

# The Chrétien legacy and women's equality

From the perspective of women's economic equality, the Chrétien era amounted to 10 lost years. The momentum begun with the 1970 Royal Commission on the Status of Women slowed during the second Mulroney mandate and came to an almost complete halt during the Chrétien years.

## THE LIBERAL MODEL OF EMPLOYABILITY

Taken as a whole, the changes contributed to the construction of a new model of the welfare state, which political scientist Ann Porter has characterized as the "employability model." This model is premised on a polarized labour market for both men and women with state policies for income support and services reinforcing the precariousness of those at the bottom end. It assumes the labour market participation of the overwhelming majority of women but on terms of inequality for all but a small stratum of the professionally trained or highly skilled. In the absence of services to replace the domestic labour of women in the home, improved opportunity for women at the upper end of the labour market is subsidized by the low wages of women employed in caring services in commercial establishments or in private homes.

Policies of the Liberal government have contributed to the construction of this new model in a number of areas, including unemployment insurance, social assistance, training policy, and children's benefits and services.

By the time the Liberals assumed office, changes by the previous government to Employment Insurance had reduced the percentage of the unemployed actually receiving EI benefits to 57 percent, down from 74 percent in 1987. Under Liberal government changes, the coverage rate declined to 39 percent by 2001. The change to basing eligibility on hours worked rather than on weeks worked hit women particularly hard and resulted in a steadily increasing gender

BY BARBARA CAMERON

Barbara Cameron is a professor with the School of Women's Studies and School of Social Studies, Atkinson Faculty of Liberal and Professional Studies, York University.

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gap in coverage. In 1994, there was a four point difference between the coverage rates of men and women; by 2001 this had grown to 11 points. The gender gap reached 15 points in the childbearing and early child rearing age groups. Married women were further disadvantaged by the 1997 shift from individual to household income testing for the family supplement.

## BROKEN PROMISES

Adequate levels of social assistance are a cornerstone of autonomy for many women with children, providing an exit option for those in abusive or otherwise unsatisfactory relationships and basic

subsistence for single mothers. Along with cutting the social transfer to the provinces, the 1995 federal Liberal budget eliminated the Canada Assistance Plan and with it the federal conditions, including the right to social assistance based on need that constituted basic social rights for the poor. The elimination of the conditions signalled federal support for the workfare strategies of provinces, which as Jamie Peck points out, are directed not at creating jobs for workers who need them but at "creating workers for jobs nobody wants."

When the Liberals came into office, the Conservative policy of targeting funding for labour market training to equity groups was still in place, although the shift to "employability" training for social assistance recipients had begun. The offloading of federal training expenditures onto the EI fund was also already underway. The Liberals accelerated the pace of change in the same direction, eliminating spending on training out of general revenue in the name of devolving responsibility to the provinces and entering into bilateral agreements to allow provinces to use EI funds to train social assistance recipients. In the process, funding for training programs targeted to women disappeared and the infrastructure of women's community-based training organizations was undermined.

## CHILD CARE AND CUTBACKS

The 1993 Liberal Red Book promised a significant expansion of funding for child care through cost-sharing arrangements with the provinces. If fully taken up by the provinces, the promised \$720 million in cost-shared money over three years would have resulted in an infusion of over \$1.4 billion of government money into the child care system and 150,000 new regulated spaces. The promise, along with the cost-shared Canada Assistance Plan, fell victim to Paul Martin's 1995 budget. Child care came back on the

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gram would benefit the regulated sector, but left the province responsible for defining “regulated.” This left child care advocates nervous.

The constraints of space do not permit me to describe in any detail all the social policy initiatives of the Chrétien government. Most notably, the National Child Benefit (NCB) was an important innovation and—as it grows—it becomes more significant. But it is worth noting that the NCB set the stage for another federal–provincial wrinkle; to the dismay of most child poverty advocates, Ontario decided to “clawback” this benefit from social assistance recipients by reducing welfare rates by an identical amount. This is permitted by the federal government, provided the province can demonstrate that the savings have been invested in child care or other in-kind services for low-income children and their families. In Ontario, many activists disputed Ontario’s contention that it was honouring the agreement, and that equivalent services were being supported.

### GETTING BACK TO THE CITIES

Finally, it is worth noting that the federal

government’s social policy initiatives have largely ignored the most remarkable social change in Canada in the past few years. As *The Economist* and many others have pointed out, the greatest divide in Canada today is between the country’s large urban regions and the rest of the country. This is a product of globalization. Large urban regions are fully connected to the global economy, particularly through immigration. Between 1996 and 2001, 62 percent of Canada’s population growth occurred in four cities—Toronto, Montreal, Vancouver, and Ottawa. Non-urban areas as a whole lost 25,000 people.

Large urban areas are characterized by extremes of wealth, and the increasing concentration of urban poverty. As Judith Maxwell has argued, poverty in Canadian cities has become more concentrated in discrete neighbourhoods. At the same time, the capacity of municipal governments to undertake significant social policy innovation is diminished by a combination of property tax dependence, and downloading. There is a growing need to focus more energy on the livability and vitality of our urban areas. This does not come easily to the

senior levels of government, which have historically expended more energy on providing services equally across jurisdictions; these governments have difficulty with what Jane Jacobs calls the “particularity” of large urban areas.

Interestingly, it was a speech on this issue that triggered the political stand-off that began with Paul Martin’s resignation as finance minister and ended with the announcement of Jean Chrétien’s retirement in August 2002. Paul Martin delivered a speech to the Federation of Canadian Municipalities that described a different relationship between the federal government and municipalities. As part of his campaign for the Liberal leadership, he confirmed his commitment to sharing a portion of the federal gas tax with municipalities.

It is not yet clear whether a Paul Martin government will have the fiscal or policy flexibility to work with municipalities on an innovative social policy that reflects the rise of city-regions. Nevertheless, there are important signals that the treatment of municipalities—and big cities, in particular—will be one policy area where he hopes his government can distinguish itself from its predecessor. ❁

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political agenda in 2003 when Finance Minister John Manley’s budget committed \$25 million for early childhood development services in 2003-04 with the promise of an additional \$875 million over the following four years. With Manley out of politics and Jane Stewart, the main proponent of the 2003 initiative, out of the Cabinet, there is reason for skepticism about the renewed child care promise.

Rather than direct resources to services, the Chrétien Liberals chose to frame support for working parents in terms of an employability agenda. They significantly enhanced the Conservative’s child tax benefit and offered provinces the option of reducing the amount

that goes to social assistance recipients in order to encourage labour market attachment. Structured as a negative income tax benefit, the child tax benefit might well play a role within a coherent set of family and labour market policies. In the absence of child care services and in the context of federal and provincial policies directed at creating greater competition at the bottom end of the labour market, the measure operates primarily as a subsidy to low-wage employers.

### THE ONE BRIGHT SPOT

The extension of marital/parental leave under the Employment Insurance Program to a total of 50 weeks stands out as an important exception to the over-

all lack of progress on women’s equality measures under the Chrétien Liberals. It is a gain that will be difficult for any subsequent government to reverse. The absence of a coherent Liberal family policy is, however, evident in the fact, noted above, that other changes to EI resulted in women of childbearing/rearing ages losing their entitlement to EI benefits and therefore to maternity and parental benefits.

The employability model of the welfare state was constructed primarily through measures introduced in budgets during Paul Martin’s term as finance minister. The 10 lost years for women’s equality should therefore be seen as a joint Chrétien /Martin legacy. ❁