

# MAKING WOMEN COUNT

## the unequal economics of women's work

### EXECUTIVE SUMMARY

#### INTRODUCTION

The global economic recovery has stumbled in the wake of plummeting oil prices and persistently slow growth. As governments seek to find their footing, it is increasingly clear that rising inequality threatens their ability to increase economic activity in a way that benefits the majority. Inequality can and must be addressed before it becomes an entrenched structural barrier to a better world.

Against this daunting backdrop, the global inequality crisis has reached new extremes. In 2015, the 62 richest people on the planet had the same wealth as the poorest half of humanity (3.6 billion people).<sup>1</sup> The richest 1% now have more wealth than the rest of the world combined.<sup>2</sup> In Canada, the top 1% of the population owns a quarter of the country's wealth.<sup>3</sup>

As experts and elected officials look for ways to bolster growth, international financial institutions are looking closely at the significant contribution women make to economic growth and economic recovery.<sup>4</sup> But the fact that women are good for economic growth does not necessarily mean that economic growth is always good for women.

*53 of the wealthiest 62 billionaires in the world are men.*

In fact, women's contributions to economic growth and recovery are often made possible precisely because of their marginalized position in the economy. In a global economy that depends on ever cheaper labour to produce profits for the global elite, paying poor women pennies for their work has become an unspoken engine of profit for the wealthy few.<sup>5</sup>

Global economic growth does not automatically lead to equality and inclusive growth cannot be achieved with gender-blind policies.<sup>6</sup> Today's inequality crisis has its roots in a market fundamentalist narrative that insists that economic growth can only come from reducing public services while leaving markets to their own devices. However, it is precisely through vibrant public services and strategic government intervention that we can effectively address the social factors that drive women's economic inequality.

**“ Women are doing more and more work.  
They are growing the economy in Canada and around the world.  
But, they are seeing unequal benefits. ”**

## THE VALUE OF WORK

While the wealthy can count on the appreciation of assets and returns on investments for their economic security, most people depend on earned incomes. In almost all countries, the share of national income going to workers has been falling.<sup>7</sup> When workers lose wealth and power, women—who are already over-represented in informal, vulnerable and precarious work—lose out the most.

Women's participation in paid work has risen significantly over the past thirty years. This has been a huge boon to global economic growth. But the benefit to women themselves has been uneven.

Women continue to perform the majority of unpaid care work—in Canada and around the world. This double burden of work has been made worse by austerity policies that have cut health and social services, leaving women to do the work once provided by public services.

Women's paid work remains undervalued. Women and men tend to work in different occupations, and those in which women work tend to come with smaller wages. In Canada, for example, truck drivers (97% of whom are male) make a median annual wage of \$45,417 working full time.<sup>8</sup> Early childhood educators (97% of whom are female) make a median annual wage of \$25,334.<sup>9</sup>

The concentration of women in lower paying sectors is not the only reason for the persistent gap between men's and women's wages. Wage gaps occur across all sectors and all education levels. Women working full time and full year in Canada earn 72% of what men earn.<sup>10</sup> The wage gap is even greater for some groups of women in Canada, such as aboriginal women, racialized women and immigrant women.

Unequal levels of access to work and wages, and the unequal distribution of unpaid work, mean that women are over-represented among those living in poverty. Employment is crucial to lifting people out of poverty. Yet women make up most of those in low-wage and minimum wage jobs. In Canada and around the world, many women work for wages that don't cover their basic cost of living.

## SOLUTIONS FOR CLOSING THE GENDER GAP AND MAKING WOMEN COUNT

Closing the gender gap means redefining growth as a force to lift both men and women toward a more secure and sustainable future. To do this, we need economic and social policies tailored to the distinct contributions women make to society and the specific barriers they face.

### *Taxes and the Social Safety Net*

Fiscal policy has an important role to play in addressing women's economic inequality. Many developing countries have regressive tax systems. Women, who are more likely to be poor and to spend their money on basic necessities, are most harshly affected by such policies. Reforms are needed to make tax systems more progressive.

Progressive tax policies can only be effective if tax avoidance is addressed. As governments look to tackle inequality, they must look closely at the billions of dollars lost through tax avoidance and tax breaks to corporations.

While tax policies can be a powerful tool in the service of greater equality, they have only an indirect impact on those whose incomes are so low that they have no tax liability. Other measures are needed to ensure dignified lives for those living in poverty.

For working women, employment insurance can be an essential protection against falling into poverty—but only if the threshold for qualification responds to the reality of women's lower levels of employment. Benefits tied to need, rather than lifetime earnings, have also proven to be a strong equalizing force for women's economic security.<sup>11, 12</sup>

Tax and social policies affect women and men differently. 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.



### Public Services

Tax and transfer policies alone cannot address unpaid work across society. Public services play an essential role. Significantly increasing public funding for childcare and eldercare in Canada would provide multiple benefits. The longstanding lack of childcare spaces keeps mothers out of the workforce. And with an aging population and a shortage of nurses, informal female caregivers often step in to provide unpaid care to loved ones. Public services redistribute the burden of unpaid care and create good jobs in predominantly female employment sectors.

Robust investment in public services is also an essential tool in redressing economic and gender inequality in low-income countries. When families must pay out of pocket for school fees, girls are most likely to be kept home, affecting their life chances and earning potential. Insufficient public health services have an enormous impact on women in the world's poorest regions: it is estimated that women provide 70-90% of HIV/AIDS care globally, endangering their own economic security.<sup>13</sup> 80% of family caregivers in South Africa report reduced income levels.<sup>14</sup>

### The Protection of Workers

The absence of regulation in our global economy is enormously costly in human terms. Women are barely scraping by on poverty wages and sometimes even losing their lives as companies seek to maximize profits by avoiding necessary safety practices. In contrast, where there is effective regulation and wage-setting, women are better off and the wage gap decreases.<sup>15</sup> For example, in Canada's well-regulated public sector, university-educated women see their wage gap shrink from 27% to 18%, university-educated Aboriginal workers see their wage gap shrink from 44% to 14%, and university-educated racialized workers see their wage gap fall from 20% to 12%.<sup>16</sup>

When factories are far from company headquarters, in countries where regulation is poor, it can be difficult to control and monitor the conditions within them. The best way to resolve this issue is to promote workers' right to organize. Workers know better than anyone when their workplace is unsafe or when women are being treated unfairly.

### Women's Rights

The inequality gap will not be eliminated without addressing social norms and power relations. These cannot be addressed without understanding the destructive impact of violence. As women look to rise out of poverty, microcredit in the Global South is often lauded as a tool for women's economic empowerment.

Yet, for many women the unintended consequence of participating in microcredit and other women's economic empowerment programs is increased domestic violence.<sup>17</sup>

Domestic violence has a devastating impact on women in Canada too, leading to absenteeism, poor work performance and sometimes job loss.<sup>18</sup> Violence against women and poverty are often closely intertwined and must be tackled together.

Another key barrier to women's economic inequality, especially in the developing world, is their lack of sexual and reproductive rights. Canada could help make substantive gains in this area by expanding its Maternal, Newborn and Child Health program to include comprehensive sexual education, safe abortions, post-abortion care and contraception.

Women's rights organizations are prime actors in the movement towards women's economic equality. They hold those in power to account and raise the voices of marginalized women.<sup>19</sup> In spite of the central role that women's rights organizations play in overcoming gender inequality, they are often the most poorly funded civil society organizations in Canada and globally. Canada can enhance its reputation as a global leader on gender equality by directing more funding to women's rights organizations and programming.

## CONCLUSION *A Time to Act*

**Oxfam and the Canadian Centre for Policy Alternatives are calling for concerted action to build a fair economic and political system; a system which levels the playing field for men and women. *Transformative actions that Canada can take include:***

- 1** Ensure that tax and social safety net policies recognize unequal gender roles and work to fundamentally transform them, not entrench them.
- 2** Promote financing of public services to reduce women's unpaid care work and expand their job opportunities.
- 3** Protect workers by ensuring access to decent and safe employment opportunities, non-discrimination in the workplace, and women's right to organize.
- 4** Promote women's rights and leadership to tackle the root causes of women's economic inequality.

## NOTES

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Oxfam Canada is part of a global movement for change made up of 17 Oxfam affiliates working in more than 90 countries to mobilize the power of people against poverty. Women's rights and overcoming inequality are at the heart of everything we do.



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