

Ontario budget 2012: Austerity is bad for our health ^[1]

Will the budget avoid harm to children, low-income Ontarians, and women?

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AVAILABILITY

Full article in pdf ^[2]

Excerpts:

HEALTH IMPACTS OF DRUMMOND'S SOCIAL SPENDING RECOMMENDATIONS

Social spending in the Drummond Report is spared the outright reductions he recommends in other areas. The Report also recommends increases in spending for health care, education, and post-secondary education. While none of these increases will keep up with inflation and population growth, social spending has the smallest increase: 0.5 percent per year as compared with 2.5 percent for health care, 1 percent for education and 1.5 percent for post-secondary education. Social spending includes social assistance, developmental services, child protection, Ontario Child Benefit, child and youth mental health, youth justice, and child care.

While this recommendation appears to acknowledge the importance of social spending, it is largely symbolic. Social spending in Ontario has increased by 6 percent a year between 2000 and 2010.¹² An increase in spending of only 0.5 percent, is in actuality, a real, per-capita decrease in funding of 16 percent by 2017-18.¹³ Social spending will be 27 percent lower in 2017-18 than it would be if it continued to grow at the 6 percent rate that it has over the last 10 years.

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The Report recommends that the Ontario Child Benefit be frozen at its current level, despite the government's commitments to increase it to a maximum of \$1,310 per child, per year, from its current level of \$1,100.¹⁶ This will reduce incomes for low-income families with children. The evidence is clear that child poverty is closely linked to ill-health. The social spending recommendations will also reduce the level of services available for children who are at risk. Early childhood interventions have a positive impact on health and well-being throughout one's lifetime. These cutbacks to services will have social and economic costs, both now and for years to come.

Any attempt to restrain social spending to a growth rate of 0.5 percent cannot be accomplished solely by increased administrative efficiency. Administrative costs for the Ministry of Community and Social Services amounted to \$38 million in the 2010-2011 fiscal year.¹⁹ The total elimination of all administrative costs in that ministry, which accounts for 0.4 percent of its total operating expense, would not be sufficient to slow spending down from 6 percent to 0.5 percent.

Achieving Drummond's recommended growth rate in expenditures will require reductions in services for children and for people with disabilities. It will also require either a reduction in already inadequate levels of social assistance support or tightening of qualifications that will reduce eligibility for benefits at a time when labour market prospects for many unemployed people in Ontario are grim.

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GENDER IMPACTS OF DRUMMOND RECOMMENDATIONS

The burden of reductions in public services, loss of public sector employment, and shift in public sector employment recommended by Drummond will all fall more heavily on women than on men. The Drummond Report calls for reductions in government spending that will reduce services, reduce employment in the public sector, and shift employment within the public sector from better paid unionized jobs with pensions and benefits to more precarious work. This shift in employment will have a differential impact by gender.

Women comprise just over 60 percent of Ontario public sector employees, and about 47 percent of private sector employees. As a result, public sector layoffs will have a disproportionate impact on women. These impacts will be compounded by the differences in wages for women in the public and private sectors. On average, women employed in public sector jobs are paid 4.5 percent more than women in comparable occupations in the private sector: \$45,821 compared to \$43,841. Men in the public sector are paid an average of 5.3 percent less: \$57,318 compared to \$60,531.²¹ Privatization or contracting out of services will have a negative impact on women's earnings. Private delivery of services and a shift to community-based health care delivery will have a disproportionate impact on women, moving them into more precarious employment where they are less likely to be unionized and are typically paid less.

Caregiving makes up a substantial portion of public services. When these services are reduced, the responsibility falls on women to pick up the slack. For example, 21 percent of women in Ontario provide unpaid caregiving to seniors as compared to 16 percent of men. Women

also provided more hours of caregiving, with 9 percent spending more than 5 hours a week as compared to 5.7 percent of men. The loss of public services will increase unpaid work for women while also reducing their remuneration and opportunities for paid work.

The impact of reducing women's employment and wages are not, of course, limited to women. The table below shows the increasing importance of women's contributions to family incomes. The increase in the share of families where women contribute more than 50 percent of income has been sharpest in areas of the province that have been particularly hard hit by the downturn in manufacturing.

Region: Ontario ^[3]

Tags: budget ^[4]

health ^[5]

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