

**BRIEF**  
**TO**  
**PRE-BUDGET CONSULTATIONS**  
**OF THE**  
**HOUSE OF COMMONS**  
**STANDING COMMITTEE ON FINANCE**  
**SUBMITTED BY**

**The National Council of Women of Canada**

**September 2000**

**PREAMBLE**

The National Council of Women of Canada (NCWC) appreciates this opportunity to present our concerns and priorities for economic issues affecting women, their families and the state to the House of Commons Standing Committee on Finance.

Founded in 1893, NCWC is a non-profit federated organization of women's groups representing a large number of citizens of diverse occupation, language, origin and culture. NCWC is composed of twenty local councils, five provincial councils, two study groups and twenty-seven nationally organized societies.

NCWC policy is created by means of local council initiative. Policy additions and changes are proposed, circulated and voted upon by the general membership. Council members may speak only on existing policy when contacting government, the media, and the public. Thus, this brief is the united voice of the federated membership of the National Council of Women of Canada.

NCWC enjoys consultative status (Category II) with the Economic and Social Council of the United Nations (ECOSOC). In addition, NCWC is a federated member of the International Council of Women (ICW), similarly a non-governmental organization holding consultative status (Category I) with ECOSOC. Founded in 1888, ICW is composed of National Councils in seventy-four countries, bringing together women of many, races, creeds, and cultural traditions.

In the preparation of this brief, NCWC has addressed the following three primary themes outlined by the Standing Committee on Finance:

1. *ensure that Canada remains a major player in the new economy;*
2. *provide Canadians with equal opportunity to succeed; and*
3. *create an economic and social environment where Canadians can enjoy the best quality of life and standard of living.*

## 1. ENSURING CANADA REMAINS A MAJOR PLAYER IN THE NEW ECONOMY

The expression, “The New Economy” implies change. The phrase is epitomized by the words, “globalization and technology” and encapsulates the changes we are living through. Helped by modern technological communications and ease of travel, we live in a world that is interconnected as never before - one in which corporations, groups and individuals can interact directly across state frontiers, often without involving the state at all. Nevertheless, in the long term, the new economy will be good for its citizens only if its relationship to people is recognized as front and centre and if its benefits are spread to all. We live in an era of mobile capital and of massive holdings by corporations which provide extensive power to the owners and managers of that capital. Global firms often control and co-ordinate world-wide production centres for their products. This style of global production and marketing requires governments to play an important role in the attempt to retain a degree of national sovereignty.

The benefits from globalization are easy to see: faster growth, higher living standards, new opportunities for common action and better international understanding. The problems stem from unequal distribution of opportunities between individuals, corporations and nations. A thriving economy, benefitting from investment in research and development to create increased employment opportunities, can enhance the quality of life for citizens at all levels of society. . NCWC also wishes to see investment in new business, particularly small ventures.

The National Council of Women of Canada advocates a strong role for government in the protection of Canadian sovereignty in matters of the economy, and particularly with respect to social, environmental, health and cultural programmes. NCWC supports federal government measures to bring about a more even distribution of benefits and opportunities of globalization, especially to those at the lower end of the income scale.

To retain Canadian influence in the new economy through its reputation for integrity and an ethical approach, NCWC policy holds that the government must work both within Canada and internationally to fight against unfair and unethical labour practices. For the majority of Canadian businesses, which adhere to fair practices, it is difficult to compete against manufacturers with the lower costs inherent in abusing the human rights of their workers, mainly women and children.

### **NCWC recommends that the government:**

- a) increase control over banks;
- b) continue to invest in research and development to stimulate the economy, particularly in technological areas and set as a priority the development of long-range policy which would encourage technological, scientific and medical research in Canada;
- c) encourage investment in new business, particularly small ventures;

- d) protect social, environmental, health and cultural programmes; and
- e) establish fair and ethical labour practices here and advocate for such practices abroad.

## 2. PROVIDING CANADIANS WITH EQUAL OPPORTUNITY TO SUCCEED

Members of Council of Women commend the Standing Committee on Finance for addressing this important social issue and on recent measures by Human Resources Development Canada to create paying jobs. Yet, even though Canada ranks #1 in the Human Development Index, Canada's rank dropped to #10 in 1998 with regard to the gap between the rich and the poor. The vast majority of Canadians want the means to succeed in their chosen area and to earn an income which provides the necessities of life. The income derived from work and the quality of life are measures of this success.

**2.1 Opportunities:** The Council of Women agrees with the Report of the Standing Committee that “social infrastructure is an important component of a growth agenda”<sup>1</sup>. Providing the opportunity to succeed entails a broad range of social infrastructures such as housing, education, good health and a safe, clean environment, measures to alleviate poverty, along with job opportunities under fair labour practices mentioned above.

**NCWC recommends that the government work with the provincial and territorial governments to:**

- a) make grants, loans and advice more easily obtainable by those wishing to start small businesses, especially for women, as small businesses are so often the source of new jobs;
- b) offer small grants, such as providing free transportation and child care especially for job hunting; and
- c) ensure that equal training opportunities are available throughout Canada through the Employment Insurance Fund and other training programmes.

### **2.2 Poverty**

NCWC commends the Standing Committee on Finance for its commitment to long-term reduction of poverty and for its support of the National Child Benefit<sup>2</sup>. Poverty negates the opportunity to be employed. Poor people are so busy finding ways to survive that they have few resources, emotional or financial, to look for work. The quality of life for the working poor is often little better. How a society distributes its income is a fundamental determinant of social cohesion. People left on the fringes economically tend to be on the fringes socially.

NCWC strongly opposes a general reduction of income taxes at a time when poverty is increasing and social, health, and education programmes continue to be threatened with cut backs. In order that citizens, especially families with children, can escape the penury of joblessness, we urge the government to take a leading role in eliminating poverty by ensuring a more efficient and equitable treatment of all.

NCWC continues to be distressed that there is no longer a guarantee to the necessities of life. This entitlement, guaranteed in the Universal Declaration on Human Rights, to which Canada is a signatory, was abolished with the ending of the Canada Assistance Plan. Provincial governments are putting more and more obstacles in the path of people needing social assistance. Moreover, provincial governments seem to target social assistance recipients with increasingly punitive measures, such as in the fields of rental accommodation and lifetime denial of aid based on allegations of fraud. We believe strongly that this entitlement should be reinstated.

**NCWC recommends that the government:**

- a) make no more across the board cuts in income taxes but invest in income maintenance programs and work with provincial and territorial governments to ensure that they meet their targets;
- b) reinstate entitlement to social assistance based on need; and
- c) amend the Charter of Rights to include “social condition” as prohibited ground for discrimination.

**2.3 Children in Poverty**

NCWC commends the government for increasing the Canada Child Tax Benefit (CCTB) in Budget 2000, for reintroducing full indexation as of January/2000 and for the increase in the National Child Benefit Supplement<sup>3</sup>. Nevertheless, the gap grows between rich and poor with the result that those who benefit the least from our national wealth are children living in families at and below the level of Statistics Canada Low Income Cut-off. Family poverty strikes hardest at children. The many debilitating effects of poverty on child development and adult well-being are well documented. Canada continues to fail in its commitment to eliminate child poverty by the year 2000. According to The Canadian Fact Book on Poverty 2000, the child poverty rate in Canada increased from 14.9% in 1981 to 19.9 % in 1997 resulting in 1.4 million poor children. In 1981, 32.8 % of all poor children lived in lone-parent families; by 1997, this figure had risen to 43.2%. The circumstances of lone-parent mothers must be underlined: the rate of poverty was 53.5 % in 1981; in 1997, it was 56.0 %. In addition, the percentage of all poor households composed of lone-parent mothers had increased from 22.5 % in 1981 to 28.4% in 1997<sup>4</sup>.

The paid work of mothers is essential to reducing child poverty. Child care is an essential ingredient for parents to be able to participate in the work force, especially for mothers. High quality child care benefits pre-school children and therefore benefits Canada<sup>5</sup>. The present child care tax deduction is worth much more to higher income earners. Hence it is unfair to lower income earners and discriminates against families where one member is a full time caregiver<sup>6</sup>. NCWC strongly supports the National Children’s Agenda which proposes the

federal government lead a common shared vision across provinces and territories that values children and that provides opportunities for all children to achieve their full potential.

NCWC strongly opposes the clawback of the Child Tax benefit from families dependent on social assistance. This targets the poorest of poor families who live in deep poverty and are the most needy in our country.

Children from poor homes tend to have a poorer learning environment than other children. Education is still the key to escaping poverty and the level of education attained remains an important factor in distinguishing poor from non-poor households. The factors that correlate most closely with school failure and school dropout are parenting skills and income level. Parents require support in their task of preparing their children for adulthood, including participation in the workforce. NCWC, therefore, urges the federal government to include, in its negotiations with the provinces and territorial governments on the national Children's Agenda, the need for a universal comprehensive range of parent support services, including child and family Resource Centres.

Not all children have access to kindergarten which provides a critical learning opportunity, especially for children living in low income families. Although primary and secondary education is the responsibility of the provinces and territories, it is important that the federal government take a leadership role in this area through co-operative planning on the Children's Agenda.

**NCWC recommends that the government:**

- a) allocate more of the surplus to remedy the plight of poor Canadians particularly women, as well as families with children, by directing further tax cuts at those who earn little;
- b) raise the threshold level at which low income earners start to pay taxes;
- c) work with provincial and territorial governments to further increase the amount of Child Tax Benefit, fully index it to inflation and set terms for payment which benefit all children equally by ending the provincial clawback (except in New Brunswick and Newfoundland) from families dependent on public assistance;
- d) support the National Children's Agenda by providing a national system of child care, accessible to all families requiring out-of-home care, with enough subsidized spaces to meet the need;
- e) work with the provincial and territorial governments to establish a foundation of early childhood education and parent support services across Canada.

**2.4 Housing and Homelessness**

NCWC commends the Standing Committee on Finance for its support of the Minister of Labour on the issue of homelessness. NCWC also commends the federal government for its initiatives on homelessness and urges it to implement the recommendations without further

delay. Nevertheless this initiative will not address the underlying cause of homelessness, which is the lack of affordable housing. Homelessness is evident in every major city across the country. In addition to the presence of homeless in the city streets, the number of homeless families with children is growing all the time and they are found more often in shelters. Many families are paying too much for their accommodation, are unable to pay increasingly high rents and are forced to rely on food banks; over 40% of the users of food banks are children. Children growing up in these situations are likely to suffer from physical and emotional health with stress related difficulties which also affect their progress in school. Meanwhile, the federal government has effectively ended its social housing program and any agreements negotiated with the provinces and territories have not been effective in addressing this problem. Canada is a signator to the International Covenant on Economic, Social and Cultural Rights, which commits Canada to work toward an adequate standard of living for all its citizens. Homelessness affects nutrition, mental and physical health, susceptibility to violence and increases the risk to communicable disease. Homeless people are much less likely to find and hold jobs. Meanwhile the government of Canada continues to reduce a wide range of supports to the provincial and territorial governments who in turn cut their support programs.

**NCWC recommends that the government:**

- a) recognize that homelessness is reaching disaster proportions in Canada;
- b) reinstate the social housing programme;
- c) collaborate with the provincial governments to facilitate the conversion of suitable buildings into hostels and shelters and provide medical support services.

**2.5 Education:**

Children from poor homes tend to have a poorer learning environment than other children. Education is still the key to escaping poverty. The level of education reached remains an important factor in distinguishing poor from non-poor households<sup>7</sup>. If Canadians are to be successful in facing the challenges of the new economy, we must improve the capabilities of our future workforce<sup>8</sup> by investment in education at all levels. Education of all citizens, but especially of children, leads to the creation of knowledge - as essential for the new economy as for past and present generations. Illiteracy and functional illiteracy continue to prevent a significant number of Canadians from participating fully in Canadian life. In the computer age, the ability to read is as important as ever before. NCWC is concerned that the extra cost of books and other educational materials through the addition of the GST has a detrimental effect on literacy programs as well as the publishing industry.

**NCWC recommends that the government:**

- a) take a leadership role in working with the provinces and territories to ensure adequate funding for post secondary education;
- b) recognize that advances in technology originate in the human mind making important the education of all Canada's citizens to their full potential<sup>9</sup>;

- c) support measures for education and skills development and negotiate with the provinces and territories to increase their accountability to the federal government for funds received;
- d) establish a nation-wide learning environment for children from earliest infancy to school entry by establishing parent resource centres, early education centres, child development programmes, and family and group day care centres;
- e) encourage and promote programs to eliminate or combat the problems of illiteracy; and
- f) ensure that the cost of books and other educational reading materials are not increased through the addition of the GST.

## **2.6 Public Health and Health Protection Branch:**

A sense of physical and mental well-being is essential for a well functioning citizenry. The prevention of disease and a means to better health for all is epitomized in a Public Health system. Canadians have come to expect and to value an independent Health Protection Branch (HPB) as vital to Public Health. With the current re-evaluation by Health Canada of the role of HPB, NCWC is concerned about cuts in staff and other fiscal restraints which have had a negative impact on the ability of HPB to be effective in protecting the health of Canadians. There is evidence that the Health Protection Branch has failed to address adequately human safety requirements when determining whether food and drugs should be certified for public use under the Food and Drug Act. The private sector is taking an increasingly significant role in health product testing and this practice could lead to biased test reporting. The practice of requiring private companies to pay for the testing of their products may lead to pressure on the Health Protection Branch to approve food and drugs before adequate testing has been done.

### **NCWC recommends that the government:**

- a) invest sufficient funds to rebuild and further develop a strong, effective and an adequately funded Health Protection Branch that puts the public's interest's first; and
- b) ensure that an independent Health Protection Branch tests all health and food products.

## **2.7 Fair Labour Practices**

Under treaties such as the North American Free Trade Agreement (NAFTA) and the World Trade Organization (WTO), Canada has relinquished a degree of sovereignty in exchange for the rules of these Treaties. The Treaty rules control industrial activities at home and abroad. NCWC is concerned about the working conditions that result from these imposed conditions. While membership in both Treaties is restricted to countries considered to have a democratically elected government, the rules do not necessarily support Canadian democratic principles of industrial health and safety. Working conditions resulting from Treaty rules can negatively affect social, health, environmental, cultural and gender-based conditions of labour.

### **NCWC recommends that the government:**

- a) work with the provinces to achieve national standards;

- b) ensure that legislation be enacted that would require employers to provide prorated benefits, such as medical, dental, pension, and vacation, to all part time employees; and
- c) ensure that all aspects of health care remain in the public sector so that no more private health companies enter Canada to lower the labour standards in such areas as staff training programmes, benefits, job stability, safety standards - all of which lead to lack of employee motivation and poor care for patients.

### 3. CREATING AN ECONOMIC & SOCIAL CLIMATE FOR THE BEST QUALITY OF LIFE

NCWC commends the government for protecting taxpayers against inflation by restoring full indexation of the personal income tax system<sup>10</sup>.

#### **3.1 Taxation:**

National Council members note with pleasure that the federal deficit has been eliminated and the proportion of the National Debt owed outside Canada is falling. However, reports indicate that women's income has also fallen in recent years. By reason of the benefits from social programmes to low and modest income earners, especially to women, NCWC continues to urge restoration and further investment in social and health programme funding.

#### **NCWC recommends that the government:**

- a) maintain last year's programme of gradual debt reduction; and
- b) provide the greatest benefit to low and modest income earners by setting an even lower threshold below which low income people pay no tax.

Taxation of family income would have negative consequences for many women as they are usually paid at a lower rate, and are more likely to work part-time. The combining of both incomes would likely place the family in a higher tax bracket resulting in both spouses paying more income tax. Even if the tax bracket remained the same, the lower income spouse would be taxed at the higher marginal rate of the partner. Taxation of the family unit would negate any incentive for the lower income spouse to look for work.

#### **NCWC continues to recommend that the government:**

- a) base taxation on individual, rather than on family income.

#### **3.2 Gender Equality Indicators and Analysis:**

The advancement of women includes understanding women's lives and the unique constraints they face, as well as the varying needs of women across the country. Cuts in social services relegate women to stay-at-home care giving. Consequently, they have less time to pursue paths to personal activities or financial security through paid employment. Bureaucrats and politicians are often unaware of the different realities of women. Statistics, such as those pertaining to pensions, unemployment and health care are not always collected and analyzed by gender - all of

which signify discrimination against women and lead to blindness on the part of policy makers to the contributions and needs of women. Data from Statistics Canada and other departments are not often available to women's and community groups because of the cost of documents. Data on women are usually presented in a comparison with data for men which not only hides the different constraints women face but also tends to emphasize an adversarial rather than a co-operative framework. Although the Government of Canada is committed to carrying out gender analysis of all new federal programmes, this commitment is qualified by the statement "where appropriate" and the results of such gender analysis are not always readily available<sup>11</sup>.

**NCWC recommends that the government ensure that:**

- a) Statistics Canada and other government departments consult widely with diverse women's groups about the types of data collected;
- b) gender sensitivity training be conducted for bureaucrats and politicians, and resources be allocated by the federal government for such training;
- c) data be separated by gender;
- d) data be made accessible without charge to women's and other community groups;
- e) funding be provided for organizations to ensure a strong voice for women, and the government form partnerships with such organizations to provide public information. This information will emphasize women's distinct contribution and needs rather than the inequities between men and women; and
- f) enabling legislation be passed to ensure that gender analysis is applied throughout the government in relation to all laws, policies and programmes, and that the reports on such gender analysis be made widely available to the general public.

**3.3 Unpaid Volunteer work**

Since 1974, Council of Women has been asking for recognition of the economic value of unpaid home and volunteer work. The volunteer sector is essential to a healthy, pluralistic society, in initiating new ideas, planning and providing services, fund raising, and decision making. Volunteer participation develops and utilizes knowledge, skills and experience which otherwise might be lost to the Canadian society and economy. Volunteering involves personal expenditures which could limit participation when those citizens do not have access to private or Canada Pension Plan Benefits nor excess earned income to contribute to an RRSP.

**NCWC recommends that the government:**

- a) initiate a policy which would permit volunteers to earn credits for the Canada Pension Plan and RRSP contributions; and
- b) allow substantial out-of-pocket expenses (child care, transportation, meals) involved in providing volunteer service to voluntary organizations - in the form of a tax credit.

### **3.4 Recognition of Women's Unpaid Work as Parents and Care Givers**

NCWC has long sought support for unpaid work - usually women's work and often the cause of women's poverty. NCWC has advocated help for at-home parents and other care givers to include parental leave, family benefits, guaranteed income plans, special programmes for single parents, a pension plan based on individual and not family income, and remuneration for care giving. This pension plan should have a specific component recognizing the work done by parents in raising children, particularly women who withdrew from the labour market to do so. For women with responsibility for dependants at home, Council members want recognition of women's need to balance work and family.

**NCWC recommends that the government:**

- a) develop new approaches for economic planning and development which affirm productivity in unpaid as well as in paid labour, include it in measures of growth and wealth and permit caregivers to earn credit for CPP and RRSP contributions;
- b) recognize the costs of paid and unpaid work in tax policy so that no family is disadvantaged by caring for family members;
- c) ensure that all public policy decisions and programs are evaluated and supportive of family well being;
- d) support public, corporate and community education to encourage attitudinal change which recognizes the need to balance work and family; and
- e) create employment programmes that acknowledge and respond to the transitional needs of families when parents are re-entering the work force; offer flex time to solve conflicts between school and day care hours, and extend maternity and parental leave..

### **3.5 Health**

NCWC commends the government for continuing to support the principles of the Canada Health Act. Nevertheless, the haste to reduce health care costs over the past several years has left a destabilized health system in its wake. Council members are increasingly afraid that through a gradual process of privatization the health care system might not be there when Canadians need it. Health is of particular importance to an ageing population. The poorest Canadian, unemployed or under-employed, has the right to the same quality of basic health care as the wealthiest. It is the Canadian way.

Women are facing serious barriers gaining access to abortion services as an essential component of reproductive health care. Five provinces are in violation of the Canada Health Act by not including clinic costs under medicare. Our members are worried about waiting lists at hospitals of up to six weeks that force women to pay for this medically necessary procedure in order to avoid greater risks later in their pregnancy. Poor women face greater jeopardy, especially in more rural communities.

**NCWC recommends that the government:**

- a) retain a single-tier health care system - sustainable and accessible to all Canadians - which promotes good health as well as treating illness;
- b) instigate both a national drug plan and home care services, guided by national standards, which will then allow Canadians to remain in their own homes as long as possible; and
- c) return health transfer payments to the 1994 level and work co-operatively with provincial and territorial governments to commit to adequate long term funding especially of abortion services.

### **3.6 Environment**

Any prescription for the best quality of life must take the environment into account. Since 1982, NCWC has advocated ways to protect the atmosphere and to reduce quantities of gases that cause the greenhouse effect, whether these be created commercially or privately. Our members favour a reduction in the use of fossil fuels; the production and use of soft energy such as ethanol and biogas, solar and wind power; the protection of forests; and scientific and financial assistance for efficient technologies in less developed countries.

#### **NCWC recommends that the government:**

- a) encourage and support, through increased financial assistance and tax incentives, research and development of such fuels as ethanol and biogas, solar and wind power, and their applications and inform the public of their advantages as sources of energy.

### **3.7 Canadian Broadcasting Corporation**

NCWC is a strong supporter of the CBC. We note with dissatisfaction that payments to CBC were reduced 16.7% 1998-1999 and a further 6.5% 1999-2000<sup>12</sup>. These are only the last of a series of budget cuts over a long period, dating back to the previous government. NCWC strongly objects to cuts in community broadcasting.

#### **NCWC recommends that government:**

- a) restore funding to the CBC so that full coverage of local programming can be restored
- b) ensure long term funding for the CBC sufficient to provide an alternative voice to commercial networks, which mostly support commercial interests

## References

---

<sup>1</sup> Standing Committee on Finance, *Budget 2000 New Era ... New Plan*, page 14

<sup>2</sup> Standing Committee on Finance; *Budget 2000 New Era ... New Plan*; page 127 and 176

<sup>3</sup> Department of Finance Canada; *Budget 2000 Improving the Quality of Life of Canadians and Their Children*; 28/February/2000; pages 14-20

<sup>4</sup> Canadian Council on Social Development; *The Canadian Fact Book on Poverty 2000*; 19/July/2000

<sup>5</sup> National Council of Welfare; *Children First: A Pre-Budget Report*; Autumn/1999; pages 8 and 26

<sup>6</sup> Institute for Research on Public Policy; *Choices: Taxing Canadian Families*; July/2000; page 12

<sup>7</sup> Canadian Council on Social Development; *The Canadian Fact Book on Poverty 2000*

<sup>8</sup> Mustard and McCain; *The Early Years Study*; page 61

<sup>9</sup> Department of Finance Canada; *Budget 2000 Improving the Quality of Life of Canadians and Their Children*; 28/February/2000; page 138

<sup>10</sup> Department of Finance Canada; *Budget 2000 Five-Year Tax Reduction Plan*; 28/February/2000; pages 10-12

<sup>11</sup> YWCA of Canada; *Strategic Direction*; July/2000

<sup>12</sup> Department of Finance Canada; *The Fiscal Monitor*; February/2000; Table 3