

Through a Gender Lens

The 2016–2017 Newfoundland and
Labrador Budget's Impacts On Women

Cyndi Brannen





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5	Summary
7	Introduction
	Gender Based Analysis is Essential
	Women in Newfoundland and Labrador
11	The Budget Environment
13	Summary of Findings
	Expenditures and Savings
	Health and Community Services
	Other Expenditure Reductions
	Income Supports and Taxation
19	Budget Impacts
21	Recommendations
	1. Participatory Budget Development and Evaluation
	2. Gender Responsive Budgeting
	3. Evidence-based Decision Making
	4. Gender Inclusive Performance-Oriented Budgeting
	5. Fiscal Recommendations
28	Conclusion
29	Appendix: Analysis Methodology
31	Notes

Summary

THE RECENTLY RELEASED Newfoundland and Labrador provincial budget has resulted in widespread protest about the government's proposed austerity measures, including sweeping increases in taxation and cuts to programs.

Austerity budgets aimed at deficit reduction often disproportionately hurt the poor and working families. In particular, women, who typically earn less than men and utilize more government services, are negatively impacted. Specifically, vulnerable women, such as lone mothers, seniors and First Nations women, suffer the most when governments engage in drastic cutbacks in programs. Women in Newfoundland and Labrador already experience significant gender inequalities; for example, they earn on average \$4/h less than men. They have the lowest median income compared to women in any other province. The widespread cuts in programs will come with significant lay-offs within education and the public service; women with a decent income are more likely to work in these positions than in other areas.

A time-sensitive review of the impacts of the 2016–2017 budget on girls and women in Newfoundland and Labrador was conducted in order to evaluate the specific consequences of the government's fiscal plan in order to contribute to the current debate over this budget. The review revealed that this budget will serve to worsen gender inequalities through increased taxation and reduced programs. After a decade of successful poverty reductions initiatives, this budget will decrease the income of the most vulnerable women. In addition, the lay-offs from the service cuts will inevitably

lead to greater unemployment for women. Cuts to education negatively impact girls, especially the most vulnerable.

The provincial government must expand their consultation process to include gender sensitive budgeting, taking into account how their current practices are serving only to worsen gender inequalities in the province. Other recommendations include using evidence-based decision making and performance-based techniques for evaluating government services, adopting progressive taxation methods, enacting pay equity legislation and investing in women's health. These recommendations would result in improvements in the status of women and gender equality, which in turn would benefit everyone in the province.

Introduction

THE NEWFOUNDLAND AND Labrador government recently released the 2016–2017 budget. The budget represents a very significant move towards austerity, in spite of the evidence that such an approach is not effective for managing governmental debt and economic growth.¹ The immediate reaction from the public was outrage; the vast cuts in programs and public service jobs accompanied by the various increases in taxation have resulted in widespread protests from a variety of groups.²

Austerity budgets typically impact vulnerable groups harder than the more affluent. In Newfoundland and Labrador women earn less and require more government support than men. Austerity budgeting worsens gender inequalities.³ Poor women are especially vulnerable to the type of service reduction and increased regressive taxation measures typical of budgets similar to this one. In addition, indigenous First Nations women, minority women, older women, rural women, and women with disabilities usually suffer the greatest under austerity budgets. *In short, austerity budgeting makes the pre-existing inequalities between women and men even worse.*

To address lessening these inequalities, there is increasing recognition of the importance of gender responsive budgeting by various governments, led by the United Nations.⁴ Gender responsive budgeting seeks to reduce inequalities by implementing services that directly aim to lessen them, along with a taxation system that does not place a greater proportion of responsibility on low income earners, especially women. This report applies this approach to the analysis of the 2016–17 Newfoundland and Labrador budget.

Gender Based Analysis is Essential

Economic decisions, such as a provincial budget, differentially impact people. In particular, women typically experience more negative impacts under austerity budgeting than their male counterparts.

“To fully understand the benefits and costs of different policies, gender-based analysis is necessary. Supporting such analyses can help ensure that women’s interests are explicitly factored into economic policy, and that costs and benefits are shared equally by women and men.” Kate McInturff and Brittany Lambert

Women are more likely to earn less, take time away from paid work to care for others, be in need of government support, require more health services, have caregiving responsibilities for children and others, and live longer. All these considerations differentially impact the services women need from government and their ability to pay taxes.

Budgets, such as this one, that lack serious gender consideration, have the potential to widen the gap between men and women on key economic, health and social variables. Women typically have less disposable income than men, and mothers tend to spend what they have on expenditures that they perceive will be of benefit to their children. Women and men earn different, with the vast proportion of Newfoundland and Labrador women earning less and working in more precarious conditions.

These considerations point to the importance of applying a gender lens to understanding the impacts of the provincial budget. By utilizing structured gender analysis techniques, the actual implications of the budget can be better understood. Gender based analysis (GBA) is an evidence-based framework that permits study of seemingly gender-neutral documents using a variety of tools ranging from theory to statistical data. GBA reveals both explicit and implicit gender inequalities.

Women in Newfoundland and Labrador

Canada used to be a leader for gender equality, with the federal government providing leadership and support for the provinces to make improvements in the lives of girls and women. However, Canada’s women now rank far below many other countries, including the United States.⁶ The federal movement away from gender equity has resulted in less funding, and motivation for, provincial governments to move towards parity. As a consequence, provin-

cial governments have reduced funding for many programs and little progress has been made in the past decade on gender equality. Newfoundland and Labrador has made improvements in a few areas through various initiatives, particularly with the efforts to reduce poverty rates and violence against women.⁷

Government budget indicators for women’s well-being typically include: income, education, social services, taxation, health services, and family supports (e.g., childcare and caregiving). The gender gap in income between Newfoundland and Labrador women and men is wide, with women earning a median hourly wage of \$17.50 compared to men’s \$24.86/hour.⁸ In 2015, the average full-time weekly income for women was \$882.50 and \$1,228.74 for men.⁹ In addition, women are more likely to be in low-paying “pink collar” jobs such as childcare while a higher proportion of men are in higher paying categories.¹⁰

Women in Newfoundland and Labrador face other work-related gender inequities, including being less likely to work full-time and be temporarily employed.¹¹ In addition, based on Statistics Canada Labour Force survey, women are more likely to be in the lowest paid sectors, such as food service and accommodation, than any of the other categories, except for health services, education and government.¹²

Other factors include women’s participation in leadership roles, including political office. For example, in Newfoundland and Labrador, only 25% of provincial parliament members (MHAs) are women¹³ and there are three female ministers.¹⁴

Quality of life indicators are also impacted by governmental budgets. Access to services, such as libraries and government assistance for transportation, are supports that enhance the general well-being of citizens. Given that women earn significantly lower incomes than men, access to services like libraries that provide computer access and government-subsidy for using transportation may make the difference between a women being able to learn about services and accessing them, or not be able to seek and find the help she needs.

Additional demographic characteristics, such as being part of a marginalized group and age further influence gender inequity. Specific metrics that highlight disparities in Newfoundland and Labrador include low socio-economic status, having a disability, being a single mother, living rurally, being older, being indigenous First Nations, and belonging to a visible minority. *Table 1* highlights some of the demographic and work characteristics of women.

TABLE 1 Characteristics of Newfoundland and Labrador Women

Indicator	Statistics (latest available)	Impacts
Income	Median income/year (2013): Women = \$23,160 Men = \$39,630 ¹⁵	Decreased economic power.
Employment status ¹⁶	Workforce participation (2016): 56.1% 78.3% full-time 24.7% part-time Unemployment rate 10.3%	Most women work. Those that do, work full-time. More women work part-time than men (9.3%). Unemployment rate is significantly lower for women than men (15.6%). Unpaid labour such as caregiving is not included.
Age distribution of working women ¹⁷	15–24 years: 14.4% 25–54 years: 67.1% 55 years +: 21.6%	Considerable group of older women working.
Education distribution of the workforce by percentage of populations and gender ¹⁸	< high school: 11.5% F; 24.3% M High school: 17.7% F; 17.2% M Some post sec: 7.1% F; 5.6% M Post sec diploma: 42.7% F; 39.4% Bachelor's degree: 21.0% F; 9.2% M Graduate school: 6.6% F; 4.3% M	Female workforce has higher levels of education. Cuts to funding for postsecondary education will disproportionately impact women including increase in student debt.
Age ¹⁹	19.5% are 65+	Older population = greater demands on the health care system and families.
Health status	14.6% of women are disabled, compared to 13.6% of men ²⁰	Poor health; increased demand for health services, need for workplace accommodations.
Location	41.0% rural population ²¹	Increased need for travel for work and accessing government services.
Low income	15.9% of women compared to 11.6% of men ²²	Poverty; poor health status.
Lone mothers	49.4% are low income ²³	Poverty; poor health status for mothers and poor developmental outcomes.
Aboriginal identity	6.9% of women ²⁴	Vulnerable population at high risk for poverty, illness and violence.
Violence	Approximately 1 out of 2 women will experience violence in their lifetime ²⁵ Highest levels of family violence and intimate partner violence in Atlantic Canada ²⁶	Injuries, traumatic stress and impact on children's development.

The Budget Environment

THE GOVERNMENT OF Newfoundland and Labrador has adopted the position that austerity measures (tax hikes and spending cuts) need to be put in place in order to reduce the provincial deficit.

Costs for administering public services in the province are high due to geography and demographics. In particular, the high percentage of rural and remote residents spread out over Newfoundland and Labrador contributes to the high costs. Other factors include the aging population that require greater levels of services overall, and especially health care. In order to meet the basic demands, the size of the provincial public service has grown considerably in the past decade. This has resulted in many improvements in the lives of girls and women, including lower unemployment rates, poverty reduction, better health promotion programs, improved health services, and better education for girls and adult education for women. Government spending in Newfoundland and Labrador is not out of line when the percentage is compared to GDP, where provincial spending is in the middle compared to other Canadian provinces.²⁷ The poor and middle class in Newfoundland and Labrador pay more tax proportionately.

Widespread across the board cuts are a blunt fiscal instrument that is very risky as evidence has now shown. All governments should consider, on an ongoing basis, whether the public service (and importantly specific programs and services) are serving the populations' diverse needs. While such a review may result in the reallocation of resources and even the elim-

ination of certain programs, the goal should be based on evidence of performance and not driven by a fiscal exercise to cut deficits.

In all the various documents produced by the government in relation to the budget, there is no mention of any attempt at any sort of gender sensitive budgeting, or consideration of how their various measures could differentially impact girls and women, although there have been statements regarding “protecting the most vulnerable”.²⁸ This is in spite of the multitude of influential reports that have been published over the past fifteen years indicating the importance of such an approach.²⁹ This report seeks to remedy this oversight by conducting a post-hoc analysis of some of the key gendered impacts of the budget.³⁰

Summary of Findings

A GENDER BASED analyses of the budget was undertaken to evaluate the impacts on girls and women (see the appendix for the methodology). Below is a detailed summary of selected portions of the budget that are of particular importance to women. This review was designed to be a time-sensitive contribution to the current debate over the budget and should be taken as a cursory summary of the gender issues discussed.

Expenditures and Savings

Overall, the budget targets girls and women disproportionately. The gains made in services and employment along with the decreased poverty rate are all placed at risk. In particular, there are steep cuts in the departments of Child, Youth and Family Services (\$10,869,400), Education and Early Childhood Development (\$32,623,200), Finance (\$32,124,700), Health and Community Services (\$54,726,400) and Seniors, Wellness and Social Development (\$1,719,700). There are also cuts to other government departments, including cuts in Advanced Education and Skills that will have gendered impacts that are less severe than those in the other departments, but still considerable.

Child, Youth and Family Services

There are significant cuts of 7.6% of the overall budget to this department. It is difficult to determine the impact of the cuts, besides a reduction in jobs,

TABLE 2 Summary of Cuts in Education and Early Childhood Development

Cut (Projected Savings)	Rationale ³³	Impact	Comments
Elimination of the transportation benefit under the Child Care Services Subsidy Program (\$1,530,000)	Other provinces do not fund similar programs.	This cut may make it difficult or impossible for mother's to get their children to school.	Targets the most vulnerable population segment: children of low-income mothers. If the Information Secretariat trimmed 3.46% of their budget, this would equal the cost of this program.
Increased class sizes (\$8,765,100) Combined grades classes (\$6,100,000) Increased class sizes in French Immersion (\$1,071,600) Decreased Core French classes (\$625,000)	Budget reductions	Decreased educational quality for students. Significant number of teachers laid off along with support staff that are primarily women.	In general, smaller class sizes are better for student achievement, especially for disadvantaged students. ³⁴ Research findings are mixed as to the outcomes for students, especially vulnerable ones. ³⁵ 219 teaching units will be cut. ³⁶

because the particular items are not all listed in the budget. Over 4,500 vulnerable children directly require the services of this department.³¹

Education and Early Childhood Development

The cuts to the Department of Education and Early Childhood Development represent 3.5% of the total budget. Contrast this figure to the 0.00% funding reduction to the Information Secretariat (total cuts = \$13,500 out of \$44,183,700).

Cuts in education funding mean teacher's being laid off. Women make up the vast majority of teachers in Newfoundland and Labrador. Support jobs within education are also held mostly by female workers. The Newfoundland and Labrador Teacher's Association estimates that over 200 positions will be eliminated, while some may find work in the expanded kindergarten program, many will still face lay-offs.³²

Research has shown repeatedly that cutting education funding in times of government budget crisis is not an effective strategy. A more fiscally responsible decision is to invest in the education of children who become the next generation of tax payers.

Finance

The Department of Finance is responsible for income support programs, including Income Support, the Home Heating Rebate Program, and the Parental Benefits Program. In the budget a new supplement, the Income Sup-

TABLE 3 Summary of Cuts in Finance

Cut (Projected Savings)	Rationale	Impact	Comments
Home Heating Rebate Program (\$15,911,100)	Cost saving	Low income women will lose the benefit.	Unfairly targets poor women.
Parental Benefits Program (\$10,445,500)	Other provinces don't have it	Low income mothers will lose the benefit.	Unfairly targets poor mothers.

plement, was introduced and the Seniors Benefit was increased. Both were designed to reduce the impacts of the budget on the most vulnerable Newfoundlanders and Labradorians,³⁷ but both fall far below bringing up the poorest to a living wage. Below is the summary of the two large cuts in the Finance Department.

- The Home Heating Rebate Program (HHRP) paid a maximum of \$250/year for families with an income of < \$35,000 and a maximum of \$100 for families with an income above \$35,000, but less than \$40,000.
- The Parental Benefits Program paid a lump sum of \$1000 for every birth/adoption, plus an additional \$100/month for the first twelve months after birth/adoption.

Health and Community Services

Cuts to various programs throughout the Department of Health and Community Services will mean reduced services for girls and women, particularly the most vulnerable – those requiring complex, multi-faceted services with low-income. Particularly, the cessation of the over-the-counter medication program may mean that girls and women no longer have access to important medications.

Other Expenditure Reductions

Government cuts extended throughout various departments, including a 7.7% reduction in a variety of programs within Seniors, Wellness and Social Development. Changes in various programs within Advanced Education and Training may impact vulnerable women, such as those requiring a full student or those with a disability. In particular, the Post-Secondary Train-

TABLE 4 Summary of Cuts in Health and Community Services

Cut (Projected Savings)	Rationale	Impact	Comments
Removal of the NL Provincial Drug Program coverage for over the counter drugs/services and introduce Diabetic Test Strip limits consistent with national guidelines. (\$5,536,000)	Program will be modified and brought in line with similar programming in other jurisdictions.	Poor women won't be able to afford OTC's.	Discriminates against sick women.
Elimination of the NL Adult Dental Program (\$3,000,000)	Program will be modified and brought in line with similar programming in other jurisdictions.	Poor women won't have access to dental care.	Discriminates against poor women.

ing Services Program for persons with disabilities will be integrated into the Student Loan Program. Cuts to programs designed to support women especially vulnerable groups will further increase gender inequalities in Newfoundland and Labrador.

Expenditures

The government is planning a few initiatives that will help to reduce gender inequalities. The expansion of the kindergarten program to be province-wide will bring Newfoundland and Labrador on par with the rest of North America in terms of offering kindergarten for all five-year olds. This potentially could lead to better educational outcomes for all children. The government has also allocated funds to certain initiatives designed to improve the lives of seniors, such as new options for seniors requiring enhanced care. In addition, new prescription medications have been added to the list of covered expenses under the Newfoundland and Labrador Prescription Drug Program. These are small gestures in a budget that puts deficit reduction ahead of the well-being of girls and women.

Of particular concern for women is the lack of job creation initiatives. The government has focused on infrastructure and natural resource sector support as a means of economic stimulation. While this is good overall, the vast majority of positions in construction and natural resources are held by men.³⁸

Both in expenditure reductions and in funding, the government has failed to take into account how these decisions will impact the lives of girls and women. The final part of the budget, income supports and taxation, continues this trend.

Income Supports and Taxation

In the budget, the government included several new revenue sources, while implementing the new Income Supplement program.

Income Supplement Program

The government eliminated support programs such as the Home Heating Rebate and the HST rebate and introduced the Supplement for Low Income Residents in the budget.³⁹ The goal of the program is to reduce the impacts of the budget on low income individuals, families, seniors and persons with disabilities. The actual supplement varies according to the category, but the range is from \$450/year for a single earner with an income not more than \$30,000/year to \$1,823 for a senior couple with an income of \$26,000 (including the Seniors' Annual Supplement). While this program appears to offer some relief from the austerity measures, it actually does not offset the increased taxes discussed below.

Temporary Deficit Reduction Levy

The government introduced the Temporary Deficit Reduction Levy as a source of revenue, which is estimated to generate \$126 million/year. The Levy will begin to be phased out in 2018. This tax is completely regressive because it is not based on income. Individuals earning the top bracket (above \$202,500) will only pay 0.4% of their income (\$900/year). The Levy will last for three years. Women earning the average for full-time employment, \$29,900, will have to pay an additional \$300/year in taxes, although individuals earning less than \$20,000/year will be exempt. This additional tax represents 1.25% of income for the average full-time female worker.

Personal Income Tax

In general, the taxation system remains regressive — the rate of taxation is not proportionate to the increases based on income — for example, women earning \$35,149/year will pay 13.5% percent income tax, while taxpayers with an income over \$175,700 will pay 16.8%. Changes in the dividend tax credit and corporate income tax are small in comparison to the impact of increases in personal income tax (including the Temporary Deficit Reduction Levy). Increases to taxation take a greater toll on women due to dis-

posable income inequality: since women earn less than men, they spend a higher proportion of their income on necessities and have less left over for increased expenditures, such as paying more income tax.⁴⁰

Other Tax Increases

Three other tax increases are of particular importance to Newfoundland and Labrador women: the increase in the Harmonized Sales Tax (HST), the re-introduction of the Retail Sales Tax (RST) on insurance premiums, and the increased Gas Tax (which will double to 33 cents/litre). The two percent increase in the HST, applicable to most goods and services, will mean even less disposable income for the average woman. The RST will further impact women. Owning a car is essential in many parts of the province, especially rural areas where there is no public transportation. In general, flat taxes, such as the new Retail Sales Tax on insurance premiums,⁴¹ have greater impacts on women because of their lower average incomes than men. Finally, over fifty government service fees have increased, ranging from increased prices for vehicle permits to mostly costly registration for various trades and professions.

Budget Impacts

THE BUDGET ONLY reinforces and worsens the existing gender inequalities in Newfoundland and Labrador. The cuts to programs and services that will not only mean a reduction in supports, but also several hundred lay-offs impact girls and women as a group.

This budget means:

- Less money in the pockets of female workers
- Less services for vulnerable girls and women
- Job cuts for women in above-average paying jobs in education and government
- Potential educational deficits for girls

Changes in the education system will mean hundreds of lay-offs for women with well-paying jobs. The result will have economic impacts not only for the women and their families, but for the economy of the province. Classroom restructuring in the form of larger classes and mixed grade classrooms will likely negatively impact the education of girls. These changes will be pronounced for vulnerable girls, such as those coping with a disability or a learning disorder. The government announced province-wide full-day kindergarten starting in September, 2016. There is no evidence that suggests that the benefits of full-day kindergarten are protection against the detrimental impacts of larger classes and mixed grade classrooms. Although full-

TABLE 5 Budget Impacts Illustration on a Single Woman Earning Average Full Time Income⁴²

Budget Item	Expenditure	Income
Cancelling the Home Heating Rebate Program	\$200	
Income Tax increase	\$160	
HST Increase	\$120	
Retail Services Tax on Car Insurance	\$112.35	
Temporary Gas Tax increase	\$241.56	
Temporary Deficit Reduction Levy	\$300	
Income Supplement		\$450 ⁴³
Total difference		-\$683.91

day kindergarten is definitely a step forward within the education system. The full-day kindergarten initiative will require teachers, but far fewer positions will be created than those being cut.

The cuts to the public service will result in hundreds of women losing their above-average paying jobs, resulting in economic hardship for themselves and their families, as well as negative economic impacts.

The funding cuts to programs such as the end of the over-the-counter medication plan and support for school transportation will either require women finding the money elsewhere or going without. For disabled women, not being able to take required medications may further worsen their health. For rural women, losing the school transportation supplement may mean that there is no way to get their children to school. For other groups of vulnerable girls and women, the budget impacts are even more severe. Even the increased seniors' benefits will not be offset by the higher taxes older women will have to pay.

Looking at the average income of a woman, the analysis revealed that she will be worse off financially after the budget is implemented. A woman earning \$30,000/year will see an approximately 2.3% income reduction. Higher income taxes, increased HST, the Retail Services Tax on insurance, higher gas taxes and the Levy will result in less income for the majority of women. The following table summarizes the impacts of the budget on the average woman in Newfoundland and Labrador. If the woman previously received government support for required over-the-counter medications, the loss of this funding will further reduce her income.

Recommendations

THIS REVIEW REVEALED that the current budget serves only to exacerbate the existing gender inequalities in Newfoundland and Labrador. The government has the opportunity to make real change if they adopt a gender-sensitive approach to the budget process, from the initial consultations to the policies and programs they put in place. The following is a discussion of measures that would reduce gender inequalities, while improving the lives of girls and women and enabling them to better contribute to the economy.

1. Participatory Budget Development and Evaluation

The Newfoundland and Labrador government launched a public consultation process to guide the development of the 2016–2017 budget, including a “dialogue app,” public meetings and stakeholder meetings.⁴⁴ *What We Are Hearing*⁴⁵ summarizes the various themes that emerged from the consultation process. Participants discussed a number of issues ranging from income assistance fraud to service amalgamation. The inclusion of the public consultation results in the budget is limited. Notably, the sweeping changes to the classroom environment, personal income tax increase and the health care program cuts were not referenced in the document. Participatory budgeting requires that the government actually respond to the results of their consultations, rather than use the process and then make a budget that is not reflective of the results.

Participatory budget development must include women's voices and efforts should be made to make sure this happens in the evaluation of this budget and in the development of future budgets. It is the responsibility of government to seek out women's input and of women to provide input. There were no submissions from individuals or organizations that represent girls and women's in the consultations for the 2016–2017 budget. The government plan includes a second round of consultations in the fall of 2016, hopefully gender issues will be included in this round, especially in light of the considerable negative consequences of the present budget on girls and women. Gender-inclusive methods that seek out input from women and gender based organizations are a necessary part of the participatory consultation process, and the government is urged to adopt this approach.

2. Gender Responsive Budgeting

Participatory budget development and evaluation that does not include gender mainstreaming serves to perpetuate existing inequalities and runs the risk of worsening the imbalances. The government would benefit from including gender responsive budgeting techniques in future budgets. Gender budgeting is an important tool for evaluating the gender impacts of budget processes and macroeconomic policies.⁴⁶ Newfoundland and Labrador women still face considerable inequalities, particularly with the wage gap and health status.⁴⁷

3. Evidence-based Decision Making

Budgeting based on sound evidence leads to both better economic outcomes for governments and reduced inequalities for girls and women. Conducting thorough reviews of the effectiveness of programs and services along with impact-assessments of changes in the taxation system prior to implementing changes leads to better outcomes. Investing in evidence-based evaluation saves money. Inclusion of a gender lens in such evaluations helps to ensure that the eventual changes will make girls and women's lives better, for those directly employed by the government and citizens. In *Our Fiscal Future: Starting the Conversation*,⁴⁸ the government states that evidence-based decision making will be incorporated into the revised budgeting system. As their renewal process continues, the adherence to this commitment should be monitored, especially in terms of gender impacts.

4. Gender Inclusive Performance-Oriented Budgeting

Evidence-based decision making requires performance-oriented budgeting in order to be effective. Performance-oriented budgeting focuses on evaluating the costs of a program or service in relation to the personal, economic and social benefits. The government has stated their commitment to consultation, evaluation and transparency, all key aspects of performance-oriented budgeting. Effective performance-oriented budgeting includes analysis of how gender is involved in government decisions.⁴⁹

With regards to the current budget, the regressive taxation method disproportionately impacts the majority of women in the province. The reduced income of women will result in increased personal stress, decreased spending, and further marginalization — all markers of failure within a performance-oriented budgeting framework. It is recommended that in the movement towards performance-oriented budgeting that the Newfoundland and Labrador government can avoid such poor outcomes by including gender analysis in all stages of the budget development, implementation and evaluation process.

5. Fiscal Recommendations

This review has summarized many of the impacts of the current provincial budget. As discussed, there are widespread and considerable negative consequences for girls and women. The above section on budget development, implementation and evaluation methodology reviewed the importance of including gender as part of each step of the process. Adopting a gender lens will help reduce inequalities for Newfoundland and Labrador girls and women. In addition, there are specific recommendations about budget content that can be implemented — expenditures and revenues need to have a gender lens applied in order to fully understand their impacts.

The various cuts to programs and services reviewed in this report have an overall negative impact on women. Cutting programs like the over-the-counter medication support for poor girls and women will detrimentally impact their health status. Women who lose this funding will have even less money to spend on their required medications given the higher taxes they will soon be paying. Instead of cutting the program, it is recommended that the program be re-instituted and a complete review be conducted, using the principles of gender analysis and evidence-based decision making.

5.1 Invest in Child Care, Healthy Development and Education

The cuts to healthy development initiatives and the education system are severe. Investing in healthy development initiatives, such as support for childcare or early preventative programs for vulnerable children, would yield high dividends for Newfoundland and Labrador.⁵⁰ As previously discussed, poorly-planned cuts to education will impact the education of children, and many teachers will lose their jobs. A thorough consultation process including an emphasis on the gendered nature of education workers should be conducted on any changes.

5.2 Invest in Health

Health is a comprehensive construct and health services are the largest expenditure of the government. Continuing to invest in reducing violence against women and in supporting some health behaviour programs, such as smoking cessation support is a wise decision. Other health promotion and primary care initiatives should be adopted, especially women's' and developmental health initiatives. Expanding these programs will lead to healthier girls and women. Mental health problems, particularly depression, are the leading cause of worker absenteeism. The government should pursue alternatives to traditional program delivery models that both improve access and reduce costs for not only mental health treatments but also innovate in other areas. Moving the health care system towards evidence-based decision making and increasing patient-centered approaches not only is good for girls and women, but would also result in considerable savings.

5.3 Continue to Improve the Lives of the Most Vulnerable

The government of Newfoundland and Labrador was making substantial improvements in poverty, with the premier proudly announcing their accomplishments in October, 2015: "In 2003, our government made a bold commitment to transform this province from one with the most poverty to one with the least within 10 years. And we've done just that. Statistics Canada information confirms that Newfoundland and Labrador has the lowest level of poverty in Canada. This is an incredible achievement, by any measure, and one in which we are justifiably proud."⁵¹

The present budget provides a complex framework for low income Newfoundlanders and Labradorians. On one hand, there are some increased

income supports, but increases in various taxes coupled with program reductions translates to less money in the pockets of the working poor. As the analysis of a working woman earning \$30,000/year demonstrates (refer back to *Table 5*), these impacts will be significant. The government is urged to reject any further action that erases the progress that has been made.

Vulnerable girls and women are not a homogenous group and have diverse support requirements. *Table 1* reviewed a few of the various impacts on women from different at-risk groups. The present budget has the potential to further marginalize aboriginal women, senior women, rural women, disabled women, lone mothers and other groups. As the government moves forward with further budget consultations, it is vital that these groups are included in the process. In addition, programs designed to support these groups, ranging from education and employment initiatives to improvements in health and social services are required in order to reduce the considerable risks faced by many groups.

5.4 Support for the Disabled and Caregivers

New initiatives that support caregiving are also recommended. The current budget offered little for caregivers, and cut the amount of homemaking hour support. This cut will result in greater demand on families to care for their disabled and older loved ones. Caregivers, predominately women, have to take time off from employment to care for their disabled family members. The extended Compassionate Care Employment Insurance Benefit⁵² is designed to help those needing to leave work altogether to care for a loved one, but there are no supports for those who must reduce their working hours or for those who do not qualify for EI. Time away from work not only impacts women's own economic security, but the combined cost of this on the economy is considerable. Given that the population of Newfoundland and Labrador is aging, it is imperative that the provincial government take action to reduce the personal, economic and societal costs of caregiving.

The aging population also require more health services, placing more strain on an already burdened system. Newfoundland and Labrador have the highest national rate of individuals requiring home care — 9% — and the bulk of this is provided by unpaid family members or low-paid caregivers.⁵³ Caregiving supports can help to reduce health system access and decrease time away from work to care for a sick loved one. It is recommended that the government introduce a caregiving benefit to help offset some of the expenses incurred while looking after a sick loved one.

5.5 Increased Support for Working Women and their Families

A caregiver support benefit would help reduce the costs associated with taking care of a loved one, but there are other measures to support women financially that could be undertaken. While the Income Supplement Benefit in its spirit — as a means of lessening the financial burden of the current budget on the poor — is a positive initiative. However, many women will actually be worse off financially even after receiving the benefit. In addition, the amount of the benefit is not sufficient to bring low-income earners up to the poverty line. It is recommended that the cut-off points for the various forms of income support be reviewed and potentially adjusted to provide support for the working poor and lower middle-class earners.

5.6 Increase Support for Victims of Violence

While the government has implemented some supports for victims, more needs to be done. Newfoundland and Labrador have the highest rates of intimate partner violence in the Atlantic Provinces. Funding needs to be increased and be directed to programs and services that are appropriate and effective for preventing and treating the victims. The current budget is far too vague on violence to conduct analyses, but the cuts in services and programs, along with court house closures and stagnant funding for women's groups all indicate that the government is not moving towards better support. In general, austerity government's cut funding to the most vulnerable women, including female victims of violence. There is some evidence that the cuts to social programs and government-funded organizations leads to increased rates of violence against women.⁵⁴ A well-organized evidence-based plan to reduce violence against women is required for true improvements to occur.⁵⁵

5.7 Invest in Women's Work

The current budget serves only to widen the gender gaps in wages, job security and economic power. Pay equity legislation is required in order to address the income gap, while continuing to invest in jobs with living wages and offer some stability is also essential. The cutbacks in the budget will equate to fewer women earning a decent wage and contribute to an economic downturn.

Continuing to support the natural resources sector, especially Nalcor (the Newfoundland and Labrador Energy Corporation) and to fund infrastructure projects may mean more jobs, but those positions will be filled by male workers and are usually temporary. It is recommended that the government invest in job creation that harnesses the well-educated female workforce and that a thorough review be conducted prior to the elimination of any positions in education or government. Public sector jobs are good for the economy of Newfoundland and Labrador.⁵⁶ Women make up the majority of employees in these fields, and the projected 400+ full-time equivalent^{57 58} positions being eliminated will have drastic impacts on the workers, their families and the economy. Moreover, the government should move to support the development of businesses outside of the traditional areas of natural resources and tourism and provide funding for women starting new ventures in innovative areas.

5.8 Adopt Gender-Sensitive Taxation

Tax policies that do not take into account the potential for differential impacts on women and men risk hurting women's economic security and the overall economy.⁵⁹ The changes to the tax system will reduce women's income and unfairly target women. Increased personal income tax, the new temporary levy, the increased HST, the temporary increase in gas tax, and the RST on insurance are all regressive measures – the lower the wages, the higher the proportion of income that a woman will be forced to pay. Progressive income tax is the only fair and effective way to fund public services that respond to the needs of the population.

Conclusion

THE GOVERNMENT OF Newfoundland and Labrador is at a pivotal junction; the current budget crisis poses a great opportunity to move forward with a new plan that invests in the future of the province. Including gender responsive budgeting would permit the development of policies that reduce gender inequalities, result in more women in the workforce and increase their ability to contribute to the economy, while improving their individual lives.

Newfoundland and Labrador women are known for their resiliency, independence, excellent work ethic, and problem solving. They can make-do and carry on. They have a strong commitment to family and the community. The government would be well served if their strengths were capitalized upon by adopting policies and offering services that work to reduce gender inequalities. Such an approach would not only strengthen women, but also the whole of Newfoundland and Labrador.

Appendix: Analysis Methodology

THIS REVIEW IS a gender analysis of the Newfoundland and Labrador budget for 2016–2017, conducted immediately after its release in April 2016.

A gender based analysis was conducted using the principles of gender responsive budgeting.⁶⁰ The basic premise of gender responsive government budget is to reduce inequalities between females and males through the allocation of resources. To accomplish a gender budget review, therefore, the following questions were posed:

- Does this budget differentially impact women and girls?
- Does this budget differentially impact specific groups of women and girls?
- What are the specific areas within the budget that differentially impact women and girls?
- What are the specific areas within the budget that differentially impact specific groups of women and girls?
- What are the impacts for each of the above four questions?

The steps of the review:

1. Conducted a scan of media reports on the reaction to the budget, using “gender”, “women”, “girls,” and “children” and “Newfound-

land and Labrador” as search terms for the two weeks immediately following the release of the budget. The objective of the scan was to highlight gender related issues in the budget.

2. Conducted a thorough review of the budget, including expenditures and revenue. A count method was used to review the individual items, with items being scored as either having a gender impact or not. Once items were identified as having a potential gender implication, the exact nature of the factor was defined and follow-up was conducted.

Notes

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- 4** Rhonda Sharp (2003). *Budgeting for Equity: Gender Budget Initiatives within a Framework of Performance Oriented Budgeting*. UNIFEM.
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- 6** CCPA, Alternative Federal Budget, 2015. https://www.policyalternatives.ca/afb2015chapters/Gender_Equality.pdf
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- 9** Ibid.
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- 14** <http://www.exec.gov.nl.ca/exec/cabinet/ministers/>
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- 19** Statistics Canada. Table 051-0001. Estimates of population, by age group and sex for July 1, Canada, provinces and territories annual (persons unless otherwise noted) 2015 data.
- 20** Statistics Canada. Table 115-0002. Adults with and without disabilities, by age group and sex, Canada, provinces and territories. 2012 data.
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- 24** Newfoundland and Labrador: National Household Survey 2011: Aboriginal Population.
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- 27** Diana Gibson and Greg Flanagan (2014). Newfoundland and Labrador: Options for a Strong Economy. Canadian Centre for Policy Alternatives.
- 28** <http://www.budget.gov.nl.ca/budget2016/speech/default.htm#9>
- 29** Isabella Bakker, Gender Budget Initiatives and Why They Matter Ottawa: CCPA, 2016. https://www.policyalternatives.ca/sites/default/files/uploads/publications/National_Office_Pubs/2005/afb2006_techpaper1_gender_budget_initiatives.pdf
- 30** Note that this is not a thorough social and economic analysis of the status of women in Newfoundland and Labrador. That analysis would require access to more data, both quantitative and qualitative, about the diversity of women in NL.
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- 33** The rationale is taken from “Detailed Expenditure Reductions for Budget 2016-17,” available at: <http://www.budget.gov.nl.ca/budget2016/expenditure/default.htm>
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- 44** <http://www.gov.nl.ca/ourfiscalfuture/fiscal.html#fiscal>
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