

Trudeau advisers say there is a way out of the Covid-19 downturn: Child care ^[1]

The crisis has hit women especially hard.

Author: Blatchford, Andy

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EXCEPRTS

OTTAWA — Justin Trudeau, Canada's self-described feminist prime minister, is facing a test of those bona fides with pressure to counter Covid-19's economic crisis in a way that supports an especially hard-hit demographic: women.

Influential, outside-of-government policy experts invited to advise Trudeau about the economic shock have made the case to the prime minister that Canada's response must address job losses that have, so far, stung women more than men.

Trudeau has been told that cutting big stimulus checks to drive infrastructure projects — historically, the centerpiece of government answers to economic crises — won't be enough. Instead, he's been advised a key ingredient of the country's recovery must be child care.

Experts who have had Trudeau's ear say because of the heavy job losses borne by women early in the crisis — and no easy path back to employment — the country is going to need a new playbook to dig itself out of the recession. Time will reveal if he's been listening.

"It was the world's first she-cession and it was not unique to Canada or the U.S.," said Armine Yalnizyan, a fellow with the Atkinson Foundation and one of the experts who Trudeau has sought out for advice. "No recovery without child care. If 50 percent of your employed workforce is female, they can't go back to work without child care."

Yalnizyan, like others who have been called in to share their thoughts with the prime minister, say they've been making the same arguments in public that they made directly to Trudeau.

So far the government has focused on the immediate health and economic emergencies and has yet to reveal its longer-term recovery plan.

Jennifer Robson, a social policy expert from Carleton University, says child care will have to be a "huge part of the plan for getting out of this."

Trudeau gathered Robson, Yalnizyan and several other economists who have advised the Liberals in the past on an April 19 "stock-take" call.

Unlike post-war recessions that have battered male-dominated goods-producing jobs, the initial fallout from the pandemic lockdowns had a particularly devastating effect on service sectors. Women have been disproportionately filling lower-paid positions in such services as education, travel, retail and hospitality.

Canada shed more than a million positions in March — the worst one-month drop on record — and women absorbed 62 percent of the losses. Around 95 percent of the March decline came in the services sector, where most women hold jobs.

On Friday, Statistics Canada released fresh numbers for April that broke March's record with a decline of nearly two million jobs. The data found the gender gap narrowed last month as employment fell sharply in male-dominated, goods-producing businesses.

But women still represented 51 percent of the job losses since February. Yalnizyan and Robson argued Friday that measures will have to focus on promoting a female recovery.

For instance, Yalnizyan said April's numbers don't yet reflect that steps in May towards the economic reopening will mostly bring back male-dominated jobs — like those at golf courses, garden centers and car dealerships. On the other hand, a lot of female-dominated work, in areas like retail, restaurants and travel, are unlikely to bounce back as quickly, if at all. Many of these types of businesses could be wiped out.

"There's no easy recovery path for women — so it's still going to be a she-cession," Yalnizyan said.

"Even if you accelerate infrastructure, there's not enough men to make up the difference in the loss of women's jobs. Mathematically you can't recover by simply having a he-covey — you need women to get back to work but there's no easy path there."

When it comes to gender equity, it's important politically for Trudeau to get it right. He leads a self-proclaimed feminist government that has, for instance, maintained a gender-balanced Cabinet since coming to power in 2015 and applied a gender lens on its budget and policy development processes.

"This is one of the first recessions we've ever seen that has so hard hit vulnerable workers in the service sector, particularly women and new Canadians and young people," Trudeau said Friday morning of the latest job numbers. He said rebuilding plans must consider how better to support these demographics.

The federal government has announced direct emergency aid of more than C\$140 billion for individuals and businesses affected by Covid-19's economic damage. The package has also included a temporary boost to child-benefit payments.

Trudeau underlined some of these measures earlier this week when asked by a reporter how his government intends to support women during the pandemic. The prime minister acknowledged that "women have been extremely hard hit in the service sector, in the home-care sector as well as a number of marginal and more challenged communities whether it be new Canadians or whether it be young people."

His government will come under pressure to provide even more support and to gear some of it toward helping women.

Robson said while child care falls under the jurisdiction of provinces and, in some cases, cities, the federal government has by far the most fiscal room to make an impact.

She said many child care providers affected by Covid-19 closures will need financing boosts; otherwise, they may struggle to hang on to their spaces. Robson suggested governments could make temporary use of shuttered public recreation centers or schools to create child care spaces.

Bottom line, she argued, is that if nothing is done, the fallout will be felt by everyone.

Robson said she crunched 2017 figures that showed the average Canadian household with kids would lose 40 percent of its income if a mother left her job outside the home. "And if you have household incomes for an important share of your population drop by 40 percent ... that's a potential macroeconomic disaster," she said.

Mike Moffatt, another economist who has directly advised Trudeau during the pandemic, says the search for solutions has so far been like "battlefield surgery."

Moffatt, a senior director of the Smart Prosperity Institute think tank, said even a recession that somewhat disproportionately affects women is unheard of. While infrastructure investments will play a role in the recovery, child care will be "pivotal," he added.

"It's not so much that we're necessarily going to stop doing things that we would normally do in a recession, but we're going to have to add on a bunch of things," said Moffatt, who helped advise Trudeau on his 2015 election platform.

"We weren't really thinking about child care in the 2008-2009 financial crisis — but I think now we need to be."

Moffatt, also a professor at Western University, added that the federal government can offer tax subsidies to help parents, and it can also help bankroll provinces and municipalities to deliver it.

Yalnizyan said a complicating factor is that many parents will be unwilling to send their kids back to school and child care centers due to Covid-19 fears.

In an interview that aired Sunday on the TV talk show *Tout Le Monde en Parle*, Trudeau was asked if he would be ready to send his young children to school in Quebec, where the government plans to reopen classrooms next week.

The prime minister, whose kids attend a school in Ontario, paused before saying: "I don't know. It's going to be an extremely personal decision for many, many parents."

Another issue, Yalnizyan said, is that it's still unclear which businesses — especially smaller ones like hair salons, restaurants and even child care centers — will be wiped out by the shutdowns.

To help bring back services jobs dominated by women, governments will need to boost consumer confidence and invest more in social infrastructure like child care facilities.

Asked about her recent exchange with Trudeau, Yalnizyan said she's conveyed the same messages in public.

"What I said at the stock take looks an awful lot and sounds an awful lot like what I just said to you," she said.

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