Standing Committee on Finance (FINA)

Pre-budget consultations 2012

Fund the Child Coalition- research on caregiving

Responses

1. Economic Recovery and Growth

Given the current climate of federal and global fiscal restraint, what specific federal measures do you feel are needed for a sustained economic recovery and enhanced economic growth in Canada?

For a sustained recovery we need to not just fix short-term challenges but set up solutions in perpetuity. We have to not just increase immigration and adjust pension benefits but think long term to ensuring there are enough people born to become citizens, taxpayers and contributors to the economy. This means we need to invest in youth and parenting. Many nations are doing this and my submission would give an appendix of birth bonuses, family allowances, child tax benefits that nudge those who want children to be able to afford them. I would look at income splitting, pensions for the homemaking years and divorce settlements that provide stable secure homes for children and an end to child poverty. In this way we do not just help our current workforce but we help out next one too. -rearrange funding to the provinces and territories so that education can be more of a priority. A well educated population not only can be more creative and innovative in the world, not only more well adjusted and mentally healthy, but also able to get good jobs that pay more and that generate more tax revenue. It's a win win. -decrease funding for 3rd party interventions in life and streamline administration so that funding flows to and with those who need it. If we can enable the natural support system of family and friends, we not only help those who want to age at home or tend their handicapped family member at home to do so, but we save money. Ssskatchewan is finding that funding for the elderly that flows with them rather than only for institutional care costs less. -refine work so that we open our eyes to the free work we have gotten done in the past and that some still prefer to do. If we notice that unpaid labor is a plllar of the economy and that caregiving has always saved us billions in the health care and criminal justice system, we can adjust some of our tax policies to enable and not just discourage this work. Those who wish to be home with a newborn, to take care of an aging parent, to tend a chronically ill spouse often have to forego salary, can't afford to do so, and therefore use systems that cost government professional salary rates instead. If we enable family-based care people end up happier with more options, and government saves money. -fully value all the roles women have and complete the women's rights push for full equality by noticing the unpaid roles women have historically done. By valuing the care role, the volunteer role that anchors the economy, now whether men or women do it, it is recognized in the definition of useful work, it is recognized in taxes and it is recognized in pension. We have to take that one last step to incorporating what was a female paradigm into the traditional economic jargon and categories of what was historically male territory. These measures would ensure more children are born, more are affordable, child poverty is ended, families are happier and more able to spend time with their offspring and therefore they are all more productive to the economy. They earn with more focus, are better at their jobs, take time to recharge with a career-family balance to their lives and they face life without as much tension.

2. Job Creation

As Canadian companies face pressures resulting from such factors as uncertainty about the U.S. economic recovery, a sovereign debt crisis in Europe, and competition from a number of developed and developing countries, what specific federal actions do you believe should be taken to promote job creation in Canada, including that which occurs as a result of enhanced internal and international trade?

-notice what Europe is doing wrong and don't imitate it. Sweden's universal daycare system has been a disaster for the high cost and high ratios of adult to child nonetheless. Rethink having daycare as a budget item since it is fraught with potential for lawsuits about inadequate care. Instead fund children. Ensure that all the people who are assessed to pay tax pay them and there are not so many loopholes or evaders as we hear about in Greece. -notice what Europe and the US are doing right and imitate that. Allow income splitting for it enables people to afford a life and become consumers. Consider birth bonuses and higher family allowances because those are routes to address the greying of the population. -don't sell ourselves cheap. We are not desperate and we should not assume we have to market our goods at discount rates since we have the oil, gas, water, trees and wheat and others need them. There is no economic reason for us to just try to cut our salaries or costs of operation to match low salaries of the third world. We can hold out for what is fair to our workers and our economy. Otherwise we all sink to the lowest level and human rights principles should work the other way - that we argue for the 3rd world to get better conditions. -rethink 'job creation' as our only goal. We must also value the creative part of our citizens, the creative impulse to have home-based business if the tax climate is encouraging and the vital impulse to create life, to have children and nurture them. This is a type of long-term job creation for it gives our nation workers and that makes a circle where they create services for each other- for housing, schooling, stores, restaurants, policing. I would urge the committee to look at the most basic part of job creation which is to create citizens. We can think of the need for people to get paid and for government to get a share of the action via taxes (how we all receive) But we should also think of how we all give, the vital services people provide to each other in caregiving, in selling needed products, in feeding and clothing us and how governments can help us be givers (how we all give)

3. Demographic Change

What specific federal measures do you think should be implemented to help the country address the consequences of, and challenges associated with, the aging of the Canadian population and of skills shortages?

We must encourage births. That is the long term solution. We must stop looking at pensioners as a drain on the economy for this insults them and fails to recognize the debt we owe them from the creation of fair government, universal health care and Ei to peace in our time. We must value the generations for each's contribution in varied ways- some paid their dues literally and deserve recompense for that and some are currently giving and need to feel there is a long term point to it too, and that aging is not an evil to fear. We have to recognize too that many seniors are still anchors to the economy, formally with their savings being used by banks to generate loans to others and informally by loans and gifts to younger generations, help buying homes, help raising families. We have to recognize that the revolts of youth, the alienation some feel, are a message that a generation must not be ignored as it struggles with huge tuition, huge student debt and real obstacles to the 'launch' into full adulthood. We shoot ourselves in the foot as an economy if we rob from the kids and penalize them for getting an education. So we have to look at the whole picture where the current earner between 20-65 is not our only valued citizen with the others seen as useless. We have to value the worker in embryo, which is the child, and the worker who is scaling back though still contributing in many ways, which is the senior. I would make a contribution to the discussion about smoothing over intergenerational resentments. We

can do this when we value them all. Churchill said the best thing an economy can do is to put milk into babies. We have to remember that insight.

4. Productivity

With labour market challenges arising in part as a result of the aging of Canada's population and an ongoing focus on the actions needed for competitiveness, what specific federal initiatives are needed in order to increase productivity in Canada?

We must notice that the definition of productivity about money produced for hours of labor is itself a little out of sync. There is a lot of labor being done that is not counted - most caregiving and volunteerwork for instance. If we aim at raising our money-based productivity, we often nudge caregivers out of their roles but that is actually self-defeating. We give them the stress of still having to get the care roles done, without any help or with costly to government help. We may get them as new paid workers but at what cost? Many would prefer to be home doing their unpaid work. How odd is that except that when home they are not therefore lazy and self-indulgent as the productivity scale would suggest. They are actually working hard tending someone who needs help. Those who make the meals and do the laundry, tend the sick and young and dying are vital to a household but also to a society. So we have to not keep that sector from doing what its heart says to do. They are actually doing vital work. Ironically though when we do look at productivity this new ways, valuing unpaid labor, in the long run we'll have gains in productivity even by the old definition. How? 1- people who are happy with their career-family balance work harder, are absent less from the paid job, take less stress leave, are more creative and more productive 2. people who are able to be home when needed there and away at paid jobs when they are not needed are more economically secure, and the tension of their lives is so reduced that they cost the health care system less, they are less likely to get divorced, there is lower likelihood of spousal or child abuse, there is less restlessness for their teens, there is more chance to be with their teens and nurture them and there is less likelihood then of teen drug use, gang or criminal behavior, less likelihood of teen runaways, or school dropout. 3. when people are sure they can afford to have kids, even in an uncertain economy, they take that leap, they create life and then with a supportive family benefits system they create more workers, more jobs for each other and then a better bottom line. The pension crisis is solved if we have more youth. We often hear that the demographic crunch will happen in 20 years. It is no coincidence that that is how long it takes to go from baby to adult and we do have this window of opportunity right now to solve the pension crisis. Create babies. Setting up a benefits system for families is the absolutely best way that a caring nurturing, encouraging government gets its people back on their feet. It does it through believing in their dreams of family and future. It does this by supporting their optimism about having a child and a good place to raise a child. If government does not panic and shares the dream, with birth bonus, with income splitting, with benefits that flow with a child to age 18, with benefits that go to the handicapped and frail elderly that flow to wherever they are, government will have done its finest role- helping its citizens have the life they want. 4. when we aim at competitiveness in the world, getting contracts, orders for products and outbidding another nation, that is a paradigm of getting along that may not be the ultimate solution for it may be beggar thy neighbor. We have to also aim at good enough, at sustainable solutions not just for Canada having enough but for our competitors also to have enough. We should not need to get all the marbles to be happy. 5. We need to do a major adjustment of our terms to get there though, not just the term 'work' which should include unpaid gifts others give to the economy of their time and skills but also the term 'labor ' to include women in labor and household labor. We have to redefine 'productivity' to notice what we were taking for granted. And we have to redefine success too since ever bigger and bigger with a balloon will make it pop. We should not aim for salaries to get forever bigger, house prices forever higher for that too will pop.

5. Other Challenges

With some Canadian individuals, businesses and communities facing particular challenges at this time, in your view, who is facing the most challenges, what are the challenges that are being faced and what specific federal actions are needed to address these challenges?

Youth are facing a huge challenge. Fund parenting more, fund education more Seniors are facing a huge challenge. Ensure pensions are not cut back to those who really are living in dire situation right now Aboriginals are facing a huge challenge but it may not be what you think. It is not a need for more p rograms, interventions, handouts. It is a need for self-worth, for feeling good about who they are and we need to redefine what type of education they are respected for giving. We need to help them capture the wisdom of their own ancestors, and create pride in the herbal remedies, the crafts they learned, the tracking skills, the commune with nature and the sense of spiritual peace that we all need. We have to consider them elders and wise offering us insights about our fast pace that we need and we should not become impatient when they make us wait because their time frame itself and their collaborative peace-making are lessons we may need to learn. In other words, don't give so much money to middle level intervenors for natives. Empower them to assert their rights as voters within their community, ensure rules are enforced about corruption and illegal activities and then dare to trust them with money. it is condescending to assume they could not handle it. I am not an expert on aboriginal life but the expert is in fact an aboriginal. I would be honored to be part of any online consultation. I edit an international newsletter on caregiving and would provide all input I could from my many years of research on some of these topics.