Why the gender budget is important to Canada - and what it got wrong

Opinion

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The new federal budget may have been Canada's first gender-equality budget, but it didn't please everyone. It has been criticized as a too-much budget (too much gender), a too-little budget (too little deficit reduction) or a pre-election budget (sprinkling relatively small investments across a number of policy areas).

But Budget 2018 is unlike any of its predecessors, representing a historic and aspirational statement of ambition, with potentially transformative social and economic consequences that go well beyond the budget-postmortem news cycle.

Significantly, it introduces a new architecture for analysis called Gender-Based Analysis Plus. GBA+ is an approach that asks how policies, spending and taxation measures differ for women and men, as well as across intersecting axes of social location (i.e., gender identity, income, Indigeneity). It is thus continuously self-reflective.

Budget 2018 sets benchmarks and invests in data gathering, creating metrics to track improvement or slippage across categories such as leadership, violence and poverty reduction. It sets a starting point for diagnosing and addressing inequalities, and –crucially – proposes legislative steps to ensure that future federal budgets also undergo GBA+ analysis.

Recognizing the economic consequences of an aging work force, Budget 2018 anchors long-term national prosperity to women's economic equality, labour market participation and leadership. Canada's labour force profile shows that an increase in well-educated women has not translated into proportional labour-market participation. Women's overall participation rate remains 10 per cent below men's, they face a gender wage gap above the OECD average, and women represent only one in four senior managers. As a result, Canada's real GDP is more than 4 per cent below where it might be if more women were in the labour force. Increasing growth potential does more than help the economy overall; it raises living standards and tackles poverty.

The gender budget pulls important initial levers in support of greater gender equality. It invests in measures to combat gender-based violence and harassment, proposes pay-equity remedies, adds five weeks of parental leave for a second caregiver, lets mothers earn income part-time while receiving maternity-leave benefits, enhances tax benefits for low-income earners and encourages greater access to STEM fields, apprenticeships and board positions for women.

But for all these gains, Budget 2018 misses two crucial policy levers that significantly affect how individuals and families balance work and care: reforming Employment Insurance-funded maternity and parental leaves, and building an early-learning and child care system.

So, what must Budget 2019, using a GBA+ analysis, do to meet Canada's gender-equality goals?

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For maternity and parental leaves, there are three important issues. First, the amount that individuals receive remains too low (55-percent income replacement for 12 months, or 33 per cent for 18 months), particularly for low-income households. Second, international research reveals many problems with lengthy leaves, which exacerbate the motherhood penalty in earnings and contribute to women's lifetime poverty risk. Finally, the eligibility criteria are too restrictive, with more than 30 per cent of mothers not currently eligible for EI leaves. Budget 2019 should raise the national income-replacement rate to that of Quebec (70 per cent) and increase eligibility. Higher replacement rates may have the effect of encouraging second parents to share leaves, decreasing the motherhood wage penalty.

Leaves and child care go hand in hand. Investments in child care are essential in terms of increasing child-care spaces, making child care more affordable and encouraging women's labour market participation. Budgets 2016 and 2017 announced \$7.5-billion spread over 11 years for early learning and child care, however, even years from now, Canada's spending will be far below the international benchmark of 1 per cent of GDP.

To achieve gender equality and secure long-term economic prosperity, Budget 2019 should establish a universal publicly funded child-care system (based on need/demand) that is affordable, accessible, high quality and public or not-for-profit. This will assist parents to work, reduce poverty, create jobs for early-childhood educators (who are disproportionately women) and improve social and learning outcomes for children.

Legislative work is needed before the next election, or all these gains could be lost. GBA+ must become a permanent budgeting practice; child care is especially vulnerable, as we saw when former prime minister Stephen Harper cancelled a national child-care framework in 2006.

An important next step is to revisit the 2006 Early Learning and Child Care Act that sought to protect child-care programs through a Canada Health Act-style governance structure. Such a move will cement Canada's commitment to gender equality and a fairer, stronger future.

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