



**Submission to the House of Commons Standing Committee on Finance  
Pre-Budget Consultations**

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**Submitted by:  
The Canadian Feminist Alliance for International Action (FAFIA)**

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FAFIA has expertise and experience in providing analysis of economic policy and trends and their differential effects on women and men in Canada. FAFIA has appeared before the Finance Committee in the past and has submitted briefs as well as providing analysis of federal budgets from 1994 to the present.

We request the opportunity to appear before the Standing Committee to share our views about *how to achieve a sustained economic recovery in Canada* that includes women and men equally.

Sincerely,

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## Executive Summary

Globally, the increase in female employment in the developed world has contributed more to GDP growth than the rise of the combined economies of China and India.<sup>1</sup> Women are the emerging economy. A sustainable economic recovery must address the distinct roles of women and men within the economy and the distinct impact of the crisis and recovery strategies on women and men. To do so is both good fiscal sense and good public policy. This budget can foster a sustainable economic recovery by ensuring that women are able to participate fully in the economic and social life of Canada by addressing the key barriers to that participation: the wage gap between men and women; the lack of affordable and safe child care spaces for working parents; and the personal, social and economic devastation of violence against women. The budget can do this by:

- **Taking pro-active measures to ensure women’s economic well-being, including by requiring equal pay for work of equal value and ensuring women have a full share of paid work;**
- **Funding a national childcare plan that increases the number of safe, affordable childcare spaces across Canada to match the demand for childcare;**
- **Increasing spending to both the services that assist women experiencing violence and to the organizations that are working to find public policy solutions to violence against women.**

<b>Programs Related to Recommendations</b>	<b>Estimated Federal Cost (in \$mil)</b>	<b>Estimated Increased Federal Revenue (in \$mil)</b>
Safe, affordable and accessible childcare	5,000 <sup>2</sup>	2,200 <sup>3</sup> .17% GDP growth per year <sup>4</sup>
Create pay equity commission	10 <sup>5</sup>	28 <sup>6</sup>
Poverty reduction transfer to provinces	1,800 <sup>7</sup>	13,950 <sup>8</sup>
Research, policy and programming to end violence against women	76.6 <sup>9</sup>	7,66.7 <sup>10</sup>

## **I. Women Work for Canada**

Women are in the workforce. Globally, the increase in female employment in the developed world has contributed more to GDP growth than the rise of the combined economies of China and India.<sup>11</sup> Yet, economists have demonstrated that women continue to be the shock absorbers in situations of economic crisis.<sup>12</sup> In particular, women take on greater burdens of unpaid work and see their footing in the paid work sector become more precarious. Women in Canada have been among the first to return to a post-recession labour force, but this early re-entry does not translate into increased well-being or increased economic stability for Canadian women, whose average income is \$31,949, compared to \$51,043 for men.<sup>13</sup> Women in Canada continue to suffer from one of the largest gender wage gaps amongst OECD countries, earning 23% less than their male counterparts.<sup>14</sup> 26.9% of women, compared to 11.9% of men, engage in part-time work.<sup>15</sup> 40.4% of women have incomes so low that they do not benefit from tax cuts.<sup>16</sup> 6.5% of women, compared to 6.9% of men, are unemployed, yet only 33% of unemployed women qualify for employment insurance, compared to 44% of unemployed men.

The percentage of women in Canada living below the After-Tax Low-Income Cut Off (LICO) is higher than that of the general population, and is significantly higher for Aboriginal women, women with disabilities and racialized women.<sup>17</sup> LICO rates for female single-parent families are three times that of male single-parent families.<sup>18</sup> The failure to address poverty is not only a failure to deliver a basic level of well-being to all Canadians, but it contributes to the vulnerability of women and children to violence, which itself impedes economic growth through lost productivity and costs to health and social services. Further, research on poverty in Nova Scotia demonstrates that the failure to address the root causes of poverty actually costs their economy between 5%-7% of GDP and between 6-8% of the provincial budget.<sup>19</sup>

Working women can work for a sustained economic recovery, but in order to do so they need this budget to:

- **Take pro-active measures to ensure women's economic well-being, including by requiring equal pay for work of equal value and ensuring women's full share of paid work.**

## **II. Safe Childcare, Sustainable Futures**

Working mothers face additional challenges. Two-thirds of all mothers with children under the age of six do paid work.<sup>20</sup> Those same women do two-thirds of all unpaid work.<sup>21</sup> Their participation in the economy is hamstrung by the lack of affordable and accessible childcare. Canada has the lowest childcare access rates in the industrialized world and less than 20% of the existing childcare spaces available are regulated spaces.<sup>22</sup> The economic and social benefits of a subsidized, public, childcare program are well-documented.<sup>23</sup> An investment in childcare provides parents with increased access to the labour market and it increases jobs within the sector. Further, a recent study of the Quebec system has demonstrated that the direct government investment in childcare sees that money return in the form of increased government revenue from the families that benefit from that childcare, increased participation in paid work, and increased spending.<sup>24</sup> The author of the study, economist Pierre Fortin, estimates that the childcare program increased Quebec's GDP by 1.7%.

Working parents can work for a sustained economic recovery, but in order to do so they need this budget to include:

- **A federally-subsidised, national childcare plan that increases the number of safe, affordable childcare spaces across Canada to match the demand for childcare.**

### **III. Invest in Women's Security**

Personal security is a necessary pre-determinate to well-being and productivity. Although there are signs that some forms of violence against women are decreasing, for many groups of women violence remains endemic. One in two women in Canada over the age of sixteen will experience violence during her lifetime.<sup>25</sup> Girls are also at high risk of sexual assault both within and outside of the home. According to police-reported data, over half (59%) of sexual assault victims were under the age of eighteen, and 82% of those child sexual assault victims are girls.<sup>26</sup>

The World Health Organization and other national health agencies, including Health Canada and the Center for Disease Control have demonstrated that violence against women has a significant impact on the economy.<sup>27</sup> The Centre for Disease Control estimates that in the United States "the costs of intimate partner rape, physical assault, and stalking exceed \$5.8 billion each year."<sup>28</sup> The equivalent percentage of Canadian GDP would suggest an annual cost in 2010 of \$766,749,244.

As women and girls in Canada continue to see their safety and well-being threatened, the organizations that provide those women and girls with an opportunity to bring their concerns forward have been eliminated, or silenced by new funding regulations. Between 2006 and 2008, the word "equality" was removed from the mandate of Status of Women Canada, 43% of the budget of SWC was cut, 12 out of 16 regional offices were closed and approximately 50% of staff were laid off. The criteria for funding from Status of Women was changed to preclude support for research and advocacy. The 2010 budget allocated \$30.5 million to Status of Women Canada. This means a budget of just \$1.78 per woman and girl in Canada in order to: "advance equality for women and to remove the barriers to women's participation in society, putting particular emphasis on increasing women's economic security and eliminating violence against women".<sup>29</sup>

This budget must address the personal, social and economic costs of violence against women and girls by:

- **Increasing spending to both the services that assist women experiencing violence and to the organizations that are working to find public policy solutions to violence against women.**

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**Notes:**

- <sup>1</sup> "The Importance Of Sex." *The Economist* (2006): Vol. 378, Issue 8473.
- <sup>2</sup> Based on the estimates provided for the 2006 proposed national child care plan.
- <sup>3</sup> Based on the calculated 44% return to the federal government for every dollar invested in the Quebec provincial program; Laurie Monsebraaten. "Quebec's Child Care Pays for Itself, Economist Says." *Toronto Star*, 22 June, 2011.
- <sup>4</sup> Based on the estimated 1.7% growth to Quebec's GDP over ten years, resulting from the increase in women's participation in the workforce following the implementation of subsidised childcare; Laurie Monsebraaten. "Quebec's Child Care Pays for Itself, Economist Says." *Toronto Star*, 22 June, 2011.
- <sup>5</sup> Canadian Centre for Policy Alternatives. "Figure 11 AFB Program List (\$mil)." *Alternative Federal Budget 2011*." Canadian Centre for Policy Alternatives, 2011.
- <sup>6</sup> Calculation of additional personal income tax revenue gained from a 23% increase of employment income for women. Canada Revenue Service. "Interim Table 4: All Returns by Age and Sex, All Canada: 2009 Tax Year." Government of Canada, 2011.
- <sup>7</sup> Canadian Centre for Policy Alternatives. "Figure 11 AFB Program List (\$mil)." *Alternative Federal Budget 2011*." Canadian Centre for Policy Alternatives, 2011.
- <sup>8</sup> Based on the estimated 6% total revenue lost to the cost of poverty; Angella MacEwen, & Christine Saulnier, *The Cost of Poverty in Nova Scotia*, Halifax: Canadian Centre for Policy Alternatives-Nova Scotia, 2010.
- <sup>9</sup> Calculated at one tenth of the cost of not addressing violence against women to the GDP; *Preventing Intimate Partner and Sexual Violence Against Women: Taking Action and Generating Evidence*. Geneva, World Health Organization, 2010; *Costs of Intimate Partner Violence Against Women in the United States*. Centers for Disease Control and Prevention, 2003.
- <sup>10</sup> *Preventing Intimate Partner and Sexual Violence Against Women: Taking Action and Generating Evidence*. Geneva, World Health Organization, 2010; *Costs of Intimate Partner Violence Against Women in the United States*. Centers for Disease Control and Prevention, 2003.
- <sup>11</sup> "The Importance Of Sex." *The Economist* (2006): Vol. 378, Issue 8473.
- <sup>12</sup> Caroline Sweetman and Richard King, *Gender Perspectives on the Global Economic Crisis*. Oxfam International, 2010.
- <sup>13</sup> "Interim Table 4: All returns By Age and Sex, All Canada, 2008." Canada Revenue Agency, 2010.
- <sup>14</sup> OECD, *Gender Pay Gaps For Full-Time Workers And Earnings Differentials By Educational Attainment*. OECD, Social Policy Division: Directorate of Employment, Labour and Social Affairs, 2010. <http://www.oecd.org/dataoecd/29/63/38752746.pdf>.
- <sup>15</sup> Statistics Canada, "Paid Work." *Women in Canada: A Gender-based Statistical Report*. Government of Canada, 2010.
- <sup>16</sup> "Interim Table 4: All returns By Age and Sex, All Canada, 2008." Canada Revenue Agency, 2010.
- <sup>17</sup> Statistics Canada, "Economic Well-Being." *Women in Canada: A Gender-based Statistical Report*. Government of Canada, 2010.
- <sup>18</sup> Statistics Canada, "Economic Well-Being." *Women in Canada: A Gender-based Statistical Report*. Government of Canada, 2010.
- <sup>19</sup> Angella MacEwen, & Christine Saulnier, *The Cost of Poverty in Nova Scotia*, Canadian Centre for Policy Alternatives-Nova Scotia, 2010.
- <sup>20</sup> Statistics Canada, "Paid Work." *Women in Canada: A Gender-based Statistical Report*. Government of Canada, 2010.
- <sup>21</sup> "General Social Survey: Paid and Unpaid Work." *The Daily*, Statistics Canada, July 19, 2006.
- <sup>22</sup> Erika Shaker, Ed. *Beyond Child's Play: Caring For and Educating Young Children in Canada*. Canadian Centre for Policy Alternatives, 2009.
- <sup>23</sup> Erika Shaker, Ed. *Beyond Child's Play: Caring For and Educating Young Children in Canada*. Canadian Centre for Policy Alternatives, 2009; Gordon Cleveland, *Is Child Care A Good Public Investment?* Toronto: Child Care Resource and Research Unit Briefing Notes, 2003.
- <sup>24</sup> Laurie Monsebraaten. "Quebec's Child Care Pays for Itself, Economist Says." *Toronto Star*, 22 June, 2011.
- <sup>25</sup> Statistics Canada, "Women and the Criminal Justice System." *Women in Canada: A Gender-based Statistical Report*. Government of Canada, 2010; "An Overview of Women's Health." In *Canada Health Action: Building on the Legacy - Volume II - Synthesis Reports and Issues Papers*. Health Canada. [http://www.hc-sc.gc.ca/hcs-sss/pubs/renewal-renouv/1997-nfoh-fnss-v2/legacy\\_heritage8-eng.php](http://www.hc-sc.gc.ca/hcs-sss/pubs/renewal-renouv/1997-nfoh-fnss-v2/legacy_heritage8-eng.php).
- <sup>26</sup> Statistics Canada. *Child and Youth Victims of Police-reported Violent Crime*. Government of Canada, 2010; Statistics Canada. *Sexual Assault in Canada 2004 and 2007*. Government of Canada, 2008.
- <sup>27</sup> *Preventing Intimate Partner and Sexual Violence Against Women: Taking Action and Generating Evidence*. World Health Organization, 2010.
- <sup>28</sup> *Costs of Intimate Partner Violence Against Women in the United States*. Centers for Disease Control and Prevention, 2003.
- <sup>29</sup> Kathleen Lahey. "Women, Substantive Equality, and Fiscal Policy: Gender-Based Analysis of Taxes, Benefits, and Budgets." *Canadian Journal of Women and the Law*, Volume 22, Number 1, 2010. [figures updated based on 2010 Federal Budget and 2011 population estimate from Statistics Canada].