



House of Commons
CANADA

Standing Committee on the Status of Women

FEWO • NUMBER 024 • 2nd SESSION • 39th PARLIAMENT

EVIDENCE

Tuesday, April 1, 2008

—
Chair

Ms. Yasmin Ratansi

Also available on the Parliament of Canada Web Site at the following address:

<http://www.parl.gc.ca>

Standing Committee on the Status of Women

Tuesday, April 1, 2008

• (0905)

[English]

The Chair (Ms. Yasmin Ratansi (Don Valley East, Lib.)): Order, please.

We have with us Professor Kathleen Lahey, Armine Yalnizyan, and Nancy Peckford.

The deputy minister was supposed to come today, but since the deputy minister couldn't make it, the deputy minister will be coming on April 15. That's for sure.

We thought we would have the three panellists help us through this. We gave them the 2006 and 2007 budget analyses, and I know Armine has prepared a 2008 analysis that has been distributed to the committee.

We've heard from the PCO, the Treasury Board, Status of Women, and the gender experts at Finance, but we are still very confused, so we have asked them to help us through the process. Perhaps it's because of the way we are questioning that we are not getting the answers we need.

So without further ado, I would like to give the floor to Professor Lahey. Are you going first, or are you waiting for your tables?

Professor Kathleen Lahey (Professor, Institute of Women's Studies, Queen's University): Do we know how much longer the tables will be?

The Chair: They should be here any minute.

So Armine, please start. Thank you.

Ms. Armine Yalnizyan (Senior Economist, Canadian Centre for Policy Alternatives): Excuse me for only speaking in English; I feel more comfortable.

I appreciate very much the opportunity to address the committee again, and the great work you're doing in trying to get some of these issues practical and actionable as you move toward the development of a gender action plan.

My colleagues and I were asked to review the budget analysis done by Finance using a gender budget lens, because you were having some difficulty understanding why Finance was telling you that everything was fairly well functioning from a gender neutrality point of view.

I have too many notes on the individual items, so I have stuck to the most high-level discussion, which I think will help you prepare questions so you can have a more solid frame for what you're looking for when Finance submits something to you.

I think you have received the document I submitted on Friday. It's dated March 28, if you want to follow along with me.

The Chair: Everybody should have it.

Ms. Armine Yalnizyan: I'll go through this, and if you have any questions....

Kathleen's analysis is much more technical. Mine is much higher level on what you're looking for in a gender budget analysis.

The first thing that is really apparent, looking at the finance department's analysis, is that there's no *raison d'être*. Why are you doing this? What is the goal of a gender budget analysis? The minimal test of doing a gender budget analysis is to ask two questions, which all parliamentarians should ask when they are preparing budgets. First, what can a budget do—

The Chair: It's dated March 28, 2008. It was circulated in advance. Didn't you get it in your package?

Mrs. Patricia Davidson (Sarnia—Lambton, CPC): Is it the one dated 2007?

Ms. Armine Yalnizyan: I'm sorry, that's my typo. It should be 2008. I was still functioning in last year.

The Chair: Okay, we are all on the same page now.

Ms. Armine Yalnizyan: My apologies.

The very first thing that all parliamentarians should ask themselves as they're preparing budgets is, what can a budget do to advance women's equality, and do the proposals we're putting in front of the government meet these objectives? It's a simple question: what can we do to advance women's equality through a budget, and does this budget do it? That question is missing in the finance department's analysis.

To be truthful, this government doesn't have an action plan, so what you want it to do is not there yet. But we know what the simple things are that can advance women's equality, and these things have been repeated over 20 or 30 years. They include anything to do with affordable housing, child care, access to post-secondary education. These are not gender-specific things, but we know they improve the position of women. So there is a short list of things that open up opportunity for women and reduce barriers. But are any of those things in the budget? And to what extent is the budget focused on advancing women's equality?

That leads me to the second point. The finance department's analysis is all about tax cuts, but budgets are more than tax cuts. It's a shopping list of tax cuts, whether for women or for men. This, though, doesn't address a large part of what we're trying to do all over the world when we talk about advancing women's equality, which is giving substantive change to women's daily-lived lives.

So a tax cut may put more money in your pocket. But the question is, does that little bit of more money in your pocket lead to anything substantively better in the basics of a woman's life—more access to being able to go to work, better education to be able to get a job, access to decent affordable housing?

I have that little list here. I have training and employment services. I include legal aid. You can't have fundamental justice if you can't get access to the system of justice. I also list freedom from abuse. Do we make sure that in our society we have options for women fleeing violence? Are there safe houses for people to go to? If that's not the case, then you have to ask yourself if there is something we can do that enhances women's positions by providing freedom from violence and freedom to pursue economic security.

The third point is that policy impacts are differentiated not only by gender, but also by income group. One of the biggest glaring processes here in this finance department thing is that it basically says, we're spending \$50 million on this measure, and women make up x number of people who get it, so we've done our job.

Frankly, you don't need gender budget analysis that tells you how rich women are advancing. You're trying to protect vulnerable groups. The point of doing gender budget analysis is not just to see whether some women get it and some men get it. You want to see the distribution, the effects of these tax measures according to income class and gender.

We have huge confusion in the discussion of income classes and income brackets. The top of the first bracket is about \$37,800. Right? It's not very high. If you are taxable, that's the top of the first bracket. Some 68% of taxable women fall into this group, and 50% of men. So if you do a measure targeted just to those people, you're hitting the majority.

A lot of the measures in this list will target people, men and women, but they tend to be in the second, third, and fourth income brackets. That's where most of the benefits of the tax cut go.

So if you have a great big bag of tax cuts—\$100 billion, \$200 billion of them—it's essential to ask who is getting what amount of that big bag of tax cuts, and do they need help the most? If more men are getting it than women, you can't actually say that tax cuts are gender neutral. And if more affluent people are getting it than less affluent people, you can't really say you're helping the vulnerable.

So it's not just the disposition of the tax cut, but how the benefits are distributed. This is a \$200 billion lost opportunity to do something else, right? If you are spending, say, \$200 billion on tax cuts, it means you're not spending \$200 billion on other things. So how is that lost opportunity translating to who benefits from this expenditure?

If I'm not being clear here, I want to take a moment with you. If you have any questions about what I'm saying, I want to take a moment, because this is incredibly critical.

● (0910)

We don't have unlimited resources in government. If you do have the opportunity to make big change—and a \$200 billion price tag on anything is a big change—it's very important to say we're doing this because we're not doing that, and we're doing this because it is benefiting somebody—being very clear on who benefits. That's an incredibly important part of the public democratic process—who benefits from these changes of government.

I'm going to go on, since I'm not.... Yes?

The Chair: Since you raised this, I think Mr. Stanton would like to ask you a question.

Mr. Bruce Stanton (Simcoe North, CPC): Thank you, Madam Chair.

I see where you're going, and I understand the context of the argument that you've put forward. Isn't there some consideration of the fact that there are also numerous upside opportunities, not just for women but for all Canadians, through the liberation of taxes on individuals and businesses?

When you take the weight of taxation from the economy, other good things happen—for example, greater job creation and more opportunities for wealth creation—which in turn provide more resources for government to make those policy investments.

To take the argument that if you left the \$200 billion in, the very best way to address priorities for women is to keep taxes high and find other ways to distribute that public investment...and that's basically your argument, to keep the \$200 billion in and distribute it out by way of support programs, other investments, education, income support, and those kinds of things. Aren't there also some downside risks, that this would curtail the opportunities for the Canadian economy, jobs, and other things?

I was at an event and did an announcement for immigration support at the Learning Enrichment Foundation in York Southwest—one of the poorest ridings in the country. Some of the new Canadians, newcomers to Canada, said that the very best income support they could get is to have access to a good-paying job. That has stuck with me.

You have to find a way to balance those two things, I would say. Would you give some consideration that it's not all bad?

• (0915)

Ms. Armine Yalnizyan: I'm sorry, I didn't think my approach was saying that tax cuts are bad. I think what I was saying is that if you are going to spend \$200 billion on any given initiative, indicate who benefits from it.

Anything you do in government has an opportunity cost. If you spend, it means you can't cut taxes. You have three things you can do with resources: you can spend, you can cut taxes, or you can pay down debt. So in any kind of fiscal analysis that you are asking the Department of Finance to do, it should indicate who benefited from any one of those choices. This is why I said in my second item that budgets are more than about tax cuts. This analysis that we were asked to discuss was simply about the shopping list of this year's tax cuts. That's not good enough. If you have a series of initiatives on how you are going to, in this instance, spend the surplus, then you need to say, we did this, we did that, and we did that in these three areas, and here are the beneficiaries of these things; we chose this balance between tax cuts, spending, and debt reduction for the following purposes. That's what you do with a surplus.

I'm going to get to the difficulty of assessing the benefits from either tax cuts or spending in a moment.

Mr. Bruce Stanton: Thank you.

Thank you, Madam Chair.

The Chair: Ms. Yalnizyan.

Ms. Armine Yalnizyan: I did submit, and you do have at your disposal, "Budget 2008: What's In It for Women?" As an example, if you do have it in your packet, I just want to show you the tables on pages 14 and 15. The only reason I want to point this out is that you will see in these two tables how easy it would be to do the work that Finance did by simply showing the distribution of the population that benefited from the tax cut in each of these categories. You see the entire population, what portion of the taxable population is in these different income classes, and who benefits from these different tax measures.

You can see on the top of page 14 that 68% of women are in taxable income categories of less than \$40,000. That is very close to—not coincident with, but very close to—the top of the first tax bracket, which is my point. If you've got tax cuts to give, are they primarily flowing to people at the bottom or not? That's where the majority of the population is.

This is not a technical point. It just does the incidence of tax expenditures by income class, which I think is a very important measure that allows you to actually say with justification that you did tax cuts and that most of those tax cuts went to people who are the majority of the population and who need the most help. If you're making the comment that the best thing a poor person can have is a good-paying job and that taxes are indeed a burden, can you make sure most of the tax cuts go to the people who need the most help? It would be a simplistic way of looking at the idea that tax cuts are good and therefore we should do it.

That's my fourth point: who's counted, and who counts? It just develops that line of thinking. For example, in the personal income

tax changes that are pointed out in the gender budget analysis of 2006, you have the personal income amount, the employment credit, and the enhanced dividend tax credit, and there is an indication of how much money you're spending on these different measures. The next question would be, for the amount of money you're spending on these measures, who benefits? How many women benefit, how many men benefit, how many higher-income men benefit, how many lower-income men benefit? It's a very simple process that keeps your eyes on the prize. Are we helping the people who need the help the most in the measures we're introducing? We don't have unlimited resources. Are we helping those who need it the most?

This is just going to the question of how you know, when you do a tax cut, that you haven't actually helped people by creating a second-round effect of good jobs. It's a good question, but what's the first-round effect?

There is also, frankly, the question of whether our tax cuts created jobs. That is unanswerable from an economic point of view, because there are so many things going on in the global economy. Very much of our economic growth in Canada has been driven by commodity prices and the fact that we have become a resource contributor to the global supply chain. Was it tax cuts that created that? Arguably, it's the fact that India, China, Brazil, and Russia are growing, and they want our resources; it's not our own personal income taxes that did that. But you can never separate the two out. It's never possible to say categorically that tax cuts created those jobs.

The first order of impact, the question of who benefited, is a very important level of question. The question you raised about whether it created jobs is an important question, but fundamentally it is not clearly answerable. You can make an argument, but you're never going to get an answer, and that's the gospel on that one.

Finally—almost finally—what were the priorities of this budget, and how much did it cost? For example, with regard to this particular budget 2008, although it is nowhere in the budget plan, in the budget speech it was indicated that *the* priority of the current government is tax reduction, for the reasons you specified. That price tag is given in the budget speech, but there's no equivalent "and over the course of our administration we have spent this much".

● (0920)

That can be done; it's easily done. I point out in budget 2003 a table wherein every initiative of every budget is rolled up together, and you see this plan that shows this is how we allocated our priorities. We had resources, we spent money, we did debt reduction, and we did tax cuts, and here's how they play out; this is how we prioritized how we were going to spend the surplus in the time we were in office.

I recommend that as a clarifying position for any government: we believe that spending is important; we believe that tax cuts are important; we believe that debt reduction is important. In what order of priority and how are public resources used to move along that trajectory?

I am not placing a value judgment on any of these things. I'm just saying that if you're going to measure something, measure it consistently. It clarifies to the population where an administration believes the priority should be placed, and that opens it up for public discourse in a somewhat clearer manner. You are using our resources; we are together sanctioning our elected representatives to take a decision, to take leadership, to move forward. It's helpful for having this clarity to say, we think this is the way we should be heading forward, but we're not going to just do this, we're going to do other things, and here's how we've prioritized them.

I hope I'm being clear on this.

My very last point is that this might be the last easy budget the federal government is going to see in a while. There's been a lot of discussion about whether the financial storm clouds from south of the border are going to blow into Canada, whether Ontario's decline in manufacturing is going to become a generalized recession, whether a surplus that was in double-digit billions of dollars is now so small that it is easier to tip over into a deficit. For that reason....

I also indicate that just as other governments have done in the last ten years, there's been program review or expenditure allocation review for about 12 years now, since 1995, on and off. Even in the context of a surplus budget you can have program cuts.

Since you're doing a budget analysis, you need to look at not just the impact of the new stuff you're doing, but the impact of the stuff you're taking away, and who's paying the cost of what you're taking away. If we had had a gender budget analysis in 1995, I think it would be exceedingly difficult to say that it was a neutral exercise. I think women paid the price of those program cuts in 1995 and are still paying it today, because those programs have not been restored. It's exceedingly important that both program cuts and tax cuts be looked at through the lens of gender budget analysis.

In the event that at some point in our history we need to raise taxes, which is a remote possibility today but may again some day occur, who bears the cost of the increase is incredibly important, by gender and by income class. We have gone from an extremely progressive system of taxation to a flatter system of taxation.

The OECD actually made a report about two weeks ago that said that of the 30 countries in the OECD, 15 nations raised personal income taxes in the last 10 years, and 13 of them lowered taxes. Canada was one of five nations, including the U.S., Australia,

Germany, and I don't remember the other one, that, when they cut taxes, shifted the balance to most benefit the rich.

There are all sorts of tax cuts. You can benefit those who are already most affluent, and this is certainly not just your government I'm talking about, because it's over the last 10 years. There are different formulas for tax cutting. It is extremely important that when you raise or lower taxes you look at the incidence of who is paying the cost and who benefits.

And that's why you do gender budget analysis. That is the reason: so that you can say to your electorate, this is who benefits. And you can do it with clarity, so that we are all on the same page, seeing who is benefiting.

That's my presentation.

● (0925)

The Chair: Thank you.

We now have the tables translated. Are they being distributed, or have they been distributed already?

Okay, you have already received the tables that Professor Lahey is going to make reference to.

Prof. Kathleen Lahey: Thank you.

I'm going to be making reference to the two tables that were just distributed, table 1 and table 2. There was also another—

The Chair: Does everybody now have table 1 and table 2, so that we have no confusion while the presentations are being made?

Armine, did you get yours?

Ms. Armine Yalnizyan: I don't have table 2.

Prof. Kathleen Lahey: The other item that was previously distributed is a copy of a Status of Women Canada publication entitled *Economic Gender Equality Indicators*. If you have that, I'm going to make brief reference to a passage on page 3.

The focus of my presentation and the materials you will get in support of the tables after this meeting is on exactly what the Department of Finance did in its gender analysis of the 2006-07 budget. I'm going to organize my brief comments around the key questions I think this committee might want to ask the deputy minister, when that event takes place.

The first question is to ask the Department of Finance for a statement of the purpose for which the gender analysis was carried out. The federal plan for gender equality, adopted and implemented beginning in 1995, says that the key elements of a gender analysis are, first of all, the differential impact on women as a class, and second, any negative impacts that policy might have on women as a class, all in the context of the different social realities of women. I have outlined in the submissions that will follow some of the different types of gender analysis that can be used to put that purpose into play. But I think the second question that needs to be asked of the deputy minister is exactly what methodology of analysis, what type of analysis, was carried out.

As you look through the 2006-07 documents from the Department of Finance, you will see repeated references to their assuming that women will be affected more or less the same as men, or assuming that women will get a slightly smaller benefit but that there will be a larger proportionate reduction for women. One of the hallmarks of a proper gender analysis is not to make assumptions, not to use stereotypical thinking, but to use the actual data that are available to a department such as the Department of Finance. So the second question that I think needs to be asked is, what is the Department of Finance's definition of gender analysis, and what is the definition of gender neutrality? What is the definition of gender equity?

In the two tables that you have, I've gone through and scored the two Department of Finance documents, using a simple plus, minus, or zero method of scoring, because what I wanted to do in the table was to contrast how the Department of Finance assesses what these various tax measures do and what a person trained in gender analysis would do with these specific items. I'm just going to look at the first item for an illustration.

In table 1, the policy measure that I'm talking about right now is the reduction in the lowest tax rate paid under the personal income tax rate structure. This was addressed by the Department of Finance in both of its documents. In both of its documents, it basically came to the position that there would probably be a gender neutral impact on women, or the impact would be positive because women would experience a greater proportionate reduction in their total tax load.

As I've explained at length in the technical notes that will come afterwards, this is just a numerical way of turning upside down something that's negative for women and claiming that, when you have it upside down, it's helping women.

● (0930)

In the March 13 submissions I distributed to this committee—in table 2 on page 6 of that item, should you wish to make reference to it later on—I demonstrate in a detailed analysis of male and female beneficiaries of this 1% cut to the lowest federal income tax rate that men are the overwhelming beneficiaries of this in terms of dollars, so that even women who are in a taxable category such that they can get some benefit from that tax cut will only get \$171 worth of tax benefit from that rate reduction, but men who are in the same class will receive a tax benefit of \$196.

As you compare where women are versus where men are in terms of income, it becomes increasingly obvious that the lion's share of this tax benefit, as well as other income tax cuts, are all going to the benefit of men. So table 1 demonstrates how the Department of

Finance has overstated the benefit to women of what it has done item for item for each of the 42 tax changes it has outlined in its document.

A short term paper could be written about each of these 42 items. Each one merits its own very detailed, complex analysis. That analysis can be done. I've done some of it in my March 13 submissions and the submissions that will be following from today, but from your perspective looking at this submission, you ask the deputy minister to explain how it can be that women receive fewer dollars as individuals and as a class from the reduction in this lowest tax rate, yet it is described as a gain for them.

That's a very specific, concrete question that should be answerable or, if it ends up being contradicted, will help disclose to you the way in which the department has gone through its analysis.

The other point I wanted to make—and then I would like to briefly touch on this question of tax cuts versus who really benefits—is that if you look at table 2, which was also distributed today, I've attempted to convey in numerical terms the overall impact of having budgetary documents, even though they're cast in the form of tax cuts, that consistently hurt women, that consistently give more money to men than to women or that take more money away from women proportionate to what they have than they do from men.

I've broken down into categories the 42 tax items that were analyzed in table 1. Over \$16 billion worth of personal income tax items were proposed in these two budgetary documents that were given to you by the Department of Finance. Only one of those items has a beneficial impact on women, and it's a very limited beneficial impact. Ninety-four per cent of that \$16 billion in tax cuts is now out in the economy working against the interests of women.

The cumulative effect with each year that passes is that these \$16 billion worth of tax cuts are going to be incrementally benefiting men at the expense of women in widening the after-tax income index that measures the gaps between women and men. Similarly, only one item in the corporate and business tax category can be considered to have any arguable benefit for women. The other 96% of over \$11 billion worth of tax cuts are going to overwhelmingly benefit male members of Canadian society.

It is similar to the sales and excise tax items in pension income splitting, which was not in the document but which was addressed by Finance when they were here last year.

• (0935)

The bottom line here is that we have nearly \$42 billion worth of tax changes. We're not looking at the spending part of the budget at all, just the tax changes. And 96.3% of those are having a negative financial effect on women. The gender gap is growing with the impact of each of these items that add up to this 96.3%. No gender gap in the world can be closed with a budgetary impact like this.

So the final question that I would suggest you ask of the Department of Finance—and you may want to ask this ahead of time or during the actual testimony—is that they please calculate the total impact of each of these tax changes by gender, by age, and by income.

The Department of Finance has access to everyone's tax returns. It has access to all of the fiscal data generated by the operation of the government in Canada. It routinely makes use of the data it gets from these files to carry out complex analyses like this. So the Department of Finance ought to be able to give you a detailed table for each of these 42 items without any difficulty.

As part of that, you might want to give them a copy of these economic gender equality indicators from 2000 and ask that they please also calculate the total after-tax income index that's outlined on page 3 of that publication. Ask them to calculate that for each of these two years and show you what the overall cumulative impact of these items is on women. The Department of Finance is uniquely situated to carry out that analysis.

Now I'd like to make a final comment about corporate income tax cuts. The claim the government has made is that these are intended as economic stimulators, and the Department of Finance produced a detailed analysis purporting to show that cutting income tax rates for corporations increases the amount of investment in corporations. I won't go into the methodological problems with those tax incidence studies, but the basic problem is that the analysis that was carried out was based on very questionable comparisons that should not have been made, and the results are at variance with most of the long-standing research on the incidence of the benefits of corporate income tax cuts.

There is a working paper referenced in that explanatory memo that is attached to the 2007 tax expenditures budget. I'll send the reference to the clerk. That working paper, which is the authority for the study that the Department of Finance is relying on, still has not been published. They're basically footnoting as their primary authority a study that as yet does not seem to exist.

So I would just say that certainly in the area of corporate income tax cuts, it's absolutely true, it is not possible to claim that you can willy-nilly stimulate an economy by simply running into the tax system and slashing various kinds of taxes. It just doesn't work that way.

Thanks.

• (0940)

The Chair: Thank you.

Nancy, do you have some introductory remarks?

Ms. Nancy Peckford (Director of Programs, Canadian Feminist Alliance for International Action): Yes.

Thank you once again for the opportunity to be here. This is an elaborate and detailed process for all of us, so we appreciate having the occasion to come and share with you some of our thoughts.

My thoughts aren't as technical as Armine's or Kathleen's, but they do speak to some of the process issues raised in the two documents we've been given to analyze.

The first thing I'd like to ask is, to what degree did they adhere to the eight steps of gender-based analysis that are outlined by Status of Women Canada? Status of Women Canada undertakes the training of all officials for all departments on gender-based analysis. I would strongly encourage you to ask the Finance officials about this when they come before you.

When we looked at the eight steps of GBA mandated by Status of Women Canada—and we assume that the finance department would have received some training in this regard—it was not obvious to me that most of these steps had been followed. I will provide to the committee the links to the Status of Women Canada website where these eight steps are outlined, but I'll just refresh your memory.

The first step is identifying, defining, and refining the issue. Step two is defining desired anticipated outcomes. Step three is defining the information and consultation inputs. Step four is conducting the research. Step five is developing and analyzing options. Step six is making recommendations, and decision-seeking. Step seven is communicating policy. And step eight is assessing the quality of the analysis.

I think it's incumbent upon you to ask the finance department to what degree they followed these steps and what information they can provide on the efforts they expended to ensure that their GBA was sufficiently thorough and rigorous.

Kathleen and Armine have both said that there doesn't seem to be a clear objective for the gender-based analyses that are currently being done by the finance department. I would entirely concur with that.

Further, I think step two, defining desired and anticipated outcomes, is absolutely crucial to this process if it's going to be worthwhile and if it truly advances the goals of gender budgeting, which is done to determine the impact on women of particular policies, programs, and cuts, and which is then considered in making a decision about whether or not to proceed, given the analysis available to you.

Those eight steps led me to take a different kind of journey in thinking about a framework in which good GBA could be done. I think that both Kathleen and Armine have made reasonable cases that the kind of GBA being done is for the most part superficial. In some cases it is not based on reliable data; in others it appears to have been done after the fact.

This could be incorrect, but I would encourage you to ask the Finance officials themselves to give you some indication of the process by which they came up with certain conclusions about how women were to be affected. Also, where the evidence related to levels of program spending or a particular tax cut suggested that the impact would be negative, you should ask them to describe the process by which the decision was made to proceed. I think that would be a worthwhile exercise for all involved.

In thinking and reflecting upon how good gender-based analysis could be done and the framework within which it could be done in Canada, I referred to a number of documents, including the federal plan for gender equality introduced in 1995. It is really the reason we're talking about gender-based analysis.

In 1995, the Beijing Platform for Action was signed. This was a global document agreed to by over 130 countries. Canada at that time took its own steps to put into place a plan of action called *Setting the Stage for the Next Century: The Federal Plan for Gender Equality*.

GBA was the main thrust of Canada's effort to comply with the Beijing Platform for Action. So I looked at, in fact, objective two of the federal plan for gender equality, which is women's participation in the economy. I also note that the document that Kathleen shared with you this morning, *Economic Gender Equality Indicators*, from 2000, is a useful document.

• (0945)

I looked at the World Economic Forum's global gender gap index, which has a series of indicators that measure the degree to which there is gender inequality within a country. They don't measure countries against each other; they measure a gap within a country, which is a more obviously reliable indicator, given the very different kinds of resources and capacities governments have.

I looked at something called the Social Watch gender equity index. That's a newer index that's come from a group called Social Watch, which is a very credible, internationally well-recognized body that's been monitoring countries in terms of particular human rights commitments.

I also looked at the more recent review of Canada under the UN Convention on the Elimination of All Forms of Discrimination against Women. In 2003, a set of recommendations was forthcoming from the United Nations that spoke to aspects of women's economic equality.

As a consequence, I've come up with what I think may be the beginnings of or components of a framework within which we believe gender-based analysis could be done reliably, could be done well, and could be a fruitful and useful exercise for all involved.

I will read my list of items that I think are particularly crucial. I will provide it to the committee along with references to all the documents I have mentioned here.

In my view, a framework in which GBA could be done would ask the following questions, and I should say that I think this list is not complete, but I think it represents the beginnings of a potentially very good set of indicators, if you will, in terms of GBA.

The first is whether it increases women's economic autonomy—i. e., their capacity to generate earned income, and if they have limited or no capacity to generate earned income, their access to non-earned income.

All of the reference materials I've mentioned here, including the global gender gap index from the World Economic Forum and the Social Watch index, look very specifically at women's participation in the economy and also look at what happens when a woman can't fully participate in the economy for reasons of child care, disability, violence, and other kinds of societal disruptions.

So that should be one of the first questions, in my view, being asked when you're looking at the effects of a budget.

The second question is whether it helps low-income women get above the low-income cut-off. Does it actually raise the standard of living, especially for those women who are occupying the positions in the lowest income tax bracket? Obviously you've heard from Armine and Kathleen that it's a very high proportion of women. So one of the questions needs to be whether we are actually facilitating helping women get out of poverty. Obviously no one budget can accomplish that for all women, but there are particular measures, on both the tax side and the spending side, that can make an enormous difference.

As you've heard from both Armine and Kathleen, some of the tax cuts and tax credits in this particular budget—and they're not exclusive to this budget, but in this particular budget and budgets 2006, 2007, and 2008—are non-refundable tax credits. That means that many women who have no tax liability cannot access those tax credits. They're meaningless for those women.

So we have to revisit how you reach women without tax liability and how you ensure that you can get more women out of poverty. In Canada, one of the standards for measuring poverty is the low-income cut-off.

My third item on the list is whether the tax credit, in the instance you're using tax credits, is refundable—i. e., cashable, another way to understand refundable tax credits.

Fourth, does it consider women with limited access to the workforce? Again, a lot of the women who live in poverty in Canada are women who can't fully participate in the economy because of child care, because of disability, because of abuse, because of language barriers, because of a lack of access to training.

• (0950)

So we need to consider what we are doing for those women, both at the federal and provincial levels. Are there things that can be done with a federal budget that will better facilitate their access to the measures required for them to fully participate in the workforce? If that's not possible, and it isn't possible for many women, how do we ensure that those women aren't living in abject poverty?

So my fifth question is, do these measures increase access—i.e., affordability, equality—to essential services on which women rely? Armine made reference to some of those services and programs. They include legal aid, health care, and a variety of other things—education, obviously. I think it's an appropriate question to ask, in part because Canada is a signatory to a myriad of international treaties that speak very specifically to the programming side.

Of course, some of those programs are in provincial jurisdiction. We recognize that. However, historically Canada has had some role in ensuring that those services and programs can be accessed by Canadians wherever they may live in the country. Given the federal government's fiscal capacity, which in many instances rates better than some provincial governments' fiscal capacity, it's still incumbent upon a GBA to ask that kind of question. Does it meet Canada's international obligations? I've named here the Beijing Platform for Action and CEDAW, the UN Convention on the Elimination of All Forms of Discrimination against Women.

The seventh point, have indicators been developed in consultation with women's equality groups and other experts? That's why I'm reluctant to offer this up as a final list. I think there is a lot of room for consultation and there's a lot of expertise out there, and we're availing of some of it at this table. So I think we need to do this as a somewhat transparent exercise and as something that we can all feel some ownership over.

So the consultation that would have to happen, the dialogue that would need to happen between credible, well-recognized experts and some women's equality organizations that have something to offer in this process, I think, is absolutely crucial to the success of GBA.

Another question is, at what point has the GBA been integrated into the process? Have senior officials been able to respond to the GBA by adjusting policies or spending initiatives before the federal budget is released? Again, that speaks to methodological considerations in terms of how the GBA is being done internally and at what point the assessment is being done. Is there an opportunity to revisit in the event that certain assessments are being made that suggest that women will not primarily benefit?

Our experience, our understanding, and certainly other sessions of this particular committee have looked at GBA accountability structures. We know that often GBA is not well integrated into the overall decision-making process, and that needs to be revisited.

Finally, I would suggest that in terms of a good GBA process, we need to ask which organizations have Finance officials or the finance committee heard from in the pre-budget period.

I've said to this committee before that our access to either the House of Commons Standing Committee on Finance or finance committee officials—and by “our” I mean women's equality-seeking organizations—has been incredibly limited to date. As a consequence, in my view, without a more ongoing and rich dialogue between Finance officials and finance committee members and some of the groups and expertise you see here, it's very, very difficult to do good GBA.

So finally, I think it's important to remind you about the federal plan for gender equality. I recognize that the 2008 budget now suggests that a new action plan for women's equality will be

developed. I would strongly encourage you to ensure that there is some continuity between the federal plan for gender equality and any new action plan, because otherwise I think, sadly, you'll not be building upon the very, very modest efforts that have been made and some of the analysis that has been done. The federal plan for gender equality, identified as objective number two—women's participation in the economy—outlined a range of measures that they felt were important to women's equality.

● (0955)

I would think that the finance department, at minimum, would be incorporating some of these measures into their current GBA. These include women and housing, Canadian women's relationship to the economy, creating the conditions necessary to support women entrepreneurs, fostering changes to the workplace to promote equitable sharing of work and family responsibility, improving women's access to and progress in the paid labour economy, and onward.

I'll provide all of this to the committee, but in closing, I think what the finance department must do, in consultation with you, in consultation with civil society groups and experts, is develop a rigorous and credible framework, and that will ensure a better GBA process.

The Chair: Thank you.

We'll start with a round of questions.

Ms. Minna, you have seven minutes.

Hon. Maria Minna (Beaches—East York, Lib.): Are you serious?

The Chair: I am very serious. I want to go to five minutes.

Hon. Maria Minna: Fine. In trying to get at all this, I think we may need what I would call a full-day seminar here. We would have to pay our experts to make sure they get proper treatment.

Let me start. Professor Lahey, was the table that you gave us an analysis that you did or a response to what we asked you to do in response to what the finance department had done? Is that what this is, your table 1?

Prof. Kathleen Lahey: Table 1 is my scoring of what they did. It incorporates a report on what they said. That's the gender impact score by FIN, which is the Department of Finance, and then the gender impact score by KL, which is me. That's my grade.

Hon. Maria Minna: I got all that. That's fine.

You said earlier that the department is basically turning the tables upside down in order to make it look positive. Can you explain that exactly? It's important for us, when we meet with them, to know what that means and to be able to discuss it with them.

Prof. Kathleen Lahey: Yes. You will have some written materials that give numbers and spell it out, but I'll go through it orally.

Think of it this way. Say somebody gives you \$100 and says, "Here, we're giving this to you because you're a woman and we know you need more money." Then they turn around and give \$1,000 to a man and say, "Here, we're giving you \$1,000. We know you make more income, so for this gift of money to have any impact on you, we need to give you more." And you both say, "Thank you."

Now you say, "But wait a minute, he's a man and he got \$1,000. That's more than I got." And the giver, the giftor, says, "No, no, you got more. You got proportionately more, expressed as a percentage of your income, which is lower." Let's say your income is \$1,000 a year. So you got a 10% gift.

Then you say, "But still, \$1,000 is worth a lot more than \$100." And the giver says, "No, but the man we gave this to has an income of \$100,000. So proportionately you got more because \$1,000 is only 1% of \$100,000."

So you're supposed to say, "Oh, right, 10% of my little income is more than 1% of his big income." That's what I mean.

Hon. Maria Minna: I understand that clearly. I know exactly. Actually, a little light went on in my head exactly with an experience I had when I was volunteering in community services and trying to get some funding for immigrant organizations from the United Way. I couldn't get any. They told me they had given me a huge increase—"After all, you got a 30% increase over the mainline organizations; you should be happy"—except they were only giving us \$50,000, and 30% was peanuts over the \$5 million that was going to another organization. I said, "Thirty percent of \$5 million is a hell of a lot of money"—excuse my language—"compared to \$50,000."

So I get very clearly how that works. I understand it, having lived it in a different kind of life. Okay. That's good.

You say you had a breakdown.

Prof. Kathleen Lahey: Yes, written examples of it. But unless there was more to your question, there is another part to my answer that I'd like to drag in here.

Hon. Maria Minna: Please go ahead.

Prof. Kathleen Lahey: It relates to these economic gender equality indicators here. I agree with everything that Nancy Peckford has said, because the most important thing is to develop substantive gender analyses, not just the numbers. But what's important about this document is that—

• (1000)

Hon. Maria Minna: I'm sorry, are you referring to the Status of Women document?

Prof. Kathleen Lahey: Yes.

Hon. Maria Minna: Okay. That's fair.

Prof. Kathleen Lahey: The important thing about this document is that beginning in 1995 a federal-provincial-territorial committee led by Status of Women Canada calculated each of these different gender gap measurements.

Page 3 lists the measures that were developed for incomes. If you look on the left-hand side of page 3, you will see that this index has already been calculated for 1986, 1991, 1994, and 1997. For purposes of monitoring the work that comes out of the Department

of Finance, including the \$100 versus \$1,000 type of analysis, these three measures—the total income, the income after tax, and the total earnings indexes—are the specific tools that have already been in use in Canada for over a decade. They haven't been updated recently, but these are the tools that will show what happens if you do that.

If you have a proportionately greater reduction, you should be happy because you have a proportionately greater reduction, right? These tools will show how, on a macroeconomic level, that's not working. These are the tools that have already been road-tested and put into place here.

Hon. Maria Minna: This only goes to 1997, so you're also saying they need to be updated. Okay, that's good to know.

I wanted to go next to your table, and also our main.... I have too much paper on my desk right now.

The Chair: You have one minute.

Hon. Maria Minna: Is that all I have left?

The Chair: Yes.

Hon. Maria Minna: Good grief. Okay. Thanks.

I have a quick one to both of you, and then I'll come to back to some more detailed questions later.

I think we asked, Madam Chair, for the actual analysis on gender budgeting for this last one, did we not? Did we ever get that? Did you have access to the actual analysis from the Department of Finance that they used?

Prof. Kathleen Lahey: Yes, but the problem is that they were very cursory. A supplementary question that you might want to consider asking them is whether this is a summary of a more extensive analysis that may be sitting in their files somewhere, because they are saying things that even the best mathematicians could not really meaningfully work out in their heads.

Hon. Maria Minna: Okay, that was my question. You didn't have access to the data that they used.

The Chair: Ms. Minna, we'll go to the next round.

Please go ahead, Madame Demers.

[Translation]

Ms. Nicole Demers (Laval, BQ): Thank you, Madam Chair. I also agree that a one-day seminar should be held.

Thank you for your passion, for believing in what you do and for making us believe in what you do. I think that is very important. I would like you to emphasize once again that you do your job with complete objectivity. I have the feeling that there are still doubters out there. Earlier, Sylvie seemed worried about whether or not you were being objective.

Mrs. Sylvie Boucher (Beauport—Limoulu, CPC): I was asking myself some existential questions. It had nothing to do with the witnesses.

Ms. Nicole Demers: As a rule, the committee tries to work in an objective, non-partisan manner. I would very much like us to move forward on this matter. I would like us to take the report that was shelved and implement some of the measures that were recommended.

I would like to hear your suggestions as to some initiatives that the committee could take to ensure that this action is not seen as being anti-government, but rather as pro-women.

Regardless of the government in power, an atmosphere of confrontation seems to prevail at all times. We must get past this to ensure that women benefit from the measures advocated in the 1995 report.

Ms. Lahey, in your brief you talk about cuts to Status of Women Canada. Recently, I was pleased to learn that several projects had been approved by Status of Women Canada. To what extent will these projects genuinely promote equality for women? I have not seen the details of the projects that were approved. However, we are told that the aim of all of these projects was to promote equality for women. Therefore, I would like some assurance that these projects will in fact achieve their stated aim. We also have some concerns on this score.

I have so many questions that my head is spinning. I will stop here. Would you care to share your impressions with me?

• (1005)

[English]

Prof. Kathleen Lahey: Can I just get clarification on the question? Is the question which of the Department of Finance items will help women, or is the question which of the new Status of Women Canada projects are going to help?

[Translation]

Ms. Nicole Demers: I am talking about new projects that have been approved by Status of Women Canada.

I would also like to know if it would help to have a minister solely responsible for women's issues, instead of a minister responsible for heritage, official languages and status of women.

[English]

Ms. Nancy Peckford: I can start.

We've thought a lot about whether or not a dedicated minister of Status of Women Canada would help or hinder the cause, and we've had this discussion internally and externally. As I think both sides of the table can appreciate here, one of the rationales for having a joint minister is that she actually has another portfolio at the table and, often, that portfolio can enhance her negotiating power. That's one of the arguments against a dedicated minister.

What we've seen in the past historically are secretaries of state prior to 2004. That's what we had for some time. The secretaries of state, even though they were fully dedicated to the task of the status of women, were often quite marginalized. A dedicated senior minister may produce a different outcome, but it may not, all depending upon how that minister is observed or regarded. Sometimes having another portfolio helps, and sometimes it might not help. I really think it depends on the individual minister.

We do believe, however, that Canadian Heritage is a very demanding portfolio, for a variety of reasons, and having that portfolio coupled with Status of Women Canada, I think, is a difficult challenge for any person to meet. I think the structure of a shared portfolio should be revisited.

In terms of the Status of Women Canada projects that have recently been funded by Status of Women under the community initiatives fund or the partnership fund, I don't actually know the details of many of those projects. I understand that money is flowing to particular organizations on the ground, albeit with the caveat about, or prohibition against, advocacy, which in our view is not constructive. Having said that, however, there is money flowing, and many of the organizations who are receiving that money are credible and do good work, and we're happy to see that happening.

We do believe that the terms and conditions of Status of Women Canada should be further altered to allow advocacy, because part of what helps to attain women's equality is being able to exercise that voice with advocacy. Having said that, there has been a change at Status of Women Canada to include equality back in the terms and conditions—pursuit of the promotion of women's equality—which is a very good thing that we're very happy to see.

In terms of the measures that could be taken that are more objective or that could be seen as less partisan, CFAIA has been saying for some time that the establishment of a gender equality commissioner within the Auditor General's office could be a very constructive move, given how the Auditor General is perceived within the federal government structure and her fairly independent nature.

I understand the Auditor General has been invited to appear before this committee, or she certainly was an item of discussion. I think the committee may want to think creatively about how you could use an Auditor General for the purposes of this kind of analysis or GBA.

• (1010)

The Chair: Thank you.

Madame Boucher.

[Translation]

Mrs. Sylvie Boucher: Good day to all of you. Thank you for joining us once again.

Let me assure you, Ms. Demers, that I was merely asking myself some existential questions. I was listening to their presentations and unfortunately, despite my experience, I could not relate to anything they were saying. Therefore, I was wondering if perhaps I was from another planet, or if it was simply case of not understanding anything that was said.

Ms. Nicole Demers: I'm sure you know who you are.

A voice: Oh! Oh!

Mrs. Sylvie Boucher: Initially, when we undertook this study, the focus was gender budgeting, but along the way, it became gender based analysis. As I see it, these are two different things. First, I would like you to explain the difference to me. On listening to your concerns, I have to wonder if you believe gender budgeting is needed. To hear you speak, men get everything, and women get nothing.

I have daughters and I know that both men and women are eligible for tax credits, for example, for public transit passes. Many women take the bus because they do not own an automobile. I understand where you are going with this. We all want to see some improvements. Unfortunately, we live in an imperfect world. We ourselves are imperfect human beings, and despite that, we try to work miracles here. With all due respect, if I could work miracles, I would not be here discussing gender budgeting. The problem would already be resolved. In my opinion, there is a big difference between gender based analysis and gender budgeting.

Elsewhere, we must not lose sight of the fact that the government has a lot on its plate. That is to be expected, since we are running the country. Nevertheless, we are at the stage where we need to educate society. Not everyone understands the meaning of “gender budgeting”. I have broached the subject with less fortunate women in my riding and, judging from the looks they gave me, they seemed to be wondering what in heaven's name I had been smoking. I realized that even women knew nothing about gender budgeting.

As Ms. Demers so aptly stated, there are four political parties and even though in the world of politics, nothing is perfect, we are trying to do something that is non-political to benefit women. I hope that one day our efforts will prove successful. I would like to see some tangible solutions. I can dream, but dreams do not take a person very far. We can accomplish much, but it will take a great deal of time. I would like us to determine exactly where we want to go and what kind of solid plan we need to get there. That way, even if another government is elected to office one day, we will have a solid plan in place to ensure that women are no longer victims of the political process.

•(1015)

[English]

The Chair: You have three minutes to answer a four-minute question.

Go ahead.

Ms. Armine Yalnizyan: I'd like to take a crack at answering the question, because I'm an economist first and I guess a feminist second.

I agree with you that most people in Canada have no clue what a gender budget analysis is, and I don't think we should be spending a lot of time educating them on what it is. I said at the conclusion of my last point that the reason we do it is to talk about who benefits from what governments do. It's that simple. For over a decade now, women have been....

The minimal test of government should be not to make things worse. That should be the minimal test. In 1995 we had a slew of budget cuts that set women back. We have had 12 years of back-to-back budgetary surpluses, and women's economic position has not advanced.

So where we, I think, agree is that when you have a business like a government, where you're spending \$280 billion every year, can you spend anything to make things better for women? What can you do to make things better? If the answer is tax cuts, and actually it's not the spending side but the tax cuts side that you want to focus on, can

you make sure that your tax cuts are actually doing something for the people who need the most help?

That's why you do gender budget analysis. It is not to say that it is *sexospécifique*. It is not to say that it is a project specifically for women. It is to say that it is friendly to women.

We ask, what do women need? They need, especially if they're worrying about violence, a safe place. If there's no market for affordable housing, they're stuck where they are. If there are no shelters due to overflowing, they can't get out. You want to make sure that things as basic as shelter—safe shelter that is available and that they can afford—are available to women. That's number one. There is a list of other things. We know what they are.

So this is not gender specific, this is gender friendly. Honestly, I couldn't agree with you more about the language being off-putting, but on the actual intent, I think you can actually get to a place that is not as ideologically divided as many areas of government. Presumably everybody wants to score points on how you're making things better for the electorate, and half of the electorate is female. Can you actually point to something you did that made it better for women? I think you can. I think you could probably come up with something that says in fact this year we're going to do that.

This government said, in its last budget, that you're going to develop an action plan on women. I don't know about my colleagues, but the reason I'm here is that I'm taking you seriously. I'd like to work with you. I'd like to work with these people as well. I would like to come up with something concrete that comes out of the action plan, something that is actionable, so that this isn't just an action plan but something you're going to do.

Across this country, poverty reduction strategies are exploding in four or five jurisdictions. At the federal level, the current minority government that is leading us has no poverty reduction plan. This could be it. This could be your contribution to the discussion that inequality has grown in good times and bad, and we have to reverse it.

The Chair: *Merci.*

We now go to Ms. Mathysen, for seven minutes.

Mrs. Irene Mathysen (London—Fanshawe, NDP): Thank you very much. I too have so many questions.

There was a discussion, and it's ongoing, in regard to gender budgeting and creating budgets that help women, or that at least do no harm. It seems to me that if women are benefiting from a list of policies and the pragmatic actions of government, there's spinoff from that—a positive impact on children, a benefit for men, a benefit for an entire community.

If that's correct, I'm wondering if you could comment. What's being put out there as divisive, I don't see as divisive at all.

•(1020)

Prof. Kathleen Lahey: Could I comment on that? I think one of the most clearly accepted economic justifications for women's economic equality is that women need to be developed to be as productive as men. This will indeed have beneficial impacts, not just on women and their dependants, but on everyone, men as well as women.

One of the measures of women's inequality is the total work index. It's on page 4 of this Status of Women document, if you want to look at that. Women do more work than men do in this economy, but men have the lion's share of the paid work, and women have the lion's share of the unpaid work. One of the goals of gender equality is to bring those into line. It's not just to give women as much income as men. It's to also make sure that women do a better mix of paid and unpaid work and that men do a better mix of paid and unpaid work, so that the population as a whole becomes healthier and more productive and so on. There are considered to be great benefits from making sure that women do not have to struggle on the economic margins.

Ms. Armine Yalnizyan: I don't know if Nancy's going to weigh in, but in the 1960s, the human development agenda was about bringing women into it. Globally there was the notion of human development for rich countries and poor countries, for women and for men. I think the women's movement is, in part, about human development. If you look at what women are asking for, it isn't specific to women; it is specific to human development.

A gender budget analysis is a portal for going into how we can use our collective resources better. I think about what happened in Quebec when they introduced \$5-a-day child care. Women's labour force participation rates shot up. The actual net impact on the public treasury was negative, because women were earning more and paying more income taxes.

From a pure and minimalist economic point of view, by putting a little bit of public investment into society you can actually pull more out.

We have had a strange last ten years, however. Even with a strong and growing economic environment and with public coffers growing, we have failed to reinvest this and reap the rewards, whether you're talking about making sure that there are community centres where kids can play, or that women are getting assistance in child care, or that there's enough health care out there so women are not taking care of the elderly or the disabled or the ill at home. There are so many things we could be investing in that actually are win-win for everybody. But the current environment is that investments are best left to the private sector and that the public shouldn't be investing; it should be getting out of the way of the market.

Human development is about public and private investments. It is not specific to women, but when you invest in the things that help women, you automatically see this huge multiplier effect in communities, which then, curiously, leads to greater economic growth. It is a virtuous circle that we have lost track of in the last ten years.

The Chair: You have two more minutes.

Mrs. Irene Mathysen: Ms. Lahey has highlighted that the gender analysis done by the Department of Finance was inadequate and misleading, some might think by design. Where do you think the root of the problem is? Is it in the training? Is it in the gender mainstreaming approach or in lack of accountability? To what extent do you think this problem appears in other departments, and how can we solve it?

Prof. Kathleen Lahey: I think it is symptomatic of a pervasive problem. Gender-based analysis, as outlined by Nancy Peckford and as initially designed by Status of Women Canada, was implemented quite aggressively during the second half of the 1990s and into the early 2000s by a growing number of government departments, but it seems as if the political will to pursue that has fallen off.

I am reluctant to assign any negative motivations to the people responsible for the documents that we have seen, but I do know for a fact that the Department of Finance is better situated than perhaps any other department except HRSDC or CIDA to do very high-level gender-based analysis or gender budgeting or gender-sensitive analysis—whatever you want to call it—so where do you start? I think you're doing exactly the right thing. I think you need to go back to the Department of Finance with a detailed critique that says we have people who say there are gaps, that there are things that haven't been taken into consideration, that there may be an improper emphasis on protecting men's high incomes, that this is not about how to close the gender gaps that pervade Canadian society.

I believe the Department of Finance might be willing to enter into a discussion and to respond with a more detailed analysis. The only way to go forward in this area is to hold out the model and say we know that this is what can be done and ask people to do it.

I would just add, as sort of a comparison point, that Canada is falling very much behind the rest of the world in this kind of analysis. Canada's own international development research commission, IDRC, has provided millions of dollars' worth of funding to do this kind of detailed analysis. There is one project going on right now that has funding of over \$600,000 to look at just the impact of the GST in countries like Pakistan or some of the African or South American countries, but IDRC is not allowed to fund a study like that for Canada. Yet here we are, cutting two percentage points from the GST in Canada in a very short period of time with no sense as to what the gender impact or any other impacts of the GST cuts are on people in Canada. We are, in a sense, really preventing ourselves from being able to act effectively in this area.

•(1025)

The Chair: Thank you.

Ms. Neville, go ahead for five minutes, please.

Hon. Anita Neville (Winnipeg South Centre, Lib.): Thank you to the three of you for coming back again.

There is so much information, both verbal and written, to absorb and try to understand. I have a number of questions.

I don't disagree with anything you've said, but it wasn't all bad, and I'm wondering if you have done any analysis on the introduction of the parental leave program similar to what you talked about with the Quebec \$5-a-day daycare. I would guess that has had a significant impact, as have a number of other items that I could mention.

On this particular document here, I can see the Department of Finance coming back in and critiquing this document. What were the criteria you used to identify gender unaware, gender neutral, and gender specific? That would be important for us to know.

I am just asking all my questions.

I would also like to know this. The gender equality indicators have not been updated for some period of time. Can you speak to that at all?

Those are my questions, and I'll see how much more time I have.

Prof. Kathleen Lahey: To quickly answer your first question, which is what are the definitions of these types of gender analysis, you will be receiving a document that gives the written criteria.

To give you an example—these are based on the International Labour Organization, the UN, and some of the Status of Women Canada publications, a distillation of types of gender analysis—a gender-specific analysis acknowledges that men and women have at least some gender-based resources and needs that are different because of their gender, but it still works within existing gender allocations of resources and does not try to change anything. So for example, the program to give a tax credit to businesses that set up child care spaces within work sites that was outlined in the 2006-07 documents is an example of a gender-specific analysis on the Department of Finance's part because they said women need child care. But it's working within existing structures, and it doesn't really go further and say what impact they think this will have on women. It just says we're assuming that if we throw some money in this direction it might help. So it is a type of gender analysis. It doesn't go the whole substantive distance that Nancy has outlined.

But in terms of the actual scoring guides, that will be provided to you in writing.

What was the second point?

• (1030)

Hon. Anita Neville: I was asking about the equality indicators not having been updated since 1997, I think.

Prof. Kathleen Lahey: Right. I contacted all the people involved in the earlier updates, and they're all in different government departments. We've all attempted to contact people in Status of Women Canada to find out why they haven't been updated. So far there has been no answer. It may have something to do with internal allocations within Status of Women Canada.

Ms. Nancy Peckford: I think it's a good question to ask regardless of the finance department, because they should be using some of this material as a framework for their own analysis. I think you want to ask them about how current their indicators are and to what degree they are putting in the effort or ensuring that Status of Women Canada, if it's their responsibility, is making them as

reflective as possible of the contemporary Canadian woman's experience.

The Chair: You have one more minute.

Ms. Armine Yalnizyan: Can I answer that?

Of course it wasn't all bad. There were things like the doubling of parental leave, which is extremely important, under unemployment insurance. However, 22% of women in Toronto access unemployment insurance. The eligibility is a huge problem.

Hon. Anita Neville: We're aware of that.

Ms. Armine Yalnizyan: So within that context of a constrained scenario where you can't even access the program you pay into, yes, there was an important improvement. But the bigger hydraulic is much more devastating to women.

The biggest thing you didn't mention that has occurred in the last ten years that has made the greatest difference, particularly to single parents, is the massive expansion of the Canada child tax benefit, which has made a huge difference to people at the very bottom end of the spectrum, reaching right up to about 50% to 60% of the population. That said, income supports help, and you could keep pumping as much money as you want into the income side of the equation, but women are no closer today to being able to assure themselves of affordable housing, which is the biggest bite out of any family's income, whether it's two-parent headed or single-parent headed, or if you're a single elderly person.

So the list of things we're talking about—housing, post-secondary education, child care—is very short. Just make sure the tax cut agenda, which under the Liberal regime was \$134 billion worth in the timeframe, does not redistribute incomes away from the people who most need the help. If you're going to do these things, make sure you're helping the people who need it most.

Hon. Anita Neville: Thank you.

The Chair: Thank you.

Mr. Stanton, for five minutes.

Mr. Bruce Stanton: Thank you, Madam Chair. I must say the longer our study of this topic goes on, the more questions I have. I have to say this is an incredible study of an extremely important issue. We've done other important topics, obviously, but this one really taps the root of exactly what the Status of Women Canada exists for.

One of the things that occur to me here, and you've identified it in your presentations, is the gap that we're in fact trying to chase. I know it's too simplistic to say that there's just one gender gap and it surfaces in income, in access to education, in employment, and in so many other facets. I have so many questions that I think I'll have to go back and have a closer look at some of these.

It occurs to me that the assumption the Department of Finance has taken in its fiscal measures is that the application of these measures is gender neutral. In other words, it applies systematically to Ms. Lahey's example of the man with \$1,000 and the woman with \$100. It occurred to me that the \$100,000 female income earner would still receive the same benefit. It's essentially a neutral approach.

So what creates the inequality here is the fact that the gender-neutral application of this policy is not being applied to an equitable circumstance. So it is the circumstance that really is at the root of the inequality that gets created. That really brings us back to what other policy instruments we can use to begin to change those circumstances. It moves us away in some cases from those income circumstances.

I wonder if you could comment on the key policy instruments that any government should be looking at.

Armine, you identified, for example, affordable housing as being critical. What's the policy instrument that has the greatest impact in bringing Canada back to that gender equality index? I think we've now fallen to 18th.

I guess the second part to that question is, are we falling behind or are other countries just doing it better? There are a bunch of questions in there, but if you could each have a spin at that, I'd appreciate it, in the little time that's left.

•(1035)

The Chair: You have two minutes to answer that question.

Mr. Bruce Stanton: So much for my preamble.

Thank you.

Ms. Armine Yalnizyan: Can I just point to the front page of the thing that I submitted to you last year, Bruce—March 28, 2008, correctly? The list is very short: affordable housing, post-secondary education, child care, health-related services, public transit, social services, training and employment services, legal aid, and support for caregivers. It's the known list. Do anything on those areas and you'll improve lives for women. It is not gender specific, it is gender friendly to actually make progress on these things.

On the income side, the very point that you raise about a woman earning \$1,000 being treated the same as a man earning \$100,000 is right on. The distributional issue is huge. So my third point in my presentation to you is this. Ask Finance always to break it down by income class. Who are the beneficiaries, male and female, by income class? That information is easily accessible. They have it all and they can estimate it. Then you can see if we are actually spending most of our tax cuts on the people who need the help least. If we still want to spend that much money on relieving the tax burden, can we reallocate it so that it's going more to the people who need more help?

Mr. Bruce Stanton: Before we run out of time, could we get a comment on the second part, that is, what are other countries doing to push us behind as they speed ahead?

Kathleen or Nancy.

Prof. Kathleen Lahey: I can briefly respond to that.

Other countries that started out when Canada was number one in the mid-1990s and the second half of the 1990s are still there, because they are still doing what they were doing then, and they are working very diligently to try to close the gap even further.

To take an example of some of the strategies that Scandinavian countries are using to try to close their gender gaps even more fully, they're now looking at ways to give men incentives to take parental

leave, because they perceive that the quality of all people's lives will improve if more parental time—by both mother and father, or whatever the household configuration is—is given to people to be with their children. They're now getting to the point where they're aiming incentives not just at women, but also at men.

There are some countries that have outstripped Canada now on all of the indicators, because even though they're at a lower level of development, they have higher on-the-ground gender equality, beginning with the numbers of women sitting in their parliaments; the numbers of women involved in running corporations and important government departments; and income distribution; and ownership of productive assets. So it's a combination of Canada quitting doing a lot of the things that got it where it was, and.... There's no question about that.

How Canada got where it was has become really common knowledge; these are not secrets anymore. Other countries that put a really minimal amount of effort into systematically pursuing a gender-aware analysis and in doing gender budgeting are outstripping Canada. Either way, this will beat Canada.

I predict that with these current budgetary allocations, Canada is going to slip even further in the indicators.

The Chair: Thank you.

We now go to Madame Demers. *Cinq minutes, s'il vous plaît.*

[Translation]

Ms. Nicole Demers: Thank you, Madam Chair.

For starters, I need Ms. Lahey to clarify something for me. In the table that you presented to us, there are two columns the significance of which escapes me. Could you tell me what “by FIN” and “by KL” mean exactly?

•(1040)

[English]

Prof. Kathleen Lahey: That's table 1, the gender impact score by Finance. The positive signs there, the crosses, mean that the Department of Finance—

Ms. Nicole Demers: The crosses I understand, but what about the the other one, “KL”?

Prof. Kathleen Lahey: “By KL” is me, Kathleen Lahey.

[Translation]

Ms. Nicole Demers: Thank you very much.

I have another question for you, Ms. Lahey. The last time you testified before the committee, you spoke of a tax-free savings account. I was taken aback by your comments. Later I mentioned what you had said to some colleagues. I'm worried that I may have misunderstood you, because everyone told me that it was impossible for a person to set this much money aside tax free, that this money would still belong to that person, even if it was in the name of his spouse or children. Could you provide us with a written explanation of this provision, so that I can explain it properly to people and ensure that I have the right information. If this is truly possible, then we as a society have a serious problem on our hands.

Furthermore, we know that until such time as more women are elected to Parliament, we may not succeed in getting what we want. Until women hold at least 30% of the seats in Parliament, it will be difficult. It is still a system designed by men, for men. That's just the way it is. I would assume then that the persons responsible for drawing up budgets also think along these same lines. It has been this way since time immemorial. It takes more than several hours of training every year to change people's mindset and to make them want to change.

I want to know what we can do about gender budgeting. What can we do to increase representation by women? Are there measures in the budget that might help women get elected to Parliament and get appointed to positions of power? Is there anything in the budget that could help make this goal a reality?

Ms. Peckford.

[English]

Ms. Nancy Peckford: Certainly about a decade and some ago the Lortie Royal Commission on Electoral Reform and Party Financing suggested that financial incentives could be directed to parties that ran minimum numbers of women, so if you ran 40% or 30% women, you would actually receive a financial incentive to do that. There has obviously been electoral financing reform in Canada already, but very few, if any, of the measures actually address increasing numbers of women in the House.

I think you could structure your electoral financing regime in such a way that you would reward parties. For example, you could give them a larger percentage. Let's say you normally get \$1.50 or \$1.75 per vote; if you run a certain number of women, maybe you'd up that by 25¢ or something. Those incentives are part of the scenarios in many other countries, and they work. That's what we know: they work. Financial incentives tend to work well. The other thing you could do is quote us, but that's a whole other conversation—but financial incentives certainly.

The other thing I would say is that in all the materials I referred to this morning from the World Economic Forum and the gender equity index, when they are measuring women's economic empowerment, they always include political participation. They always couple political participation with women's economic advancement, I think for obvious reasons. It's an important consideration in all the analyses that are being done internationally and domestically.

The Chair: Thank you.

Ms. Mathysen, you have five minutes.

Mrs. Irene Mathysen: Thank you, Madam Chair. I have some quick questions.

There's been some debate about whether a family or an individual should be the basic tax unit. Is it important that the taxation remain applied to individual rather than family? If so, why?

Prof. Kathleen Lahey: I'll take the first run at that.

It's becoming increasingly well documented that using the individual as the basic measure of tax liability and the basic unit for giving tax credits or tax cuts of any kind is very important to the status of women. Detailed studies have been carried out in the OECD showing that as any form of income splitting, joint filing, or

joint taxation measures has been eliminated, women's overall economic equality has increased. Women's participation rates in paid work have increased. Women's access to child care resources, etc., has increased. It's absolutely, scientifically been proven conclusively. From a substantive perspective in this day and age, to turn around and start trying to hand out benefits to the family really ends up being a shorthand way of saying that we're trying to put men back in the financial driver's seat.

As illustrated by the numbers generated by the pension income-splitting provision that was put into place a couple of years ago, the higher the income a single-income earner has, the greater the tax benefit from pension income splitting; the greater the tax benefit to income splitting, the greater the disincentive to women's economic autonomy. It then becomes a family liability for a woman to have an income. It becomes a family liability for a woman to have money to put into a tax-free savings account. This inferentially reinforces a pattern that is dysfunctional.

• (1045)

The Chair: Professor Lahey, could you give us reference? Otherwise, for our purposes we will only have your quote. Thank you.

Please continue.

Mrs. Irene Mathysen: Was anyone else interested in the question?

Ms. Yalnizyan, you've talked about the impact in regard to money spent from our surpluses on tax cuts and given to corporations. It seems to me that we've come to a point in time when we need to re-evaluate all of that. There's been discussion about the impact of tax cuts and creating jobs and those kinds of general benefits that are touted as the reason for doing the tax cuts. Could you tell us if it's possible to calculate the economic impact of the de-investment you've been talking about?

Ms. Armine Yalnizyan: I've been talking about public sector de-investment. I did mention in December when I appeared before this committee, as well as briefly in this submission, that it is exceedingly difficult to talk about the incidence of benefits from spending.

It can be done. There are two analysts in the Department of Finance—gee, it was the 1970s and I think as recently as the 1980s—who worked with a fellow named Irwin Gillespie, who was not in the Department of Finance and who had done incidence studies of both tax and benefits. They would be well worth going back to.

The benefits from public spending and the incidence of this has been kind of a school of analysis within Finance that used to exist in the sixties and seventies, when we actually invested and you wanted to make the business case for why you would want to make public investments. It is very easy to do in areas like health care, and it is easy to do in other areas by gender and by income class.

However, the difficulty with the benefits from public investment is.... I'm going to use technical jargon like "returns on investment". All of us want to see a yield curve when we invest something: I've put \$100 into my RRSP and I want to know how much I am getting after five years and after 10 years. Any public investment also has a yield curve, but that's the part that's difficult to calculate. So in year one you can say, where are these expenditures going? What you can't fully capture is the multiple years of the flow of benefits that society is going to get.

That said, you can't do that on tax cuts either. If you're going to talk about who gets the incidence of benefits of tax cuts, you may as well talk about who gets the benefits of spending, too, as best you can. I agree that they're much more widely distributed, which is actually an argument to do them. More people actually benefit from spending than from tax cuts, more universally.

The Chair: Thank you.

Before I go to the last question—we have a very short time—we need to get some business over with.

Professor Lahey, I understand from a question Ms. Minna presented that you're going to give us an analysis of your assessment of the table, i.e., textbook tax credits—why you give it a negative and they give it a positive—child fitness tax credits, and public transit pass, etc., so that we articulate in a proper manner when we are questioning the Department of Finance.

Two, we would like the Department of Finance not to be surprised. We would like to present this to the Department of Finance so that when they come, they are prepared to answer, so that it is a dialogue. Since all of us are very concerned about gender budgeting, we would like to present some of the arguments you've given. Of course, it's public knowledge. They should get it from Hansard.

Armine, you told me you don't like anybody being blindsided or surprised. I don't want the department to be surprised by anything we ask them, so we will give them some of the questions that we would like them to come prepared for. If they come prepared, we'd better be doubly prepared.

• (1050)

Prof. Kathleen Lahey: Just to clarify, the detailed analysis has already been delivered to the clerk's office. It's just pending translation.

The Chair: Thank you.

Prof. Kathleen Lahey: My understanding is that you would like one or two of these items broken down with a really detailed kind of way.

Hon. Maria Minna: Just a bit of...*[Inaudible—Editor]*

Prof. Kathleen Lahey: Sure.

The Chair: Thank you.

Ms. Davidson, I can only give you two minutes. Go for it.

Mrs. Patricia Davidson: I'd like to thank everyone for coming back again this morning and doing the presentations.

Certainly we've heard some valuable information here this morning. We've got some concrete questions we can ask. You've

steered us in a good direction. We've heard things today that will certainly apply to the mission and the objective of this committee, which is to study gender budgeting. What we've heard today is of great use to us, far better than trying to determine if another set of policies might have been the way to go. That's not our role here. Our role is trying to determine whether the policies that were chosen are the correct ones. What we got today was some information to help us do that.

I really look forward to having the written information. I love to be able to have it in front of me so that I can make my own notes.

I have one question for Ms. Peckford. You had mentioned a possible role for the Auditor General. Could you elaborate on that a bit more for us, please?

Ms. Nancy Peckford: Certainly in our previous submissions we have contemplated whether or not the establishment of a gender equality commissioner within the Auditor General's office would be of use in actively monitoring, over a longer period of time, the efficacy of the GBA that's being undertaken. We have also thought about the fact that, given that the analysis here by the finance department appears not to be as sophisticated as it could be, appears to not be in keeping with the general spirit and framework of gender-based analysis, we would seriously invite the committee to consider whether or not you'd want to have the Auditor General undertake a review of some of the tax and spending measures over the last decade, so that someone who is obviously well positioned, has the capacity, and could do a rigorous and fair job of assessing these things could be better involved.

That would be our suggestion to you.

The Chair: Thank you.

For the benefit of the committee, we have a motion by Ms. Minna, but we are having the Auditor General and the environmental commissioner come before us to suggest to us how, if we ever move towards that area, we could go forward.

Ms. Minna has kindly agreed that her motion be deferred to the next meeting, so I'll give one minute—two minutes, maximum—to Mr. Pearson, and then we'll have to finish.

Mr. Glen Pearson (London North Centre, Lib.): Thank you, Madam Chair.

I spoke to you the last time about how frustrated I get with some of this stuff, so let's put it this way: I think you've really nailed it for us that the gender gap is growing. I think we're getting that message. I think it's really good. But for the sake of this committee, the one piece that seems to me to be missing is the model. If we spent a day doing that—which somebody around this table suggested earlier in this meeting—to me the best thing this committee could probably to do is to develop that model.

Could I ask you briefly, if you have the time, how would you do that day? Who are the people you would bring in to build that model?

• (1055)

Prof. Kathleen Lahey: By "model", are you talking about a model for doing a full-scale gender-based analysis?

Mr. Glen Pearson: Correct, because it seems to me that pieces are missing from the model we have.

Prof. Kathleen Lahey: Right.

Mr. Glen Pearson: So how would we do that? How would we put that together?

Prof. Kathleen Lahey: I think you start with the eight steps that Nancy Peckford outlined. You make sure you have somebody who can do research on the realities of women's lives, which is the piece that is missing, assumptions of gender neutrality, etc. That's where this all goes off the rails.

To give you a really quick example, the recommendations regarding the green tax levies on certain vehicles and the repeal of the excise tax exemption for bio-favourable fuels, the Department of Finance simply says both men and women drive, so this has no gender impact. But if you look, even two minutes of research will disclose that women drive completely differently, from the cars they buy, whether they're new or used, whether they can afford the new hybrid vehicles that will get these tax rebates, whether they can afford to pay more for their ethanol, and so on, now that the excise exemption has been repealed. And you see that because women's incomes are so much lower, because women do a lot more stop-and-start driving because they have to drop the kids off at day care, go to the dry cleaner, go to the grocery store, go to work, pick the kids up....

What's missing is researchers who are willing and able to fill in the gender context on both sides of each and every tiny issue that's being examined. That's the key piece, and that's what Status of Women is uniquely able to provide.

The Chair: Nancy, a very quick response.

Ms. Nancy Peckford: I would suggest that you'd need, obviously, some well-established researchers, tax policy and public investment experts, women's organizations that have credible standing in the community and in the country, and some international experts who you've already heard from who could help inform how they developed such models. I think if you had all those people in the room at once, along with all of yourselves, you'd come up with something that would be pretty dynamic and interesting.

The Chair: Thank you.

We are having some international experts on Thursday, a video conference from Britain, Scotland, and the States.

What I'd like to let the committee know is that there's a German delegation, our counterparts for the Standing Committee on the Status of Women, coming on April 14. We will provide you with the details of where we are meeting, and I would really appreciate it if all of you were there.

When the Afghan delegation came, we didn't have too much participation. The German delegation, our counterparts, are coming on April 14, and the clerk will provide you with where, when, what, etc.

Ms. Nicole Demers: You don't want too many people?

The Chair: No, no, I said I'd like your participation.

Thank you very much to our panellists. You have been excellent, and we thank you for all the input you've given us.

Thank you.

The meeting is adjourned.

Published under the authority of the Speaker of the House of Commons

Publié en conformité de l'autorité du Président de la Chambre des communes

**Also available on the Parliament of Canada Web Site at the following address:
Aussi disponible sur le site Web du Parlement du Canada à l'adresse suivante :
<http://www.parl.gc.ca>**

The Speaker of the House hereby grants permission to reproduce this document, in whole or in part, for use in schools and for other purposes such as private study, research, criticism, review or newspaper summary. Any commercial or other use or reproduction of this publication requires the express prior written authorization of the Speaker of the House of Commons.

Le Président de la Chambre des communes accorde, par la présente, l'autorisation de reproduire la totalité ou une partie de ce document à des fins éducatives et à des fins d'étude privée, de recherche, de critique, de compte rendu ou en vue d'en préparer un résumé de journal. Toute reproduction de ce document à des fins commerciales ou autres nécessite l'obtention au préalable d'une autorisation écrite du Président.