



BUILDING AN ECONOMY THAT WORKS FOR WOMEN

OXFAM CANADA'S RECOMMENDATIONS FOR FEDERAL BUDGET 2018

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Introduction

Today, 8 billionaires own the same amount of wealth as the poorest half of humanity. In Canada, just 2 billionaires own more wealth than the bottom 30% of Canadians. Growing inequality is bad for all; it makes it harder to end poverty, and it has particularly adverse consequences for women who continue to make up the majority of the world's poor.

Our current economic model relies on women's cheap labour to maximize corporate and shareholders' profits. Around the world, as in Canada, women are the lowest-paid workers, often working in jobs that provide minimal security and physical safety. Sexism affects the time women have to work for pay, the jobs women have access to, the money they earn, and the way society values their work.

Economic growth on its own is not sufficient to move the needle on gender equality. Governments must enact policies and make budget allocations that help level the playing field by tackling the structural inequalities and deep rooted discrimination that keep women from benefiting from the gains to which they contribute.

Federal Budget 2018 provides an opportunity for the government to deliver on its ambitious feminist agenda by making bold investments and fiscal policy decisions. Moving towards an economy that works for the many, not just for the few, will require action in four key areas: (1) taking the gender budgeting process to the next level by actively involving women's rights advocates; (2) making investments and policy decisions that strengthen Canada's global leadership on women's rights; (3) raising more revenue to reinvest in gender-sensitive social spending; and (4) increasing Canada's social safety net and protecting workers' rights.

Taking gender budgeting to the next level

Budgeting and fiscal policy are core feminist issues, and the government took an important first step by introducing Canada's first Gender Statement in Federal Budget 2017. More can now be done in the lead up to Federal Budget 2018 to strengthen Canada's commitment to gender budgeting as a tool to advance gender equality.

Gender budgeting is not merely a technical exercise, but a process that brings women's voices to the forefront through meaningful consultations and ongoing dialogue with women's rights

organizations. Every government department has a role to play in ensuring their budget requests include strong gender analysis and targets to advance gender equality.

The Standing Committee on Finance can also take a leadership role in ensuring that the recommendations of women's organizations are considered and brought to the fore. Last year, only a handful of women's organizations were invited to testify at the Finance Committee's Pre-Budget Consultation hearings. The Committee itself, in its call for submissions, makes no mention of the importance of addressing the gender implications of recommendations put forward for consideration.

Our recommendations:

- ✓ The government should set up an **advisory council on gender budgeting**, which includes representatives of women's organizations and is designed to increase the government's capacity to do gender budgeting and sets clear gender equality targets for all upcoming federal budgets. The government should also encourage all government departments to consult with and engage in ongoing dialogue with women's rights organizations, and to build their own capacity to conduct quality GBA+.
- ✓ The Standing Committee on Finance should ensure that at least 15% of witnesses in the **pre-budget consultations** hearings are either women's rights organizations or focus their testimony on recommendations to advance gender equality. For subsequent consultations, the Committee should also provide guidance to encourage all submissions to address the implications of their recommendations on gender equality.

Demonstrating global leadership on women's rights

The world is looking to the Canadian government for leadership on gender equality. In an era of political backlash against hard-won women's rights, Canada made headlines with the announcement of its first feminist international assistance policy and its decision to invest in women's sexual and reproductive health and rights. But we cannot stop there. Canada's ambition to be a global champion for women's rights can only be achieved through a robust feminist foreign policy and unrelenting championing of women's leadership.

A feminist foreign policy would ensure that the multiple facets of Canada's engagement in the world are aligned to promote women's rights and gender equality – whether through aid, trade, diplomacy or defense. It is not enough to only set gender equality targets for aid. Canada's trade, defence and economic policies all have impacts on women and the potential to improve their lives. But this cannot be achieved on the cheap. In 2016, the government only invested 0.26% of GNI in foreign aid, putting Canada at the bottom end of OECD countries. With Canada's international assistance budget at its lowest in the past half century, Canada is poised to fall short of its ambition.

Our recommendations:

- ✓ To properly implement Canada's new **feminist international assistance policy**, commit to year-on-year increases to the international assistance envelope in Budget 2018 and 2019, and develop a 10-year plan to achieve the international benchmark of 0.7% of GNI. Ensure that Canada's new Development Finance Institution is subject to the same principles as the Official Development Assistance Accountability Act, is mandated to focus on poverty reduction and gender equality, and works in strategic alignment with the new international assistance policy.
- ✓ Spearhead a **progressive business and human rights agenda** by swiftly setting up an Ombudsperson's Office that is effective, impartial and empowered to investigate human rights violations, make public recommendations, and provide remedies to victims of human rights violations committed by Canadian companies overseas. Develop guidelines requiring large Canadian companies to report annually on their impact on society, human rights and the environment. Require Canadian companies sourcing from international suppliers to monitor and report on the gender and human rights impacts of their supply chains.
- ✓ Implement a **progressive trade agenda** by carrying out human rights and gender equality assessments of current and future trade agreements; investing in training for Global Affairs staff on gender and trade; committing funding to increase the voice and participation of women in trade agreements and policy making; and including gender chapters in all trade agreements with clear goals, outcomes and mechanisms for accountability and monitoring.
- ✓ Champion a second generation of **global tax reforms** at the UN level that puts all countries on an equal footing, tackles the key problems not addressed by the OECD's Base Erosion and Profit Shifting measures (such as tax havens, tax incentives, special export zones and harmful tax competition), and reduces tax dodging by creating a public registry of companies and trusts that includes beneficial ownership information and mandating large multinational enterprises to file public country-by-country reports.

Raising more revenue to reinvest in gender-sensitive social spending

The tax system – through the redistribution of wealth – can help narrow the gap between the rich and poor and transform unequal gender roles through tax incentives. One of the key drivers of the inequality crisis is tax evasion and competition. As a result, governments the world over have seen a steady decline in revenues that has limited their ability to deliver essential services to those who most need them, often women.

In rich and poor countries alike women are tied up in providing unpaid care, which limits their ability to pursue decent jobs. Investments in the care economy are instrumental in leveling the

playing field for women and would have the triple benefit of stimulating employment, contributing to more inclusive growth and increasing gender equality by opening up women's options.

Our recommendations:

- ✓ Commission an **independent review of the tax system** (including a gender-based analysis of the entire system) to find a better balance between corporate income tax and sales taxes, to close inefficient tax loopholes, to identify regressive income tax measures that hurt women (such as pension income splitting) and to allocate the tax burden according to principles of ability and progressive taxation of incomes. Raise more revenue by gradually increasing the federal corporate income tax rate from 15% to 21% and closing tax loopholes that benefit only the rich.
- ✓ Invest 2% of GDP in **social infrastructure** (education, healthcare and social care services), including for First Nations, which will help increase overall employment rates, specifically for women, stimulate growth, and address the challenge of an aging population.
- ✓ Ensure that the forthcoming Canadian **poverty reduction strategy** uses an intersectional human rights gender approach and has dedicated funding attached to it, and that a rights-based national housing strategy is adequately funded.
- ✓ Set a 10-year timetable to incrementally increase **child care funding** to meet the international benchmark of 1% of GDP, starting with an investment of \$1 billion in 2018-2019, and introduce legislation that lays the foundation for a national child care system based on the principles of universality, quality and comprehensiveness, and that includes a workforce strategy.
- ✓ Invest in the collection and open access publication of **gender disaggregated data** by Statistics Canada that captures the full range of identity factors and measures unpaid care.

Increasing Canada's social safety net and protecting workers' rights

The world over, women are over-represented in informal, vulnerable and precarious work. Too many women are working full-time and yet are stuck in poverty. Women in Canada earn on average 74 cents for every dollar men earn, and for racialized and Indigenous women it can be as low as 56 cents. Women continue to represent 60% of minimum wage earners, and single senior women are some of Canada's poorest.

Violence against women and poverty are often closely intertwined and must be tackled together. Domestic violence has a devastating impact on women's lives and their economic security because it can lead to absenteeism, poor work performance and sometimes job loss. The

federal government estimates the economic impact of violence against women at \$12.2 billion a year.

The Liberal Party campaigned on the promise of inclusive growth, but few meaningful steps have been taken to address women's precarious work. Women are often forced into low paid and insecure jobs because they have less of a safety net – in part because of difficulties accessing Employment Insurance (EI) and the lower benefits they receive. Due to care responsibilities, women are often taking up temporary, contract, or part-time jobs that offer low wages and few benefits, also making it difficult for those living in abusive situations to leave.

Organizing and collective bargaining is essential to ensuring workers' rights, particularly for women stuck in precarious work. Canada's ratification of ILO Convention 98 was a welcome step, but organizing requires a well-funded women's movement. What is needed is a comprehensive strategy to address women's precarious work that includes modernized labour standards, living wages, pay equity, reforms to the EI system, protection of victims of violence and migrant workers, and funding for women's rights organizations.

Our recommendations:

- ✓ Invest \$100 million a year in Status of Women to restore and support **Canada's women's movement** both at the grassroots and national level to engage in collective organizing, advocacy and service delivery.
- ✓ Ensure women earn **living wages** by raising the minimum wage for employees under federal jurisdiction and awarding federal government contracts only to living wage employers. Increase access, duration and levels of EI benefits for women, tying them to need rather than earnings.
- ✓ Introduce and pass pro-active **pay equity** legislation in 2017, with particular attention to the greater pay equity gap for racialized, Indigenous and immigrant women, and strongly encourage all provinces and territories to adopt pay equity legislation and improve compliance rules.
- ✓ Develop a national action plan on **violence against women**, building on the new federal strategy on gender-based violence, in partnership with the provinces, that addresses the structural factors causing inequality and sets concrete targets, timelines, indicators and resources. Introduce legislation for employees under federal jurisdiction that gives the right to time away from work for victims of domestic violence. Ratify ILO Convention 189 concerning decent work for domestic workers and provide open work permits for caregivers coming to Canada under the Live-In Caregiver Program in order to address exploitation.