

A Higher Calling: The case for federal investments in women's work in the care economy

House of Commons Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities (HUMA)

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Thank you very much for the opportunity to present the views of the Canadian Centre for Policy Alternatives (CCPA). The CCPA is an independent, non-partisan research institute concerned with social, economic and environmental justice, with offices across the country. Founded in 1980, it is one of Canada's leading voices in public policy debates.

The Canadian Centre for Policy Alternatives has been working these past two years to track the evolving impact of the pandemic, working with a range of community organizations and labour partners to set out a course for "building back better." Transforming Canada's care economy and improving the situation of its largely female and racialized workforce is essential to this task.

The COVID-19 has highlighted the many ways in which inequality is baked into our economy and institutions. It blew open our social safety net, revealing the precarity and deadly consequences of our reliance on market-based service in fields like long-term care as well as the negligent and exploitative treatment of care workers, as reflected in their low wages.

The crisis in care work predates the pandemic, rooted in the deeply gendered treatment and positioning of care work, intersecting with racist and ableist stereotypes and immigration policies designed to service Canada's care deficit. There was a fleeting moment when care workers were held up as heroes—some receiving pay top ups to recognize extraordinary effort and to help stem the exodus of workers from service. But these efforts have barely scratched the surface.

A structural re-think and systemic change is needed. This brief sets out three main recommendations for pursuing this goal which are discussed in the conclusion. They are:

- Revitalize social infrastructure through care economy investments,
- Ensure decent work for underpaid and undervalued care workers,
- Create a National Care Economy Commission to support monitoring, evaluation, accountability and learning across the whole of the care economy.

Care workers and the gender pay gap

Care workers make up a sizable group. According to the 2016 census, about three million people were employed in paid care occupations in the public and private sectors, making up nearly one-fifth (19%) of total employment in Canada. Women accounted for three quarters (75%) of care workers in 2016—and an even larger share of lower-paid caring occupations, such as housekeepers and cleaning staff, nurse aides, personal support workers, and home care providers. And within these occupations, racialized women and recent immigrants play an outsized role, especially Filipino and Black women.



As a consequence, women in care occupations have lower average employment income than men do (\$59,300 vs. \$73,400 in 2015), even after taking different personal characteristics and care occupations into account. In 2015, a female care worker earned an average of 80.8% of a male care worker's wage. The gender pay gap was even larger among Indigenous, racialized and immigrant women, as the Table 1 illustrates. For example, racialized women made 71.2% of non-racialized male care workers, and the gap is similar for Indigenous women (at 70.1%). Female care workers with non-permanent immigration status experienced the largest gap. This group earned \$42,000 less than non-immigrant men working in caring occupations.

Table 1

		Employmo		ncome	ers and gender gap, 2015 Gender Gap			
		Men		Women	Within	Compared to		
					group	male referent		
Immigrant Status								
Non-immigrants	\$	73,300	\$	60,600	82.7%	82.7%		
Immigrants	\$	74,900	\$	55,800	74.5%	76.1%		
Non-permanent residents	\$	48,100	\$	31,500	65.5%	43.0%		
Racialized status								
Non-racialized	\$	74,700	\$	60,700	81.3%	81.3%		
Racialized identity	\$	68,000	\$	53,200	78.2%	71.2%		
Indigenous status								
Non-Indigenous	\$	74,000	\$	59,700	80.7%	80.7%		
Indigenous	\$	58,000	\$	51,900	89.5%	70.1%		
Total	s	73,400	\$	59,300	80.8%	80.8%		

Source: Farhana Khanam, et.al. (2022), Women working in paid care occupations, Statistics Canada, Catalogue no. 75-006-X

COVID-19 and care work

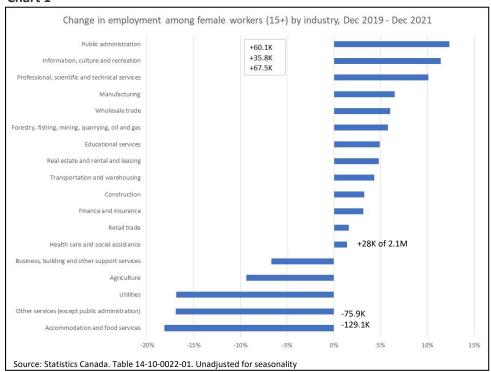
With the arrival of the new coronavirus, Canada's care economy came under intense pressure as governments struggled to arrest accelerating case counts, treat the victims of this new illness, and mitigate the massive economic shock that followed in its wake.

As much of their work was deemed essential, care workers, in the aggregate, did not experience the same scale of employment loss when the pandemic hit as did other sectors of the economy. After an initial decline in spring 2020, employment in care rebounded, fully recouping pandemic-related losses by the end of the year.²

Overall, there's been modest growth in women's care work in health care and social assistance field over the past two years, which went up by 1.4% between December 2019 and December 2021—a difference of roughly 28,000 jobs. Female health care workers saw an 8.4% rise in the number of registered nurses (+25,100) and a 6.3% increase in the number of those employed in "assisting occupations" (+20,400) over this same time period.



Chart 1



That said, there was significant loss of capacity in many community-based services such as child care, employment, immigrant settlement services and the like. Female employment among home care providers and community support occupations actually fell by -2.7% (-5,900 jobs) between December 2019 and December 2021.

These headline employment statistics, however, don't begin to tell the story of the devastating toll of the COVID-19 pandemic on care workers: the exponential rise in demands and huge challenges involved in delivering quality care, all within a system that has been drained and strained by years of "underinvestment, inadequate planning and weakened or fragmented regulation", where conditions of work undermine quality care and worker well-being.

Care workers across all fields have reported greater stress and fatigue.⁵ A January 2022 survey of nurses found that 94% were experiencing symptoms of burnout and more than half surveyed were considering leaving the profession in the coming year.⁶

Wage trends in the care economy

This is critical context for understanding employment and wage trends in Canada's care economy and the substantial rise in demand for care workers. Total job vacancies reached a record high in the fourth quarter of 2021 (up 80% over the fourth quarter of 2019). They were even higher in health care and social assistance, in which there is almost double the number of vacancies compared to two years earlier (reaching 126,000).



Vacancies exceeded 80% in all health care and social assistance subsectors, as well as many related occupations. For example, vacancies increased by +117.1% among registered nurses (to 23,000), by 81.3% among nurse aides and orderlies (to 20,500), by 91.3% among child care workers (to 9,470), and by +159.8% among social and community service workers (to 14,400).

Table 2

Occupations with the largest two-year increases in job vacancies, Q4 2019 to Q4 2021								
Occupations		Number of job vacancies		-change - ancies	Female share (%) of			
	Fourth quarter 2019	Fourth quarter 2021	Number	Percent	employment			
Food counter attendants, kitchen helpers and related support occupations	32,095	70,415	38,320	119.4%	63%			
Retail salespersons	34,355	51,150	16,795	48.9%	57%			
Food and beverage servers	8,765	21,465	12,700	144.9%	60%			
Registered nurses and registered psychiatric nurses	10,575	22,955	12,380	117.1%	92%			
Cooks	12,760	24,090	11,330	88.8%	41%			
Construction trades helpers and labourers	6,980	18,035	11,055	158.4%	7%			
Nurse aides, orderlies and patient service associates	11,300	20,490	9,190	81.3%	87%			
ight duty cleaners	6,430	15,485	9,055	140.8%	70%			
Store shelf stockers, clerks and order fillers	10,455	19,495	9,040	86.5%	35%			
Social and community service workers	5,545	14,405	8,860	159.8%	78%			
Medical laboratory technicians and pathologists' assistants	300	700	400	133.3%	96%			
Early childhood educators and assistants	4,950	9,470	4,520	91.3%	92%			
Home care providers and educational support occupations	6,690	12,610	5,920	88.5%	83%			

The conditions appear to be ripe for boosting wages and closing the pay gap, especially in key care economy occupations. Yet results from the Job Vacancy and Wage Survey show that this isn't the case. Looking back over the past two years, the average hourly wages of most care workers have not kept pace with demand, and certainly not with current inflation. For example, wages have increased by 3.5% among nurses, by 4.8% among child care workers, and by a meagre 1.7% among social and community service workers.

But after taking inflation into account—at 5.5% over the two years⁸—three of these essential women-majority occupations actually experienced real income losses. If it hadn't been for the temporary top-ups available to personal support workers, they would have been in the same situation. Medical and laboratory technicians who have been in huge demand throughout the pandemic, with vacancies up 133.3%, experienced an inflation-adjusted loss of -8.4% between the fourth quarter of 2019 and 2021.



Table 3

Occupations with the largest two-year increases in job vacancies and average offered hourly wages, Q4 2019 to Q4 2021							
Occupations	Average offered hourly wage (\$)		Two-year-change - hourly wage (\$)		Percent change minus inflation		
	Fourth quarter 2019	Fourth quarter 2021	Dollar	Percent	(5.5%)		
Registered nurses and registered psychiatric nurses	\$31.45	\$32.55	\$1.10	3.5%	-2.0%		
Medical laboratory technicians and pathologists' assistants	\$25.45	\$24.70	-\$0.75	-2.9%	-8.4%		
Construction trades helpers and labourers	\$19.25	\$22.05	\$2.80	14.5%	9.0%		
Social and community service workers	\$20.20	\$20.55	\$0.35	1.7%	-3.8%		
Nurse aides, orderlies and patient service associates	\$18.35	\$20.10	\$1.75	9.5%	4.0%		
Home care providers and educational support occupations	\$17.65	\$18.95	\$1.30	7.4%	1.9%		
Early childhood educators and assistants	\$17.55	\$18.40	\$0.85	4.8%	-0.7%		
Light duty cleaners	\$15.80	\$17.30	\$1.50	9.5%	4.0%		
Cooks	\$15.55	\$16.80	\$1.25	8.0%	2.5%		
Retail salespersons	\$14.10	\$15.45	\$1.35	9.6%	4.1%		
Food counter attendants, kitchen helpers and related support occupations	\$13.85	\$14.90	\$1.05	7.6%	2.1%		
Store shelf stockers, clerks and order fillers	\$13.85	\$14.40	\$0.55	4.0%	-1.5%		
Food and beverage servers	\$12.90	\$13.85	\$0.95	7.4%	1.9%		

Source: Statistics Canada. Table 14-10-0328-01 Job vacancies, proportion of job vacancies and average offered hourly wage by selected characteristics, quarterly, unadjusted for seasonality

Conditions of work are the conditions of care⁹

The challenge is how to leverage the critical demand for caring services in ways that value and uplift these workers and reduce gender disparities in pay and working conditions. Higher vacancy rates are pushing up wage rates, notably for new hires in certain sectors and in certain occupations (e.g., in long term care), but huge stumbling blocks remain.

On its face, the new federal Early Learning and Child Care Plan¹⁰ is clearly a win, building on decades of research and committed advocacy. This could represent a real turning point. But it isn't clear whether the agreements that have been struck with provincial and territorial governments will deliver improvements for workers.¹¹

One the most contentious points has been about the introduction of wage grids, which are absolutely fundamental to delivering on the promise of universal quality child care. Provinces have introduced grids but set low minimum salaries, as Ontario has just done (at \$18/hour), with the promise of more to come. But more is needed now.

And there are other developments undermining momentum toward greater gender equity in the care economy, including existing public sector wage restraint in several provinces, which is suppressing care sector incomes, ¹² as well as the expansion of the use temporary foreign workers¹³ and "volunteers"¹⁴ to address critical care shortages. During the pandemic, we also saw the introduction of new gig platforms, such as Staffy and BookJane, in long term care¹⁵—a move that will further exploit care workers and erode the foundations of quality care.¹⁶



Reducing and eliminating the role of for-profit providers in Canada's care economy

The COVID-19 pandemic has highlighted the value of women's caring labour and the glaring flaws in our systems of public support as never before. Canada's high COVID-19 fatality rate among vulnerable seniors and the disproportionate incidence of illness and death among care workers are devastating evidence of our failure to invest in social infrastructure.¹⁷ Decades of neglect have undermined public services and compromised the rights and well-being of its workforce. This has fuelled, "by default and by design," the growing presence of for-profit businesses seeking lucrative investment opportunities in the care economy and a shift of cost and labour to those in need of care and their families.

It is not surprising that the rate of death among long-term care residents was highest in for-profit homes. ¹⁸ In Canada and around the world, the virus moved through facilities by preying on well-known vulnerabilities: a growing reliance on a sub-contracted, non-unionized labour force whose members work multiple jobs in order to make ends meet, and conditions of employment that work against quality care and recruitment, such as fewer workers, more part-time hours, high turnover, heavy workloads, increasing levels of violence, and poor wages and benefits.

Addressing the low wages and poor working conditions of care workers is central to any plausible or just strategy for addressing Canada's care deficit and reducing the penalty attached to occupational segregation for women and other marginalized groups. Investment in the care economy and its workforce not only enhances available community-based care, it supports and serves as an important source of women's paid employment, especially for racialized, Black, immigrant and disabled women. These investments have the considerable benefit of paying for themselves over time through increased employment, earnings, and economic activity, reduced income security benefits and emergency services, and healthier communities.^{19, 20}

Investing in the care economy benefits everyone

The federal government has a vital role to play in elevating the quality of employment in the Canada's care economy through **investments in public care infrastructure**, **sector-specific labour force strategies**, and the **strengthening of employment standards** that ensure the appropriate valuing of the skill, effort, responsibility, working conditions, and support for equitable, decent working conditions.

Budget 2021 presented an ambitious plan, delivering a transformative \$30+ billion to build a system of high quality, affordable child care across the country, investments in long-term care (\$3 billion over five years), as well as commitments on longstanding feminist priorities, including a National Action Plan to End Gender-based Violence and the promise to overhaul the employment equity regime. Short-term funds were set aside for training and professional development among personal support workers and child care educators. These are important building blocks for creating a stronger care economy and advancing gender equality.

Further investments are needed to secure their success. The CCPA's Alternative Federal Budget²³ provides a range of recommendations for enhancing the capacity of Canada's social infrastructure and its care economy. The following policy and program reforms address the needs of the care workforce:



1. Revitalize social infrastructure through care economy investments to improve service provision for all and the well-being of care workers.

Investing in quality public care services, care policies, and care-relevant infrastructure are proven strategies for reducing social and economic barriers, especially for communities experiencing intersecting forms of discrimination, and advancing equality and opportunity.

There can be no single or uniform approach to transform and strengthen Canada's care economy. Each sector demands its own strategy, reflecting its unique history, range of actors, jurisdictional context, and degree of private market involvement.

Notwithstanding this diversity of circumstances, we believe that entitlements to certain levels of provision can be guaranteed and backed up by a menu of public interventions. This menu should include standard setting and monitoring, robust employment protections and regulation, enhanced public services, progressive taxation, and direct operating grants and transfers—all in support of new and existing policy initiatives in areas such as child care, long-term care, Indigenous services, support for seniors and people with disabilities, employment services, immigration settlement, and services for victims of gender-based violence.

To this end, we also recommend that the government work to ensure that the public interest and public service values are at the heart of this work. Canada's social and physical infrastructure must remain in public hands. Federal investments must be directed to strengthen and expand public and non-profit service provision, actively reducing the role of the for-profit sector providers in the care economy, mobilizing every public dollar in support of community well-being.

The non-profit and charitable sector, which has been hard hit by the pandemic, demands particular attention. Building back better requires strengthening both the public and community non-profit sectors. We must look at how organizations are funded and the ways in which current funding practices hinder their ability to pursue their mission and serve their communities. The senate report, *Catalyst for Change: A Roadmap to a Stronger Charitable Sector*, reflects an extensive analysis of the strengths and needs of this sector.²⁴ Its recommendations offer a blueprint for strategic action.

Efforts to ensure a Canada-wide approach to the many areas that make up the care economy must take into account political jurisdiction and the challenges of federalism. They must also address the specific place of Quebec in the federation, relationships with First Nations, Inuit and Métis peoples, and the need for Indigenous-led solutions. While these dynamics are complicated, they do not have to be insurmountable obstacles. There is an important opportunity for the federal government to take up its leadership role by wielding the necessary resources to advance and sustain progressive change.

2. Ensure decent work for underpaid and undervalued care workers.

Governments must create decent work for women in the care sector, ensuring living wages and the promotion of International Labour Organization (ILO) conventions. The federal government has a critical role to play in establishing a robust foundation of employment standards for workers under federal jurisdiction and for all workers across the country.

In the past few years, the government has introduced several important reforms to federal labour standards, related to hours of work and predictive scheduling, flexible work arrangements and leaves of



absence (including up to 10 days of family violence leave). In 2021, the federal minimum wage was increased to \$15/hour and pegged to inflation—one of the key recommendations of the 2019 Expert Panel on Modern Federal Labour Standards. Legislation has passed guaranteeing 10 paid sick days and protections for health care workers to ensure that they can work without fear or intimidation and that people can safely access health services. Work is underway on a review of Canada's *Employment Equity Act* and to implement a new, proactive pay equity regime and pay transparency regulations.

These initiatives will improve the quality of employment in Canada and help set the bar for reforming labour standards in all jurisdictions. Two key reforms—access to paid sick days and the right to full-time work—would have made a huge difference to the many low-wage, precarious care workers who were forced to work throughout the pandemic to support their family, unable to sufficiently protect themselves, their family, nor those in their care. These challenges were particularly acute for personal support workers who were forced to patch part-time hours together, typically at multiple sites, to make a living and migrant care workers who were literally locked in their employer's home over the course of the pandemic.²⁵

The pandemic has crystallized the imperative to take further action. We recommend that the federal government move quickly with updates to the Canada Labour Code, clarifying the definition of "employee" and bolstering access to labour protections for non-standardized workers (including part-time, part-year, contract, and temporary agency workers, or those who are employed through third-party intermediaries), as set out by the expert panel. These steps are particularly important to limit the growth of non-standard forms of employment in the care economy and other sectors that are designed to distance employees from the firms that profit from their labours and the protections afforded by labour law.

To this end, we recommend that the government further facilitate access to collective bargaining and, in particular, sectoral- and broader-based bargaining approaches that offer significant benefits to vulnerable workers who face higher barriers to the benefits collective bargaining.²⁶ New Zealand, for example, has just introduced a new system of sectoral bargaining called Fair Pay Agreements, which strengthen and align pay equity and collective bargaining processes to both extend protection and provide better vehicles for reducing gender wage disparities.²⁷

We recommend that the federal government also take immediate action to increase access to services and protections for domestic workers, who have been especially hard hit in the pandemic,²⁸ and to ratify the ILO Convention 189 on decent work for domestic workers. Without an assured pathway to permanent immigration status or full access to social security systems and labour protections, migrant care workers are made vulnerable, often unable to leave exploitative, and sometimes even violent, employment conditions.



3. Create a National Care Economy Commission to support monitoring, evaluation, accountability and learning across the whole of the care economy, including the development and resourcing of sector-specific workforce strategies.

In March 2021, the Standing Committee on the Status of Women released its report examining the impacts of the pandemic on women, in which it recommended the creation of a care economy commission to better support and direct future action for the care sector.²⁹ We concur. With a mandate to study, design and implement a care strategy for Canada, such a commission would be well placed to drive the design of sector-specific, community- and worker-centred labour workforce strategies to increase the number and quality of care jobs in Canada.

A National Care Economy Commission would help to coordinate and inform existing work on workforce issues (e.g., in health and child care), bringing a feminist intersectional lens to the task and centring the voices and perspectives of both care workers and care receivers. It could serve as a forum for cross-sectoral and multi-disciplinary collaboration, directing the generation of community-level disaggregated data to fill critical gaps in knowledge, especially about the experiences of marginalized workers and communities.

It could also play a key role in the supporting the development, implementation and monitoring of national standards in areas such as long term care and the dissemination of evidence-based best practices for quality service across a range of fields, based on the ILO's 5R Framework for Decent Care Work.

Endnotes

¹ The following data are based on analysis of information presented in: Farhana Khanam, et.al. (2022), <u>Women working in paid care occupations</u>, Statistics Canada, Catalogue no. 75-006-X.

² These figures are bases on an analysis of Statistics Canada's Labour Force Survey.

³ Linda Silas (2022), <u>A pan-Canadian framework for quality care</u>, Brief to The House of Commons Standing Committee on Health, Canadian Federation of Nurses Unions.

⁴ Pat Armstrong and Marcy Cohen (2020), <u>A Higher Standard Setting federal standards in long-term care and continuing care</u>, Canadian Centre for Policy Alternatives.

⁵ A.L. Trudell & E. Whitmore (2020), <u>Pandemic meets Pandemic: Understanding the Impacts of COVID19 on Gender-Based Violence Services and Survivors in Canada</u>. Ottawa & London, ON: Ending Violence Association of Canada & Anova.

⁶ CFNU (January 2022), Canadian Federation of Nurses Unions Member Survey Summary Report.

⁷ Statistics Canada (2022), "Job vacancies fourth quarter 2021," The Daily, March 22, 2022.

⁸ Statistics Canada. Table 18-10-0004-01, Consumer Price Index, monthly, not seasonally adjusted.

⁹ Pat Armstrong, Hugh Armstrong, Jacqueline Choiniere, Ruth Lowndes, and James Struthers (2020), <u>Re-imaging long-term</u> <u>residential in the COVID-19 crisis</u>, Canadian Centre for Policy Alternatives.

¹⁰ Government of Canada, Early Learning and Child Care Agreements.



¹¹ Child Care Now (2021), Canada's Roadmap to Affordable Child Care for ALL

¹² Wages gains for public sector workers were about 1% a year between 2018 and 2021 in Ontario (1.3%), Saskatchewan (0.9%) and Manitoba (1.2%), while wage gains have amounted to almost nothing in Alberta (0.2%) and Newfoundland and Labrador (0.3%). ESDC, Major wage settlements by sector and jurisdiction (detailed).

¹³ Armine Yalnizyan (2021), <u>The price of cheap</u>.

¹⁴ Ontario Nurses' Association (2021), <u>ONA statement on volunteering at vaccination clinics</u>.

¹⁵ Sara Mojtehedzadeh (2021) "<u>Long-term-care homes needed staff during COVID-19. So they turned to gig workers. Inside the 'Uberization' of health care," Toronto Star, March 19, 2021.</u>

¹⁶ Fay Faraday (2017), <u>Demanding a fair share: Protecting workers' rights in the on-demand service economy</u>, Canadian Centre for Policy Alternatives – Ontario.

¹⁷ Jackie Brown, Amit Arya, Andrew Longhurst (2021), <u>How can we start to make Canada's long-term care homes about care, not profit?</u> Policy Options, September 15, 2021; Gordon Cleveland (2021), <u>What's wrong with for-profit child care?</u> ChildCarePolicy.Net, June 21, 2021.

¹⁸ Nathan M. Stall, Aaron Jones, Kevin A. Brown, et al. (2020), "<u>For-profit long-term care homes and the risk of COVID-19 outbreaks and resident deaths</u>," CMAJ 2020;10.1503/cmaj.201197.

¹⁹ Jim Stanford (2021), <u>The Role of Early Learning and Child Care in Rebuilding Canada's Economy after COVID-19</u>, Centre for Future Work.

²⁰ A new comparative study of 82 countries finds making the investments required for universal, collectively funded childcare and long term care services, as well as adequate paid care leave and breastfeeding breaks to parents, would create 300 million jobs by 2035, increasing women's employment rate and reducing the gender gap in employment to below 3 percentage points or even negative territory in a third of the countries studied. These investments would generate considerable revenue to cover a substantial portion of related costs. Jerome De Henau (2022), Costs and benefits of investing in transformative care policy packages: A macrosimulation study in 82 countries, ILO Working Paper 55.

²¹ Government of Canada (2021), <u>Budget 2021: A Recovery Plan for Jobs, Growth and Resilience</u>.

²² The government of Canada announced an investment of \$420 million for the 2021-22 fiscal year to support the child care workforce. In Budget 2021, \$38.5 million over two years was dedicated to the training of 4,000 Personal Support Workers.

²³ Canadian Centre for Policy Alternatives (2021), <u>Mission Critical: Alternative Federal Budget 2022</u>.

²⁴ Special Senate Committee on the Charitable Sector (2018), <u>Catalyst for Change: A Roadmap to a Stronger Charitable</u> Sector.

²⁵ Health care workers paid a high price: over 150,000 health care workers have contracted COVID-19 and 46 have died according to the Canadian Institute for Health Information. CIHI (2022), <u>COVID-19 cases and deaths in health care workers in Canada – infographic.</u>

²⁶ Sara Slinn (2020), "<u>Broader-based and sectoral bargaining in collective-bargaining law reform: A Historical Review,"</u> Labour, Issue 85.

²⁷ Employment New Zealand (nd), Pay Equity.

²⁸ See Caregivers' Action Centre, Vancouver Committee for Domestic Workers and Caregivers Rights, Caregiver Connections, Education and Support Organization, Migrant Workers Alliance for Change (2020), <u>Behind Closed Doors</u> for a discussion of the experiences of migrant care workers during the pandemic and proposed recommendations for change.

²⁹ Standing Committee on the Status of Women (2021), <u>Impacts of the COVID-19 pandemic on women</u>, House of Commons, p. 27.