MAKING WOMEN COUNT
the unequal economics of women’s work
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INTRODUCTION

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).\(^1\) This figure has fallen from 388 people just five years ago.

The richest 1% now has more wealth than the rest of the world combined.

The same pattern of growing inequality has been evident in Canada over the past several decades. Today, the top 1% of the population owns a quarter of the country’s wealth—an amount greater than the total wealth held by bottom 70% of the population (more than 24.5 million people).\(^2\)

The scope of economic inequality demonstrates how little the majority of society now benefits from economic growth. The recovery that followed the 2008 financial crisis has not benefited everyone equally. Nor has it resulted in progress toward closing the gaps that existed before the crisis—gaps that exist within communities and between regions of the world. As wealth is increasingly concentrated in the hands of the few, so too is the power to drive economic policies that increase the gap between the 1% and the rest.

Decisions that benefit the 1% have not served the public good or the values of fairness and equality. Quite the opposite. The shift towards expanding wealth, rather than incomes, depends on the suppression of wages and cutting jobs in the name of corporate efficiency. Yet jobs and wages are essential to the economic security of the vast majority of people and the ability of governments to generate revenue and provide for the well-being of citizens. Social inequality has become a perverse benefit in this upside down world—where the fact that women are paid less than men, for example, is good for profits. Higher levels of poverty are tolerated for the same reason—ensuring a steady supply of vulnerable people willing to take on poorly paid, precarious and unsafe work.\(^3\)

The key to understanding and overcoming inequality lies in the social, political and economic forces that make it possible. The demographics of the wealthy 1% reflect deep divisions in our society—including regional inequality and gender inequality. It is no accident that only 1 of Forbes’ top 100 billionaires comes from Africa and that 53 of the wealthiest 62 billionaires are men. Wealth, income and political power are not equally distributed amongst men and women, nor between the poorest countries and the richest. Closing the gap between the 1% and the rest will, by definition, require a fundamental remaking of social and political relations.

Gender inequality is certainly not the only factor that contributes to growing wealth inequality in Canada and around the world. However, its impact is significant and distinct. Examining inequality through a gendered lens helps us understand how social factors determine who ends up where on the wealth spectrum. It also complicates some of the suggested solutions to growing inequality—revealing deeply held and often unconscious biases determining who has access to jobs, wages and wealth.
In spite of the success in increasing levels of education among girls and women, they continue to meet many obstacles to employment and fair wages. Education alone is not sufficient to overcome discrimination in wages and employment; clearly other forces are at play. Key among them are the distribution of unpaid work, the undervaluing of work in predominantly female fields, the concentration of men and women in different fields of work, and the often unspoken social norms that see men offered higher wages and rates of promotion than women from the very beginning of their working lives.4

Analysts at international financial institutions are paying increasing attention to the contribution women make to economic growth and recovery.5 But the fact that women are good for economic growth does not necessarily mean that economic growth is always good for women. In fact, women’s contributions to economic growth and recovery are often made possible precisely because of their marginalized position in the economy. For example, in a global economy that depends on ever cheaper labour to produce profits for the global elite, paying women in low-income countries desperately low wages has become a means to drive profitability.6 In many countries, women returned to work faster than men after the global recession. But this is because they were more likely to work in the part-time, precarious jobs that emerged after the financial crisis.

Global economic growth does not automatically lead to gender equality and inclusive growth cannot be achieved with gender-blind policies.7 Today’s inequality crisis, both in Canada and around the world, has its roots in a market fundamentalist narrative that insists that economic growth only comes from reducing public services and leaving markets to their own devices. However, it is precisely these austerity policies that exacerbate gender inequality rather than narrow it—increasing women’s share of unpaid care work and allowing gaps in wages and jobs to grow wider. It is through government intervention, robust public services and regulatory policies that we will see the gap between men and women’s lives close and inequality diminish.

We are in a pivotal moment where Canada can show real leadership in creating a more equitable nation and world. The world’s governments recently committed to an ambitious sustainable development agenda for the next 15 years. The sustainable development goals are universal, meaning that all countries, including wealthy nations like Canada, must commit to reaching the goals both at home and abroad. In a world where so many women are still left behind, addressing the unequal economics of women’s work would have a transformative impact.

Fundamentally addressing and overcoming inequality is a truly global task, one in which Canadians and Canada’s new government are poised to play a significant role.
1. THE VALUE OF WORK

While the wealthy can count on the appreciation of assets and investments for their economic security, most people depend on earned income. One of the most troubling trends underlying global inequality is the increasing share of the economy made up of wealth versus wages. In virtually every economy, the share of national income going to workers has been falling, even as labour productivity has risen. When workers lose wealth and power, women—who are already over-represented in informal, vulnerable and precarious work—lose out the most. Gender inequality exacerbates economic inequality and economic inequality, in turn, reinforces gender inequality.

Overcoming inequality can only take root by understanding the gendered distribution of work and wages, amongst other factors. Access to work and wages is clearly shaped by social as well as economic forces. For example, if women’s access to employment were determined wholly by a market acting on rational self-interest, women would be over-employed in Canada, not underemployed: as a group, women in the labour force are more likely to have a university degree than men and are paid less. They would outnumber men in senior management for the same reasons. Yet they do not. This section examines how unpaid work, discrimination and social norms contribute to gender inequality in the labour market.

Unpaid Work

The nature of women’s unpaid work has a powerful impact on their access to paid work and worsens inequality by limiting the time women have to participate in economic, political and social activities.

Globally, women spend between 3 and 6 hours every day on domestic and caregiving work. Men spend markedly less time on such activities—between 30 minutes and 2 hours. The burden on women is greater in low-income countries where fertility rates are higher and access to infrastructure and public services is inadequate. For the poorest women, living in rural areas, unpaid work can consume the majority of their day—leaving little opportunity for education or paid work.

Even where women have paid employment, lack of support for child and family care limits the kind of jobs they are able to take and the hours they can work. In a survey of 31 developing countries, 39% of working women with children under the age of 6 said that they care for their children themselves during the work day—literally doing 2 jobs at once.

Women’s unpaid care work is further increased by health crises such as the HIV pandemic and the recent Ebola outbreak. In poor countries where health systems are under-resourced and over-stretched, home-based caregivers—usually women—take on this work too, with little support or remuneration. This unpaid care work makes a substantial contribution to not only their families but to the global economy. Women’s unpaid health care work is estimated to be worth $1.5 Trillion USD, or 2.4% of global GDP annually.
While the situation in Canada is better than in low-income countries, women in Canada still perform nearly twice as many hours of unpaid work each day as do men. Their hours of household and care work have changed little over the past 20 years, yet their hours of paid work have increased significantly. Today, women do 3.9 hours of unpaid care work every day, down from 4.2 hours 20 years ago.\textsuperscript{15} Men, on the other hand, perform an average of 2.4 hours per day.\textsuperscript{16} In Canada and other high-income countries, cuts to public services implemented in the name of austerity have made the imbalance worse, as women fill the gap left by federal and provincial governments.\textsuperscript{17}

Women with family care responsibilities are more likely to seek work that fits the schedule of those responsibilities. This results in a high proportion of women in part-time work: women in Canada are 3 times as likely as men to work part-time and 19 times more likely to cite “caring for children” as the reason they work part-time.\textsuperscript{18} It also explains, to some degree, the strong representation of women in occupations like teaching and nursing, where hours of paid work can be fit around hours of unpaid work.

When paid and unpaid work are combined, women around the world work more than men.\textsuperscript{19} But even though women carry more than half the burden, they have been consistently disadvantaged in our economy.

### Paid Work

Women’s participation in paid work has increased dramatically over the past thirty years—around the world and in Canada. This has proven an enormous boon to economic growth globally. But the benefit to women themselves has been uneven. Paid work comes on top of the burden of unpaid work—resulting in both a ‘double day’ and less job security. Social expectations about the kind of work women should do and the value of that work have also contributed to the concentration of women in lower paying, precarious work.

In low-income countries, where there is a dearth of economic opportunity, many people work in informal, vulnerable and precarious jobs. Women are most likely to end up in these jobs because of the combined impact of lower levels of education, social norms and unpaid care obligations. In sub-Saharan Africa, 84.3% of women work in vulnerable employment.\textsuperscript{20}

In these low-income regions, as much as 75% of women’s employment is informal.\textsuperscript{21} Women doing informal work, such as street vending, are not protected by labour laws, regulatory systems or minimum wages. They are subject to high levels of economic insecurity and do not have a social safety net to support them when they are out of work or sick.

The experience of high-income countries has demonstrated that higher levels of education and access to public services increase women’s level of paid work. However, men and women in high-income countries continue to have different levels of workforce participation and to work in different sectors, for different rates of pay.
In Canada, women’s employment levels climbed steadily throughout the 1980s and 1990s. However, they still haven’t matched those of men, in spite of the fact that women’s educational levels have slightly surpassed those of men. Women’s levels of full-time work have stagnated in Canada and women continue to be over-represented in low-wage jobs, making up 59% of minimum wage workers.\(^{22}\)

In periods of economic recession, women have inadequate support. Canadian women have consistently less access to employment insurance than men because they work fewer hours on average and are therefore less likely to meet the threshold of hours required to qualify for coverage. Women who do access employment insurance see smaller benefits at the end of the month because benefits are tied to wages, which are still lower than men’s.\(^{23}\) The result is a cycle in which women cannot afford to wait for more secure, better paying jobs, but are forced by economic necessity to take the first job available, however low wage or precarious.

Just as there are marked differences in the distribution of work between men and women, there are also clear differences between groups of women. Immigrant women’s employment lags 7% behind Canadian-born women and 14% behind that of immigrant men.\(^{24}\) Aboriginal women’s employment rates are 5% below those of Aboriginal men and 11% below those of non-Aboriginal women.\(^{25}\) These gaps persist in spite of the fact that immigrant women have higher levels of education, as a group, than do non-immigrant women. The discrepancy between qualifications and access to work illustrates the persistent power of discrimination in maintaining inequality.

Young women and men face higher than average unemployment rates.\(^{26}\) Men and women under age 25 participate in the labour force in relatively equal numbers. However, as with core working age Canadians, young women are less likely to hold full-time jobs than are young men. Among the young women who are employed, only 44% hold full-time jobs, compared to 60% of working men under age 25.\(^{27}\) Most young women also continue to face a wage gap. Young women with post-secondary education earn 12% less than their male peers.\(^{28}\) The wage gap is the same amongst young women with a high school diploma.\(^{29}\)

Conversely, employment rates for Canadians ages 65 to 69 years have increased by 4% since the 2008 crisis—suggesting an increasingly level of financial insecurity amongst those of retirement age.\(^{30}\) This insecurity was exacerbated by the federal government’s decision to raise the age at which Canadians qualify for Old Age Security from 65 to 67. Women, who rely on OAS nearly twice as much as men since they have fewer years of paid work and lower CPP/QPP contributions, were hit hardest by this change.\(^{31}\)

**Wages**

Working women continue to see their paid work undervalued—both globally and in Canada. The gap in men’s and women’s incomes is not simply the result of women working fewer hours. Nor is it the result of different levels of education and experience. Even when all of these factors are considered, the result remains the same: a wage gap.
Women and men tend to work in different occupations, and the occupations where women work usually come with lower wages. In Canada, for example, truck drivers (97% of whom are male) make a median annual wage of $45,417 working full time. Early childhood educators (97% of whom are female) make a median annual wage of $25,334.

One explanation for the undervaluing of job sectors where women work is that much of the work resembles work that women have traditionally performed in the household. As more and more women move into the paid workforce, more of that care work needs to be done by paid workers. Yet, the market continues to treat that work as if it were, at least in part, voluntary.

The concentration of women in lower paying job sectors is not the only reason for the persistent gap in 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 on average. Women with university degrees earn 10-30% less than their male peers, depending on their age cohort.

The wage gap is even greater for some groups of women in Canada. Working full-time, Aboriginal women earn 10% less than Aboriginal men and 28% less than non-Aboriginal men. Racialized women earn 21% less than racialized men and 32% less than non-racialized men. Immigrant women earn 25% less than immigrant men and 28% less than non-immigrant men.

The wage gap actually increases for Aboriginal, racialized and immigrant women with university degrees. Aboriginal women with a university degree earn 24% less than Aboriginal men with a university degree and 33% less than non-Aboriginal men with a university degree. This clearly demonstrates the limits of education as a tool to address the discriminatory distribution of wages and employment. Discriminatory hiring and wage setting practices are undermining the benefits of education for these groups.

The wage gap for full-time work is intensifying in Canada. In 2009 women earned on average 74.4% of what men earned. In 2010 it was 73.6%, and in 2011, it was 72%. One reason for the rising gap is the growth in men’s incomes, which rose as the economy began to recover from the 2008 financial crisis. The divergence in men’s and women’s incomes, post-recession, demonstrates that the economic benefits of growth and recovery are not shared equally across society.

Unequal access to work and wages, and the unequal distribution of unpaid work, mean that women are over-represented among those living below the poverty line in Canada; with 14% of adult women living below the low income measure compared to 12.7% of men. Poverty rates are significantly higher for some groups of women.

More than 1 in 3 (37%) single mothers live in poverty. Women with disabilities are not only more likely to live in poverty than those without disabilities but are more likely than men with disabilities to live in poverty. Older women are far more likely to live in poverty than are older men: 32% of single women over the age of 65 living below the poverty line.
At the other end of the income spectrum, the top income earners in Canada are predominantly male. Men make up 70% of the top 10% of income earners in Canada. When you narrow that to the top 1% of income earners, men’s share increases to 78%. Women make up only 2 of Canada’s 100 highest earning CEOs. Employment is crucial in lifting people out of poverty. However, the current trend is towards economies based on the accumulation of wealth, rather than wages. In almost every country, the share of national income going to workers has been falling. This means workers (and governments) are receiving less and less from GDP growth. For women—who are already concentrated in informal, vulnerable and precarious work—this often means barely scraping by on poverty wages.

This destructive dynamic is especially true in low-income countries. In many of these countries, minimum wages do not meet the cost of living as governments compete for investment in a global market. The minimum wage is seen as the ‘going rate’ rather than what is needed for a life of dignity and well-being.

Without an adequate living wage, a full-time worker can’t meet her most basic needs for food, clothing and shelter. For example, a 2015 study on the wages and conditions of garment workers in Myanmar revealed that despite working six days a week and doing an average of 10.5 hours of overtime each week, workers are not earning enough to support themselves and their families. Almost half of all workers surveyed (43%) are trapped in debt and forced to borrow.

This trend is not unique to Myanmar: Between 2001 and 2011, wages for garment workers in most of the 15 leading apparel-exporting countries actually fell in real terms. The broadly accepted willingness to pay women lower wages has been cited as a key factor in “improved” profitability.

RANA PLAZA FACTORY COLLAPSE IN BANGLADESH

Women are losing their lives as companies seek to maximize profits by avoiding safety practices. The imbalance between those with economic power and those without is evident in the gross inequalities between the salaries of CEOs (most of whom are men) and the employees working at the bottom of their supply chains in the developing world (most of whom are women). Canada’s top 100 CEOs took home $8.9 million in 2014. That represents over 8000 times the minimum wage set for garment workers in Bangladesh (which amounts to $1117 annually).

In the unregulated global economy, companies build their business models on making things cheaply and quickly. Low wages and poor working conditions are key to achieving this objective. The result is not only extreme inequality but loss of life.

The Rana Plaza factory in Bangladesh collapsed in April 2013. The incident claimed 1,134 lives and injured another 2,500 people when a structurally unsound eight-story building collapsed.
Indeed, the integration of developing countries into global supply chains has enhanced women’s opportunities for paid work, but this does not mean that they are securing good quality work or sufficient wages to lift them out of poverty.

Female poverty is widespread in low-income countries, especially in rural areas. It is estimated that 85% of poor people live in rural areas. Rural women have fewer economic opportunities than urban women and spend more time in domestic and household work, due to a lack of infrastructure and access to public services. Many of them are concentrated in agriculture, where a growing feminization of the lowest rungs of labour is becoming entrenched. The casualization of farm labour makes it one of the most disenfranchised and exploited sectors in the world today.

2. SOLUTIONS FOR CLOSING THE GENDER GAP AND MAKING WOMEN COUNT

A vibrant economy can only be built by understanding the diversity of the population, the contributions we all can make, and the barriers faced by many. To eliminate the gender gap once and for all, everyone must be able to contribute equally to the well-being of their family, community and, of course, themselves. We must redefine growth as a force with the potential to lift men and women, together, toward a better future.

Taxes and the Social Safety Net

Progressive Taxation

Fiscal policy has an important role to play in eliminating gender inequality. Many developing countries have regressive tax systems, which over-tax labour and consumption and under-tax wealth. Since everyone has to buy basic necessities, this means that the poor pay proportionately more in taxes than the rich. Women, who are more likely to be poor and who are more likely to spend their money on necessities such as food, clothes, school items and medicines, are most harshly affected by such policies.

Tax systems in developing economies—where public spending and redistribution can be powerful tools in lifting women out of poverty—tend to be the most regressive. For example, the poorest 20% of Nicaraguans pay 31% of their income in tax, while the richest 20% pay less than 13%. Indirect taxes like the Value Added Tax (VAT), that fall disproportionately on the poor, make up, on average, 67% of total tax revenues in sub-Saharan Africa, compared to 33% in OECD countries.

Canada currently provides limited technical assistance to tax administrations in developing countries, to help them levy taxes more effectively through their existing tax policies. Canada could increase its contribution to women’s economic equality by supporting tax policy reforms that shift the tax burden from labour and consumption to capital and wealth.
Gender-Sensitive Tax Policies

Progressive taxation can diminish income inequality in high-income countries as well. However, men and women respond to tax changes differently. A simple redistribution of income and wealth via higher taxes on the very wealthy and increased social spending on the poor isn’t enough to move the dial on gender inequality. Tax policies designed without attention to the different impact on men and women can have a negative effect on economic growth overall and on women’s economic security.

For example, joint taxation policies—those which treat couples as a single tax unit—suppress women’s participation in paid work. Such a policy was introduced in Canada in 2015. The income splitting program allowed couples with children under the age of 18 to transfer up to $50,000 in earned income from one spouse to the other. The higher-earning spouse is then taxed at a lower rate. This policy creates a disincentive for the lower earning spouse—usually the woman—to return to the labour market because the tax break is maximized in single-earner households. This policy also ignored the reality of single parents, the majority of whom are women and more than a third of whom live in poverty in Canada.

Tax policies that exacerbate gender inequality have a negative impact on the economy as a whole. In every industrialized country where joint taxation (or income splitting) has been introduced, the result is a decrease in female labour force participation, with little or no impact on male labour force participation. A reduced female labour participation rate without a parallel rise in male labour force participation leaves the economy with a smaller, less flexible labour supply while making women more vulnerable to poverty.

Levying Taxes for Redistribution

Progressive tax policies can only be effective if tax avoidance is addressed. The unregulated global system makes tax avoidance relatively easy and denies governments of the resources they need to both provide public services and tackle poverty and inequality. Canada is one of the biggest losers among OECD countries—foregoing billions of dollars in potential annual revenue when U.S. and other multinational companies avoid paying taxes where they do business.

While Canada is losing substantial revenue to tax avoidance, poor countries are the hardest hit. For example, almost a third (30%) of rich Africans’ wealth—a total of $500bn—is held offshore in tax havens. It is estimated that this costs African countries $14bn a year in lost tax revenue. This is enough money to pay for healthcare that would save the lives of 4 million children and employ enough teachers to get every African child into school. It is worth noting that such investments would have a particularly positive impact on women—who care for ill children themselves in the absence of public healthcare, and who are most likely to be employed in the new education and healthcare sector jobs created.

All countries should support reforms to our international tax system, including ending the secrecy surrounding tax havens and tax avoidance, and ensuring that multinational
companies are taxed fairly based on where they do business. In 2015, G20 governments, including Canada’s, agreed to curb tax dodging by multinationals through the OECD’s Base Erosion and Profit Shifting agreement. This is a good first step, but these measures will not do enough for the poorest countries and they largely ignore the problems posed by tax havens. Canada should support a second generation of tax reform to resolve the key problems that have not been addressed by the OECD process. These efforts must be coupled with measures to strengthen governance and fight corruption in developing countries, to ensure that the resources benefit the poorest and most vulnerable —often women.

**Social Safety Programmes that Benefit Women**

While tax policies can be a powerful tool, they have a limited impact on those whose incomes are so low that they have no income tax liability. Social safety measures are needed to ensure the dignity of every human being. Canada has long supplemented tax policies with benefits paid to those with low incomes, the unemployed, and new parents. If well designed, these benefits have a tremendous positive effect, lifting people out of poverty and reducing inequality. None of these benefits are gender neutral.

For working women, employment insurance (EI) can be a protection against poverty in times of economic downturn—but only if the threshold for qualification responds to the reality of women’s lower levels of employment. Increasing EI benefits has the potential to move women from insecure, poorly paid work to more secure employment—with the additional benefit of increasing their contributions to tax revenues and improved spending power.

At the end of women’s working lives, benefits tied to need rather than lifetime earnings, such as income transfers targeted to low-income families or Old Age Security and Guaranteed Income Supplement benefits (OAS/GIS), have a strong positive effect on the economic security of women. 58 59

Parental leave policies also have implications for women’s economic equality. While parental leave is available to both mothers and fathers in Canada, 93% of that leave is taken by women. 60 Extending the length of parental leave beyond twelve months, in a context where the vast majority of parental leave is taken by women, could have a negative effect on both the ability of mothers to return to the workforce and on their lifetime earnings. 61

Paternity leave, on the other hand, shows significant promise in shifting the balance of unpaid work within the family. 62 Quebec has followed the pattern of several European countries in introducing a supplemental period of parental leave only for fathers. The leave is most effective when it comes with a high income replacement rate (up to 75% of the father’s employment income is replaced in the Quebec program). The result has been a dramatic increase in the number of fathers taking leave after the birth of a child—with 76% of men in Quebec taking parental leave compared to 26% of men in the rest of Canada. 63 The number of women taking parental leave has remained stable under
the program. This has the potential to remedy one of the greatest barriers to women’s economic equality: their disproportionate share of unpaid care.

**Gender Analysis at the Foundation of Public Policy**

Clearly, tax and social security policies affect women and men differently. The best way to understand the gendered benefits and costs of policies is to conduct gender-based analyses of all economic and social policies.

A 2009 report by the Auditor General found significant gaps in implementing Canada’s commitment to gender-based analysis of policies and programs. Subsequent research found no evidence that economic policies have been subject to gender-based analysis.

The federal department currently tasked with ensuring gender-based analysis occurs across all government departments and agencies—Status of Women—lacks the human, financial and political resources to fulfill its mandate. Status of Women’s budget for this work is approximately $2.5 million annually. High-level leadership, sufficient resources and monitoring capacity are all necessary to ensure the federal government makes informed decisions about how policies affect the lives of men and women in Canada. Gender budget initiatives can help ensure that women’s interests are included in economic policy and that costs and benefits are shared equally.

**GENDER BUDGETING IN THE PHILIPPINES**

The work of the Philippine Commission on Women (PCW) shows what can be achieved when gender-based analysis is prioritized and institutionalized. With the help of the PCW, similar to Status of Women Canada, the Philippines has become a model for working toward greater gender equality.

The Philippines legally mandates all government agencies to incorporate gender concerns into performance goals, budget proposals, and their work and financial plans. The law also specifies that 5% of all agency budgets must be used for gender equality. The PCW helps government agencies incorporate gender into their plans and budgets, reviews and endorses them, and assesses their implementation and results. It uses gender budgeting and auditing tools, supports sex-disaggregated data collection, and conducts research to make laws and policies gender-sensitive. It achieves its mandate by working closely with civil society organizations such as Social Watch.

Evaluations of the Philippines’ gender budgeting work have highlighted compliance challenges and room for improvement. But the fact that the process is institutionalized and enshrined in law sets the Philippines apart from other countries. And something is clearly working in the Philippines: It ranked 7th out of 145 countries—significantly higher than Canada—in the World Economic Forum (WEF) 2015 Global Gender Gap Report.
Canada can bolster women’s economic equality both at home and abroad by supporting gender-based analysis. Gender budgeting and analysis are necessary for gender equality advocates to hold governments accountable, making sure that public resources are used in ways that benefit men and women equally.

In sum, Canada must ensure that tax and social safety net policies recognize unequal gender roles and work to transform them, not entrench them. Concrete actions that Canada can take include:

- Support developing countries in implementing tax policy reforms that shift the tax burden from labour and consumption to capital and wealth.
- Follow through on the commitment to cancel income splitting, which suppresses women’s labour force participation.
- Support reforms to our international tax system to tackle tax evasion and avoidance—so that taxes can be better levied for redistribution. These efforts should be coupled with measures to strengthen governance and fight corruption in developing countries.
- Ensure that social safety programs benefit women by lowering the threshold for EI qualification, tying benefits to need rather than lifetime earnings, and introducing a supplemental period of parental leave only for fathers.
- Conduct gender-based analyses of all economic and social policies and support organizations doing such work in developing countries.

Public Services

Tax and transfer policies alone cannot fundamentally address the division of unpaid work across society. Government services also play an essential role in easing the burden of unpaid work and enabling women to both seek employment and provide for their own economic security. Investing in services such as childcare, healthcare, education and eldercare bolsters women’s economic equality. Everyone benefits from greater access to care services and women receive an additional benefit because jobs are created in predominantly female employment sectors. Further, there is a positive benefit for the economy as a whole that results from employed women paying taxes and spending money on goods and services in their communities.
ALBERTANS SUFFERING FROM LACK OF BALANCED JOB CREATION STRATEGY

Investing in female dominated public service sectors could be a strategic element in a jobs plan that balances job growth in male and female sectors of the economy.

The rise and fall of the oil sector in Alberta is a prime example of the dangers of investing exclusively in male-dominated sectors. Alberta, with the support of the previous federal government, has pursued policies focused on jobs in the extractive and construction sectors. The lack of investment in jobs in health and education, where women are most likely to work, left many women working in the lowest paying female-dominated occupations—retail and food service.

The result: While oil prices were high and the province’s economy was growing, women in Alberta experienced the largest wage gap in the country. As oil prices fell and jobs in male-dominated industries disappeared, families found themselves having to rely on low-wage pay checks. Investment in higher-paying, predominantly female sectors of the economy would have left women, families and the economy as a whole better insulated against the economic shocks of plunging oil prices.

Child Care

The economic and social benefits of affordable, accessible childcare are significant and well-documented. Childcare stimulates economic growth by increasing employment and spending. Governments see cost savings when families move out of poverty and exit social assistance and other benefits for low-income families.

The lack of affordable and accessible childcare in Canada is creating a crisis for the 1 million households in Canada that have 2 working parents and a child under the age of 6, and for the more than 100,000 single working parents with young children. It is also creating a significant drag on economic growth. The lack of childcare spaces keeps mothers out of the workforce long after they want and need to return. The high cost of childcare means that a working parent often spend as much as a third of their income on childcare.

SUBSIDIZED CHILDCARE IN QUEBEC

The Quebec childcare program, introduced in 1997, provides an important example of the impact of government support for childcare. The Quebec program correlates with a sharp increase in female labour force participation in the province. The program had a particularly significant impact on single mothers—doubling their employment rate while their poverty rates dropped from 36% to 22%. Estimates suggest that the indirect impact of the program resulted in a 1.7% increase in Quebec’s GDP and an increase in provincial and federal tax revenues that exceed the program’s cost.

Austerity measures are now threatening the gains Quebec has made, and will have a particularly harsh impact on women if fully implemented.
Elder Care

Increased public funding for elder care in Canada could also provide a wide range of benefits. With an aging population, it is estimated that the number of disabled adults living at home will have increased by 62% between 2000 and 2020. The Canadian health care sector is experiencing a shortage of health care professionals, particularly within the nursing profession, and this shortage has been made worse by cuts to public services in recent years. Informal caregivers—usually female family members—have stepped in to provide unpaid care to loved ones with disabilities and illnesses, sometimes for extended periods. Investing in public services would be good for seniors—many of whom are women living in poverty—and good for women’s employment and economic equality.

Inadequate public services mean that the care gap is often filled by migrant women in poorly paid precarious jobs, such as those coming through the Live-In Caregiver Program (LCP). 90% of those who come to Canada through this temporary foreign migration stream are women. The program requires that workers live with their employer as a condition of their visa, leading to well-documented problems with excessive working hours, non-payment of overtime, lack of freedom and mobility, and violence. This migrant labour supply acts as a cheap band-aid solution to Canada’s under-resourced patchwork of childcare and elder care programs.

Universal Health and Education

Support for public services is essential in the fight against economic inequality in lower-income countries too. Where public services are well resourced, they mitigate the impact of skewed income distribution and put ‘virtual income’ in the pockets of the poorest of the poor. Public services are particularly effective in tackling gender inequality. For example, when parents have to pay privately for educational costs, girls are most likely to be kept home, affecting their life chances and income earning potential.

The absence of high quality public health services has an enormous impact on women in the poorest regions, which also tend to be the areas most affected by diseases such as Ebola and HIV/AIDS. It is estimated that women provide 70-90% of HIV/AIDS care globally. This is not surprising since over two thirds of HIV/ADS cases are in sub-Saharan Africa, the poorest region in the world, where health systems are chronically underfunded. Women’s economic security is compromised by their unpaid caregiving role: 80% of family caregivers in South Africa report reduced income levels. Better funded public services have the potential help to share this burden across society as a whole, liberating women and girls, while reducing gender and economic inequality.

Donor governments like Canada’s can reduce poor women’s economic inequality by prioritizing public spending on health and education services in their aid and development policies. Canada’s ability to do this has been severely constrained by the fact that development assistance has been frozen for the past 6 years, declining steadily as a proportion of Gross National Income (GNI), from 0.34% in 2010-11 to 0.24% in 2015-16.
There is an urgent need for Canada to commit to clear timelines for achieving the long promised goal of 0.7% GNI.

In sum, Canada should promote financing of public services to reduce women’s unpaid care work and expand their job opportunities. Concrete actions that Canada can take include:

- Increase government core funding to childcare to close the huge gaps in costs and availability across Canada.
- Increase access to home support and community care services for seniors.
- Unfreeze development assistance and prioritize public spending on health and education services in aid and development policies.

The Protection of Workers

When the CEO of Microsoft suggested that women leave it to karma to close the wage gap, the response was immediate and vociferous. Voluntary tracking of gaps in wages, employment and promotion have not yielded consistent results. What does work is mandatory tracking and regulation. This is why the public sector has some of the smallest gender wage gaps of any sector, in Canada and across high-income countries.

PAY EQUITY AT MCMASTER UNIVERSITY

In 2014, McMaster University conducted an evaluation of faculty salaries. They found evidence of “a systematic bias in favour of male faculty members.” The research concluded that there was an average pay gap, attributable to gender bias, of $3,515 annually. Acting on their findings, the university added that amount to the base salary of every female member of faculty in 2015.

McMaster’s experience demonstrates that addressing wage equity is well within the means of an employer. The resulting wave of positive publicity also suggests a net benefit to the university both in terms of its public reputation and in terms of employee recruitment and retention.

Regulation and Wage Setting

The regulation and wage-setting structure in the Canadian public service (and in other unionized environments) contributes to lower than average wage gaps between men and women and also between groups of women. In the public sector in Canada, 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%. University educated racialized workers see their wage gap fall from 20% to 12% (for full-time, full-year work). The fact that the wage gap is increasing in Canada demonstrates the ineffectiveness of a laissez-faire approach.
The absence of effective regulation is an even bigger problem on a global scale. Developing countries often compete for foreign investment by virtually eliminating regulatory standards and engaging in a “race to the bottom”. Supporting developing countries to regulate labour practices in the private sector can play an important role in ensuring that business narrows inequality rather than intensifying it.

Some argue that regulation will drive investors away due to the increased costs of compliance. But price is not the only consideration in sourcing decisions: businesses also have a vested interest in supply chain stability. Some businesses are making it clear that they welcome the enforcement of labour and environmental standards, as this provides greater predictability and less chance of reputational risk for their business.

Mountain Equipment Co-op Finding Innovative Ways to Protect Workers’ Rights

In the absence of government regulation, some companies are finding innovative ways to regulate their suppliers. Mountain Equipment Co-op (MEC), a Canadian outdoor recreation gear retailer, is one example. MEC requires all its suppliers to uphold a code of conduct which guarantees the freedom to unionize, decent health and safety standards, and a living wage. It was also the first retailer in Canada to disclose its list of supplier factories. Factory disclosure has the potential to lead to improvements in labour practices within global supply chains: by disclosing this information, companies are exposing themselves to risk, and the best way to manage that risk is to proactively improve labour practices. MEC updates and publishes this list twice a year.

MEC has also signed onto the UN Women’s Empowerment Principles—a guide for businesses on how to empower women in the workplace, marketplace and community. Signatories commit to establishing high-level corporate leadership for gender equality, promoting training and professional development opportunities for women, and measuring and publically reporting on progress to achieve gender equality—among other things. MEC could take steps to measure its progress towards these goals in a deeper and more rigorous way, but overall its mix of policies is a positive example for other companies to follow.

Unionization

International research has consistently demonstrated that the best way to resolve the issues workers face is to protect their right to organize—especially when factories are distant from company headquarters, making it difficult to monitor conditions within them. Workers know better than anyone when their workplace is unsafe or when women are being treated unfairly. In many countries, the right to unionize is not well protected and employers engage in union-busting activities including threats, intimidation, and violence against workers. The Canadian government should apply diplomatic pressure on governments who fail to protect workers’ rights to unionize and, in so doing,
fundamentally support women’s economic equality. Our government should also regulate Canadian companies operating abroad and hold them to Canadian standards.

In sum, Canada should protect workers by ensuring access to decent and safe employment opportunities, non-discrimination in the workplace, and women’s right to organize. Concrete actions that Canada can take include:

- Promote the regulation and wage-setting structure found in Canada’s public service in other sectors.
- Apply diplomatic pressure on governments who fail to protect workers’ right to unionize.
- Regulate Canadian companies operating abroad and hold them to Canadian labour standards.

**Women’s Rights**

The inequality gap will not be definitively closed without addressing the social norms and power relations that shape women’s economic opportunities.

**Violence Against Women**

Understanding the impact of violence on the lives of women is paramount in fundamentally addressing power and social norms. The World Health Organization estimates that, globally, one in three women will experience some form of violence in her lifetime. This reality structures the choices women make, their level of autonomy, their vulnerability to exploitation, and ultimately their life chances.

Rates of domestic and sexual violence remain persistently high in Canada as well. Nearly a quarter of a million Canadians report experiencing domestic violence in the past 12 months alone. Women make up the majority (56%) of victims of violent crime and 87% of victims of sexual assault.

Some groups experience disproportionately high rates of gender-based violence. Research suggests that transgender people experience far higher rates of violent victimization. Aboriginal women in Canada report rates of violence three times higher than non-Aboriginal women. The disproportionate level of violence experienced by Aboriginal women and girls has been the subject of multiple investigations and widely condemned by national and international organizations and will be the subject of forthcoming federal inquiry.

Ending violence against women is essential to delivering meaningful equality. Gender-based violence has a significant impact on women’s economic security and women’s economic insecurity can make them more vulnerable to violence. Policies and programs designed to empower women economically must also consider the constraints placed on
women by the threat and experience of violence. For example, microcredit has been widely hailed as a tool for women’s economic empowerment. Yet, for many women the unintended consequence of participating in microcredit and other economic empowerment programs includes increased domestic violence, since power relations within the household are disrupted.95 Such violence, or the threat of it, acts as an often traumatic deterrent to women’s participation in the economy: a woman who is at risk of being beaten, raped, or psychologically abused will make all of her decisions around safety and survival. In the face of persistently high levels of gender-based violence, economic equality is unattainable.

This dynamic holds true in Canada as well. In a recent study conducted by the Canadian Labour Congress and researchers at the University of Western Ontario, one in three respondents reported experiences of domestic violence. Violence follows many women to work, with the abuser relentlessly calling, emailing, texting or stalking the victim. Over 80% of victims report that their work performance has been negatively affected by violence. Absenteeism and poor work performance can leave victims vulnerable to discipline and job loss.96

**JOB PROTECTION FOR VICTIMS OF DOMESTIC VIOLENCE**

The government of Manitoba is introducing groundbreaking changes to the Employment Standards Code that would give victims of domestic violence the right to time away from work without fear of losing their job. The proposed legislation would allow a victim of domestic violence who has been employed by the same employer for at least 90 days to take extra unpaid leave to seek medical attention, obtain services from a victim services organization, receive counseling, relocate, and seek legal assistance—including preparing for or participating in legal proceedings.97

For all these reasons, violence against women comes at a significant cost to the economy. Justice Canada now estimates the annual economic impact of violence against women at $12.2 billion or $415/per capita annually.98 The per capita cost of violence against women in Canada is on par with other major public health and safety issues such as smoking ($541/ per capita) or the use of illegal drugs ($262/ per capita).99

**Sexual and Reproductive Health and Rights**

Another major barrier to women’s economic inequality, especially in the developing world, is their lack of sexual and reproductive rights. This contributes to higher fertility rates and greater inequality, since with more children comes more unpaid care and housework. Studies have shown that women’s labour force participation falls by nearly 2 years for each child born.100

Over the past 5 years, the Canadian government has championed maternal and child health in its international development policy and directed substantial resources to the
cause. However, the program has been focused on the needs of children, and mothers in their role as mothers. Women’s lives as women—complex, adult human beings—has been neglected and overlooked. Considering the impact that unplanned pregnancies have on women’s economic inequality, Canada must invest in expanding its focus to include comprehensive sexual education for youth, safe abortions, post-abortion care and access to contraceptives and family planning services for all women. By making this commitment, Canada could have a lasting impact not only on women’s health, but on their long-term economic security.

Women’s Rights Organizations

Women in many countries still face obstacles in their ability to control economic assets. Recent legislative reforms have made a modest and positive difference. However, social norms mean that even when laws are changed, customary law creates de facto limits on women’s economic independence. Without sustained efforts to shift social norms, as well as legal reforms, the inequality gap cannot be effectively erased. Women’s rights organizations have made significant progress in changing behaviors and attitudes at the community level.

LEGAL EDUCATION AND EMPOWERMENT IN KENYA

Women’s rights advocates in Kenya have made important gains in ensuring that the constitutional reform process in that country included changes to women’s property rights. However, the reality for many women in Kenya is still shaped by customary law and social norms, which limit their ability to own or inherit property. Oxfam supports human and women’s rights organizations, such as Namati and the Kenya Land Alliance, who work on legal education and empowerment and support marginalized groups to claim the land rights to which they are entitled.

Women’s rights organizations (WROs) are key actors in advancing women’s economic equality. Research has shown that WROs are instrumental in producing effective government policy. These organizations function as an important democratic tool, raising the concerns and experiences of the most marginalized women. They also hold duty-bearers to account for implementing laws and policies. This is crucial, as many countries have strong legislation protecting women but do a poor job at enforcing the law.

In spite of the central role women’s rights organizations play in addressing gender inequality, they are often the most poorly funded civil society organizations in Canada and around the world. The Association of Women’s Rights in Development estimates that the average budget for women’s rights organizations internationally is less than USD $20,000 annually. Canadian women’s rights organizations fare little better. Their employees are paid the least amongst non-profit groups in Canada.
The politics of the last decade in Canada saw many Canadian women’s rights organizations reduced to operating on a volunteer basis only. Many have closed their doors. The federal government’s 2006 decision to stop funding research or advocacy on gender equality prompted a wave of shut-downs and pushed remaining organizations to shift from advocacy work to providing services.  

The Canadian government’s role in supporting women’s rights globally has also diminished. In the context of an overall aid freeze, valuable programs on women’s rights and gender equality were cut. Direct support to women’s organizations and funding for programs where gender equality is a principal objective have been dramatically scaled back since the aid freeze was announced in 2010. The government also cut gender equality funds to support women’s advancement organizations, despite a 2006 evaluation that found the funding program highly effective. Canada can restore its reputation as a global leader on gender equality by directing significant funding to women’s rights organizations and programming in Canada and around the world.

WOMEN’S RIGHTS ORGANIZATIONS TACKLING UNPAID CARE IN ZIMBABWE

Funding women’s rights organizations tackling the structural causes of women’s economic inequality is a wise investment. For example, since unpaid care limits women’s participation in economic, political and social activities, programs that target unpaid work are particularly effective. Oxfam’s WE-Care initiative works with local partners and women’s rights organizations to reduce and redistribute unequal care through a range of interventions. The program raises awareness about gender roles, introduces time-saving equipment, and advocates for care-related infrastructure such as transport and healthcare. Programs of this type are a valuable way of tackling one of the root causes of women’s economic inequality.

In sum, Canada should promote women’s rights and leadership to tackle the root causes of women’s economic inequality. Concrete actions that Canada can take include:

- Expand women’s economic empowerment programming to include monitoring of domestic violence, and awareness-raising and training on gender power relations and violence.
- Introduce legislation to give victims of domestic violence the right to time away from work without fear of losing their job.
- Expand the focus of Canada’s Maternal, Newborn and Child Health program to include comprehensive sexual education for teenagers, safe abortions, post-abortion care and access to contraceptives and family planning services for all women.
- Increase financial support to women’s rights organizations and programming in Canada and around the world.
3. A TIME TO ACT

Extreme inequality is bad for everyone. The key to addressing inequality lies in understanding and remaking the social, political and economic forces that contribute to it. Gender inequality is one critically important factor in this complex work.

Women face unique barriers in our society and in our economies. These include the uneven distribution of unpaid work, the undervaluing of work in predominantly female fields, the concentration of men and women in different fields of work, and social norms that sustain and entrench inequality.

The ideology of market fundamentalism fails to recognize these barriers. Gender-sensitive policies and regulation are needed to remove these obstacles once and for all.

Eliminating the gender gap would be a powerful step forward in creating a more fair and equitable, society. We must redefine growth as a force which lifts men and women, together, toward a better future.

Oxfam and the Canadian Centre for Policy Alternatives are calling for concerted action to build a fair economic and political system, a system that levels the playing field and leads to the elimination of gender inequality. There are many concrete steps that Canadians and our new government can take to finally close the gap between the haves and have-nots. If implemented, the recommendations and applied analysis in this report would constitute a great leap forward for equality.

With a new government and a new global sustainable development agenda, Canada has an unprecedented opportunity to tackle economic and gender inequality and make women count. Transformative actions 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


2. Wealth of the richest individuals as extracted from the Global 2014 Forbes Rich List, share of national wealth held by the rest of the population from the Credit Suisse Global Wealth Databook.


9. In 2015, 31% of women and 26% of men in the labour force held university degrees; 36% of women and 35% of men hold some form of post-secondary education. “CAN-SIM Table 282-0004: Labour force survey estimates (LFS), part-time employment by reason for part-time work, sex and age group, annual (persons).” Ottawa: Statistics Canada.


18. “CAN-SIM Table 282-0014: Labour force survey estimates (LFS), part-time employment by reason for part-time work, sex and age group, annual (persons).” Ottawa: Statistics Canada.


25. "Labour Force Status (8), Highest Certificate, Diploma or Degree (15), Aboriginal Identity (8), Age Groups (138) and Sex (3)." 2011 National Household Survey. Ottawa: Statistics Canada.


34. "CAN-SIM Table 202-0102: Average female and male earnings, and female-to-male earnings ratio, by work activity, 2011 constant dollars, annual." Ottawa: Statistics Canada.


40. CAN-SIM Table 202-0804: Persons in low income, by economic family type, annual. Ottawa: Statistics Canada.

41. CAN-SIM Table 115-0014: Total income for adults with and without disabilities, by age group and sex. Canada. Ottawa: Statistics Canada; CAN-SIM Table 206-0091: Canadian Income Survey (CIS), low income measures (LIMs) by income source and household size, annual. Ottawa: Statistics Canada.

42. CAN-SIM Table 202-0802: Persons in low income families, annual. Ottawa: Statistics Canada.

43. CAN-SIM Table 204-0001: High income trends of tax filers in Canada, provinces, territories and census metropolitan areas (CMA), national thresholds, annual. Ottawa: Statistics Canada.


Making Women Count: the unequal economics of women’s work

48. Calculation based on the average total compensation for the top 100 CEOs in 2014 (see Hugh MacKenzie, “Staying Power: CEO Pay in Canada.” CCPA, January 2016) and the basic minimum wage for garment workers in Bangladesh (see Fair Labor Association).


60. “CANSIM Table 276-0020: Employment insurance program (EI), beneficiaries by province, type of income benefits, sex and age, monthly (persons).” Ottawa: Statistics Canada.


78. “CAN-SIM Table 114-0001: Population providing care to a family member or friend with a long-term illness, disability or aging needs, by sex and age group, occasional.” Ottawa: Statistics Canada.


85. Provost and Vice President (Academic), McMaster University Faculty Association. Joint Statement on Pay Equity, April 2015.


107. Direct funding for women’s rights organizations has dropped from $8.8M in 2009-10 to $5.19M in 2013-14. And funding for programs where gender equality is a principal objective has been on the decline since 2010/11—though this trend was reversed in 2013/14 which was a welcome shift.
