

Where Are the Women?

Gender Equity, Budgets and Canadian Public Policy

Janine Brodie and Isabella Bakker



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Preface

MAJOR PARTS OF this policy research paper were proposed and developed under a call for proposals issued by the Policy Research Fund (PRF) of Status of Women Canada (SWC) in September 2004. The final report, entitled *Canada's Social Policy Regime and Women: An Assessment of the Last Decade*, was peer-reviewed, edited, translated into French, and scheduled for publication in early 2007. It was not published, however, because the newly-elected Harper government both cut the operating budget of SWC and terminated its Independent Policy Research Fund (IPRF). Initially established in 1996, this fund supported gender-based policy research on public policy issues in need of gender-based analysis with the goal of developing equitable policy. During its decade-long lifespan, the IPRF funded and published over 75 studies, which had proved to be critical resources for policy-makers, policy advocates, and equality litigants. The abrupt and arbitrary cancellation of the IPRF has effectively put an end to the capacity of SWC to generate independent policy research and to assemble external expertise to advocate for women's equality and gender equity inside and outside of the federal government.

In the fall of 2006, the Honourable Beverley Oda, then Minister of Canadian Heritage and the Status of Women, defended the cancella-

tion of the PRF and budget cuts to SWC before the House of Commons Standing Committee responsible for the status of women. She argued that the new Conservative government “does fundamentally believe that all women are equal.” Contrary to Minister Oda’s assertion, this report underlines that the goal of gender equality has not been met and, importantly, that the relentless attack on federal social programs over the past decade have undermined the goal of gender equity, as well as the well-being of Canadian women, especially the most vulnerable.

Research generated by Statistics Canada in 2006 also indicates that, on a variety of fronts, gender equality remained an elusive goal of public policy. *Women in Canada: A Gender-based Statistical Report* (Statistics Canada 2006) noted that the increased participation of women in the paid workforce, and especially of women with young children, was one of the most significant social trends of the past 30 years. In 2004, 58% of women aged 15 and over were employed, while the participation rate among women with children under three (65%) and children aged three to five (70%) had effectively doubled since 1976. Still, the report found that, compared to their male counterparts, women were far more likely to lose time at work because of personal or family responsibilities, work part-time, and earn less. In 2003, Canadian women working full-time (full-year) earned 71% of what men working full-time (full-year) earned. Similarly, 38% of families headed by lone-parent mothers lived below the poverty line, compared to 13% of male lone-parent families, and 7% of two-parent families. Statistics Canada also reported that, in 2004, females were six times more likely than males to be victims of sexual assault and far more likely to experience criminal harassment, stalking, and spousal abuse (*CCPA Monitor 2006, 29*).

Our initial report can be found on the SWC website at <http://www2.swc-cfc.gc.ca/qfsearch/SearchServlet?encoding=ISO-8859-1&collection=Internet&sortfieldo=relevance&lang=en&queryo=brodie+and+bakker>.

The initial report, as well as this revised report, reflect the views of the authors. However, we wish to thank SWC for funding this research and Jo Anne De Lepper and Zeynep Karman, formerly of SWC, for their support of and contributions to this project. Parts of the postscript can be found in Brodie (2008b).

Executive Summary

THIS REPORT ARGUES that contemporary social policy reforms, while often attributed to the ongoing pressures of economic globalization, the ascendance of neo-liberal thinking in political and policy circles, and broader shifts in the economy, labour markets and social structures, also have been accompanied by the progressive disappearance of the gendered subject, both in discourse and practice. Most recently, Canada's minority Conservative government, elected in January 2006, declared that the goal of gender equity had been achieved and then purged any reference to gender equality from the mandate of Status of Women Canada. However, as this report underlines, the degendering of social policy and the erasure of the goal of gender equity from the policy process has been a more long-standing project, reaching back to the mid-1990s. In fact, government accountability to gender equality goals (e.g., The Federal Plan of Action, Beijing+10, and the Convention on the Elimination of All Forms of Discrimination against Women) has been marked by a significant disconnect for more than a decade. This disconnect, or policy *incoherence*, is signaled by both the pursuit of "gender-neutral" policies, such as tax expenditures (which we demonstrate to have very gendered outcomes) and, the declining capacity to undertake gender -based analysis (GBA) in

key areas of fiscal and social policy. The erasure of gender, we argue, has significant implications for other key policy commitments, such as the eradication of child poverty. Another consequence is the repudiation of the amassed feminist research of the social sciences, which has repeatedly documented the implicit gendered norms that underpin supposedly gender-neutral models and assumptions, particularly in fiscal policy.

This erasure of gender, we argue, is partly attributable to the priority given to market accountability and sound macroeconomics. Questions of social cohesion, poverty reduction, social and gender justice have taken on a secondary import; any attention to these issues is seen as conditional to the realization of a sound fiscal picture. We suggest that all macroeconomic policies are social policies with distributional consequences along regional, gender, race and class lines. The general political and economic context within which social policy decisions are framed limits the ability of equality-seeking groups to make claims on public resources.

This report focuses on five dimensions of this degendering process. Part 2 of the report examines the progressive residualization of social policy since the early 1990s. Major federal social policy initiatives are discussed and evaluated in terms of their implications for different groups of women. Another related policy shift in federal social policy in the last decade has been the almost exclusive focus on children. As we illustrate, the National Child Benefit and other social tax expenditure measures are linked to broader objectives of social welfare reform that promote labour force attachment among welfare recipients and only indirectly invest in children.

Part 3 of the report focuses on factors we identify as contributing to the fragmentation and erosion of Canada's social assistance regime and relates this to an analysis of their gender-differentiated impacts and outcomes. We review provincial and territorial changes over the last decade and focus on a nuanced understanding of poverty differentials and links to so-called gender-neutral public policies. The gendered underpinnings of poverty are examined, as well as the constraints of contemporary social policy regimes that help entrench a poverty trap for Canada's most vulnerable. Tax-delivered social policies, we demonstrate, do not benefit

low-income women since they generally do not have enough taxable income or tax liability to claim deductions, exemptions, or credits. Family-directed tax expenditures, such as the Canadian Child Tax Benefit, also assume that the primary breadwinner shares financial gains equally within the family, an assumption that ignores many micro-studies on intra-household financial inequalities.

Part 4 of this report documents the degendering of policy capacity, both within and outside of government, and relates this to the disappearance of women in the reform of the post-war social policy regime. We refer to this process as the 3Ds of degendering policy capacity: delegitimization, dismantling and disappearance. This threefold process, we argue, stands in stark contrast to the international and national commitments of Canadian governments to undertake gender-based analysis and promote gender equality across the broad spectrum of public policy.

An increasingly important component of social policy capacity is the entire process of budget planning; this is discussed in Part 5 of the report. The last decade has been characterized by fiscal policy decisions that marked a period of dramatic cuts between 1994–95 and 1996–97, followed by a surplus era (1998–) where previous cuts were not significantly redressed. Indeed, in the surplus era the federal government has focused on two policy instruments to influence social policy: tax credits/refunds and federal-provincial/territorial agreements that involved earmarked unconditional increases to the CHST.

From a gender analytical perspective, we explore several key issues linking social policy to the budget process, including the federal government's unilateralism with respect to social policy decisions through the budget process. The fiscalization of social policy has largely taken place behind the veil of budget secrecy. Social policy has not been open to public consultation, nor have indicators, social audits, or shared best practices been developed in a systematic way that would concretize the principles of the Social Union Framework Agreement.

A series of recommendations related to the governance of social policy are provided in Part 6 of this report. These recommendations are designed to:

- enhance the capacity of gender units within government;
- re-insert national standards and mechanisms for consultation and accountability in the design and delivery of social policy reform;
- enhance the capacity of Canadian governments to conduct effective gender-based analysis; and
- reform budget planning and consultation processes to create gender-sensitive oversight mechanisms within the Department of Finance, which take into account gender-equality commitments in the distribution of resources.

Part 7 of this report is a postscript that describes significant changes to the gender equity envelope since the election of the Harper minority Conservative government in January 2006.

Introduction

IN RECENT DECADES, Canadians have witnessed pronounced economic and political transformations that, for many, have contributed to a growing sense of insecurity and uncertainty about the future. This section of the report examines one dimension of the changing parameters of the Canadian experience, notably, the transformative and ongoing changes to Canada's social policy regime and their implications for Canadian women. Pressures to reform Canada's social policy regime, which took shape in the post-war years and matured in the 1960s and 1970s, have been linked to the ascendance of neo-liberal thinking, both in partisan politics and within policy-making circles, and to broader shifts in the Canadian economy, labour markets, and social structures. It is now commonly argued that these latter factors have rendered the post-war model outdated, unsustainable, and ineffective. Economic globalization is attributed with reducing the capacities of government to shield its citizens from the realities of ever more competitive international markets, while Canadian society itself is increasingly marked by different types of work, new family forms, increased cultural diversity, and pronounced changes in both intra- and inter-generational life courses. These and other factors associated with what has been termed "the new economy" and "post-industrial

society” have fuelled ever louder calls, in Canada and elsewhere, for new social programs and a new “social architecture” that can respond to the new social risks and insecurities of the 21st century (Jenson 2004).

A large and diverse range of policies and programs is subsumed under the broad umbrella of social policy, including health care, education, training, housing, income support, unemployment insurance, and care. Moreover, in Canada’s federal system, primary responsibility for many of these policy areas rests with the provinces, others with the federal government, while still others are shared, if not in law then in practice. During the past century, however, the federal government largely took responsibility for social security programs, such as Unemployment Insurance, Old Age Security, the Guaranteed Income Supplement for the elderly, the Canada Pension Plan, the spousal allowance, and child and veteran’s benefits. A second critical role for the federal government has been providing the provinces with cash transfers and tax points to assist in the funding of health care, post-secondary education, social assistance, and related social services (Rice 2002: 112). Third, the federal government has often taken a leadership role in conceptualizing the goals of social policy, as well as the substance of citizenship equality.

This report examines changes in the federal role in the social policy field, focusing on the impact of these changes on Canadian women and on gender-based capacity within Canada’s federal and provincial governments. Part 2 of this report recounts key social policy changes since the federal Social Security Review (SSR) was launched in 1994. It represented an initial attempt by the federal government to re-think the goals, programs, and delivery of Canada’s post-war social architecture. Many Canadian social programs, however, had already been significantly eroded in the previous decade through what social policy analysts have called the “politics of stealth,” that is, cutting social benefits through fiscal policies and behind the veil of budgetary secrecy (Gray 1990). Beginning in the mid-1980s, the federal government regularly raised the spectre of the 3Ds — **dollars, deficits and debts** — as reasons for eroding the foundations of the postwar welfare state. The federal social envelope was progressively deprived of funds, the Unemployment Insurance program was

repeatedly restructured to reduce benefits and tighten eligibility, and universal social programs for families and the elderly were subject to clawbacks and de-indexation (Torjman 1995: 1). During these years, the federal government, claiming the need for budgetary affordability and predictability, also began to retreat from its fiscal obligations to the provinces (at least the wealthiest provinces) to share equally in the costs of social assistance programs for Canada's most vulnerable citizens.

In many ways, then, the process of social policy reform was already set in motion before Prime Minister Jean Chrétien announced, in 1993, that social policy reform would be a priority of his newly-elected majority government. The launch of the Social Security Review (SSR) in early 1994 was applauded by some policy advocates as an opportunity to realize significant and necessary social policy reforms. Within a year, however, it was clear that the project of social policy reform would be eclipsed by federal budgetary manoeuvres that effectively dismantled the fiscal foundations of Canada's post-war social security and welfare systems. As Part 3 of this report explains, the cumulative impact of changes in the funding, delivery and design of social programs, at both the federal and provincial levels, has left in their wake an increasingly fiscalized, fragmented and eroded social architecture. As a result, Canada's poorest — disproportionately women and children, Aboriginal peoples, and visible minorities — are poorer and more financially insecure than they were before the reforms were enacted (NCW 2005).

Part 4 of this report documents the degendering of policy capacity, both within and outside of government, and relates this to the disappearance of women in the reform of the postwar social policy regime. We refer to this process as the 3Ds of degendering policy capacity: delegitimization, dismantling and disappearance (Brodie 2007). This three-fold process, we argue, stands in stark contrast to the international and national commitments of Canadian governments to undertake gender-based analysis and promote gender equality across the broad spectrum of public policy.

Part 5 elaborates on the gendered impacts of the progressive shift in power and influence in the policy-making process away from social equality concerns to the budgetary process.

It reviews how the assumptions of orthodox economics has systematically excluded a plurality of diverse expertise and interests in the budgetary process and created an incoherent policy environment that silences the articulation of gender policy concerns. This section also explores alternative models that would facilitate “bringing gender back in” to this critical centre of policy formation and implementation.

Part 6 provides a set of policy recommendations designed to enhance the capacity of gender units within government, to re-insert national standards and mechanisms for consultation and accountability in the design and delivery of social policy reforms, to enhance the capacity of Canadian governments to conduct effective gender-based analysis and reform the budget planning and consultation processes.

Part 7 summarizes significant shifts in discourse and policy in the governance of gender since the election of the minority Conservative government in January 2006.