. Mathysen, three minutes before the bells ring.

Mrs. Irene Mathysen: Thank you, Madam Chair.

It's interesting that we keep hearing, "Where will the money come from?" Of course, we have a \$9 billion surplus, or at least we had, and we see EI surpluses that go into general revenues rather than into supporting the people who should be entitled.

I have a quick question. There's all this talk about costs and what we'll have to pay. How much would be enough to pay mothers for full-time care? What would be enough?

• (1715)

Ms. Monica Lysack: That's a really good question, because as a mother myself, I can say the hardest I've ever worked was when my children were young, with all of the demands of having three young children. Yes, it would cost a lot.

Can we afford it? I don't know.

Maybe Ms. Smith would like to answer how much a full-time mom should be paid.

Ms. Beverley Smith: There are a lot of magazines that have done some cutesy things about that. I think the latest one in the States was \$150,000 a year. I'm not actually asking for that.

Ms. Monica Lysack: I guess the question isn't, then, how do we pay for it, because women contribute—our economist might be able to tell me—a significant amount to our economy through our taxes. If we remove that, how can we continue to function?

I think there has to be some balance, and also some recognition that the choice needs to be there, that it's not simply a matter of economic need, but that women have the opportunity to make those choices.

While I loved my children dearly, I also wanted to continue to work on my own career and education.

The Chair: Thank you.

I'd like to ask each one of you to take a minute to wrap up. We still have time. We can walk over quite easily, so we'll have one minute each, and then we will break.

Ms. Smith.

Ms. Beverley Smith: My daughter is a lawyer, and she's a feminist of the quality of the big day care activist groups. She has been a critic of mine for years, so we have really good dialogues, but she's starting to understand me now that she has children.

I think she's always been amazed that I used the wording of the feminist movement to support women at home, because I'm not going back home. I'm going forward home. I would urge you to look at this, what I'm saying, as a step forward for women's rights, to not lose anything we already have, but to also value our unpaid work.

The Chair: Thank you.

Ms. Harris-Genge.

Ms. Michelle Harris-Genge: Women's share of unpaid work, including caregiving, has remained stable since the 1960s. Therefore, women are far more likely than men to do non-traditional work, such as seasonal, part-time, and contract work, and therefore women do not often work the requisite number of hours for eligibility.

So in order to increase access to maternity and parental benefits, we must increase accessibility, eligibility, and flexibility to increase economic security for new mothers.

The Chair: Thank you.

Ms. Lysack.

• (1720)

Ms. Monica Lysack: Thank you.

There are two things I want to say. One is the CCAAC has always promoted a range of family supports. People focus on the fact that we promote a system of early learning and child care, but that's along with a balance of other approaches, expanded maternity and parental leave—including the way people qualify—as well as income supports to families, although we would suggest that a mechanism like the Canada child tax benefit, which recognizes lower-income families and gives them a greater benefit, would be more beneficial.

The second thing I want to talk about or mention in summary is that we have lost our accountability around early learning and child care. We were making some progress when we had agreements that had some terms around them, and now we have transfers.

When Ms. Davidson mentioned the Best Start program and that it would be okay in that area, that's because the 2005-06 transfers and the 2006-07 transfers that were under the former bilateral agreements that were sent to the provinces and territories had been stretched out over a period of years.

When you look at their analysis—and I'm happy to send that to you, and if you'd like to see it you can check it out on our website—it's like a bit of a shell game. So what's unfortunate about that is that the small amount has been taken and sort of disbursed, and then there will be no other further growth.

The Chair: Thank you.

On behalf of the committee, I'd like to thank you. You've given us very thought-provoking input.

The committee is not adjourned. Can you give me a second, please?

We will ponder on what you have given us. You, as witnesses, come and give us suggestions. As parliamentarians, we have to look at the interdependency, the tax regime, everything else. So we ask you questions. We like clarification. But we will take your comments seriously, and I'd like to thank you for taking the time to travel.

With that, I'd like to adjourn the meeting.

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