

Guaranteed income won't help women: Opinion ^[1]

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EXCERPTS

The basic income guarantee (BIG) as being framed in Ontario today may well be a conversation-changer. But in reality, it will change the conversation away from meeting the biggest demonstrated labour market and income equality challenge in Canada right now — ensuring that Canada's increasingly well-educated female, indigenous, racialized, refugee, and immigrant populations have equal access to equal pay and affordable, flexible, and accessible care resources.

The original basic income experiment in Manitoba demonstrated that the basic income payments encouraged more women with young children to take more time off paid work to provide unpaid care work. It is well known that it is precisely women's long-term absence from paid work during lengthy parental leaves that exacerbates gendered pay and income gaps.

The only other labour market disincentive effect that Manitoba's experiment had was to encourage young men to stay in their education programs longer. Thus, the Manitoba experiment showed it actually increased gender-based economic inequalities at that time.

Why would Ontario, with one of the highest levels of highly educated and motivated women in paid work, want to set up a program to undercut those women's chances of achieving economic gender equality in their lives?

Especially because Canada provides less child care support than any of the other richest countries in the world (the OECD countries), it is urgent that large budgetary allotments, such as the \$8 billion the BIG experiment would apparently cost Ontario, be devoted to meeting care needs in Ontario, and to ensuring that all paid work in Ontario is gender equal in all dimensions.

If women are offered between 75 per cent and 100 per cent of a poverty-line income, no strings attached, it will make it all the more financially difficult for them to opt instead for paid work that involves high costs for care, high gender income gaps, and harsh levels of income and social security taxation.

At 75 per cent to 100 per cent of poverty level incomes, the BIG would also place pressure on recipients to join the shadow economy to avoid large clawbacks of the BIG allowance. It would reward all the wrong choices for a country that holds gender equality as a fundamental and core value.

Canada as a nation already spends at least \$24 billion per year to subsidize the unpaid work of single and potential second-earner parents, a vast sum that could, if redirected, easily provide the funding for universal care programs in Canada.

Comparative research makes it clear that countries that want to, and need to, take advantage of all the talents of all adults in their labour forces actively prioritize child care funding to make sure paid work can pay for all adults, not just for those who can rely on women to provide the bulk of unpaid care work.

An OECD study demonstrated that a second-earner parent earning two-thirds of the average Ontario wage could expect to spend 78 per cent of their gross earnings on taxes plus child care (Toronto, 2012), leaving just 22 per cent of their gross pay as "take home" income net of all taxes, subsidies, and child care costs.

The same study showed that single parents would only take home 6 per cent of their gross earnings after all taxes and care costs are taken into consideration. The entire Canadian and Ontario tax/transfer systems are heavily weighted against enabling women to make paid work pay.

If Ontario wants to optimize the talents of its highly educated and motivated labour force, it will build out its social security system, provide meaningful paid work incentives for those who can move off of social security into decent paid work that can finance lifelong economic security, and establish better income safety nets for those facing unemployment, disability, and unexpected economic crises.

And it will also increase its contributions to post-secondary education so it does not continue to disincentivize those who have to mortgage their futures to student loans in order to someday earn an economically secure wage.

Given the importance of increasing the productivity of all members of Canadian society, the BIG will clearly make it even harder for paid work to pay for any adult who is singled out by tradition, finances, family resources, or workplace discrimination to be the family caregiver.

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